



a unit trust constituted on 19 January 2006
under the laws of the Republic of Singapore



Oakwood Premier Ayala Center
(to be re-branded Ascott Makati)



Shoan Heights Serviced Apartment,
Melbourne (to be re-branded
Somerset Gordon Heights, Melbourne)



Somerset Azabu East, Tokyo



Somerset Chancellor Court,
Ho Chi Minh City



Somerset Roppongi, Tokyo

OFFER INFORMATION STATEMENT DATED 12 MARCH 2007

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

The collective investment scheme offered in this document is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement.

Lodgment of this Offer Information Statement with the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the new units (the "New Units") in Ascott Residence Trust ("ART") on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Equity Fund Raising (as defined herein), the New Units, the Waivers (as defined herein) or ART.

This Offer Information Statement is not for distribution, directly or indirectly, in or into the United States, Japan or Canada. It is not an offer of securities for sale into the United States, Japan or Canada. The New Units may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

No units in ART (the "Units") shall be allotted on the basis of this Offer Information Statement later than the date falling six months from the date of lodgment of this Offer Information Statement.

OFFER AND PLACEMENT OF UP TO 108,107,462 NEW UNITS BY WAY OF:

- (A) A NON-RENOUNCEABLE PREFERENTIAL OFFERING OF 49,940,088 NEW UNITS AT THE PREFERENTIAL OFFERING ISSUE PRICE OF BETWEEN S\$1.83 AND S\$1.88 PER NEW UNIT OF ONE NEW UNIT FOR EVERY 10 EXISTING UNITS HELD ON THE PREFERENTIAL OFFERING BOOKS CLOSURE DATE (FRACTIONS OF A NEW UNIT TO BE DISREGARDED AND SUBJECT TO THE ROUNDING MECHANISM (AS DEFINED HEREIN)) TO SINGAPORE REGISTERED UNITHOLDERS;
- (B) AN OFFERING OF 8,000,000 NEW UNITS TO RETAIL INVESTORS IN SINGAPORE AT THE ATM AND PLACEMENT ISSUE PRICE OF BETWEEN S\$1.85 AND S\$1.90 PER NEW UNIT THROUGH THE ATMS OF DBS BANK (INCLUDING POSB) ON A "FIRST-COME, FIRST-SERVED" BASIS; AND
- (C) A PLACEMENT OF UP TO 50,167,374 NEW UNITS AT THE ATM AND PLACEMENT ISSUE PRICE OF BETWEEN S\$1.85 AND S\$1.90 PER NEW UNIT TO INSTITUTIONAL AND OTHER INVESTORS.

The Preferential Offering Issue Price and the ATM and Placement Issue Price will be determined by the Joint Lead Managers, Bookrunners and Underwriters, with the agreement of the Manager, within the respective ranges mentioned above, after an accelerated book-building process, and will be announced by the Manager thereafter. Such announcement will be made prior to the commencement of the Preferential Offering and the ATM Offering.

	Opens On	Closes On
ATM Offering "First-come, first-served" basis via DBS Bank Ltd (including POSB) ATMs	13 March 2007, 10.00am	13 March 2007, 5.00pm (subject to early closure, at the discretion of the Manager (in consultation with the Joint Lead Managers, Bookrunners and Underwriters), in the event that the New Units under the ATM Offering are fully subscribed)
Preferential Offering		
• Via Acceptance Forms	14 March 2007, 9.00am	20 March 2007, 4.45pm
• Via ATMs	14 March 2007, 9.00am	20 March 2007, 9.30pm

For enquiries, please contact us at 6389 9311 between 9.00 am and 5.00 pm, Mondays to Fridays (excluding public holidays).

Managed by Ascott Residence Trust Management Limited

Joint Financial Advisors



Joint Lead Managers, Bookrunners and Underwriters for the Equity Fund Raising



About Ascott Residence Trust

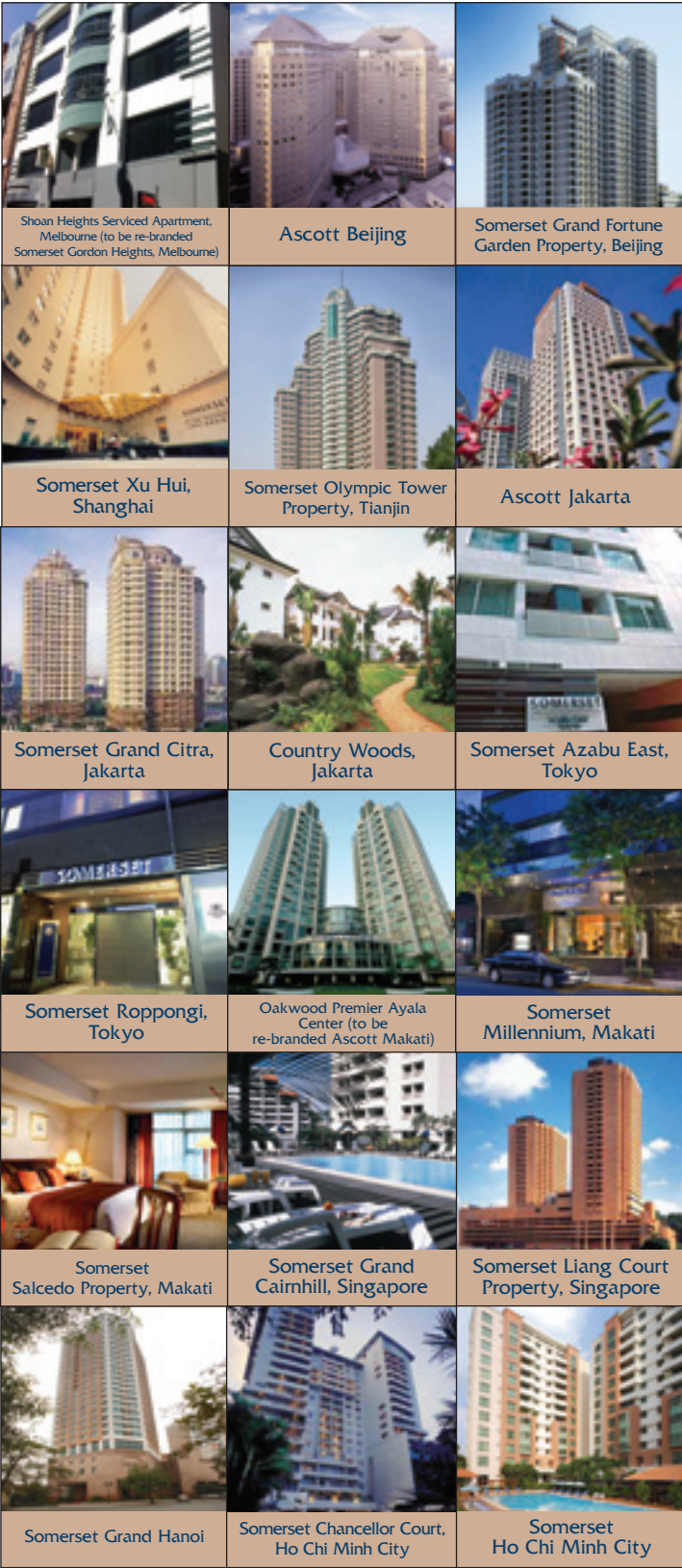
ART is the first Pan-Asian serviced residence real estate investment trust, and was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used, as serviced residences or rental housing properties in the Pan-Asian Region.

Upon completion of the Target Acquisitions, ART's asset portfolio will expand to S\$1.2 billion, comprising 18 properties with 2,904 Apartment Units in ten cities across seven countries.

ART is managed by Ascott Residence Trust Management Limited, a wholly owned subsidiary of The Ascott Group Limited.

For more information about ART, please visit www.ascottreit.com.

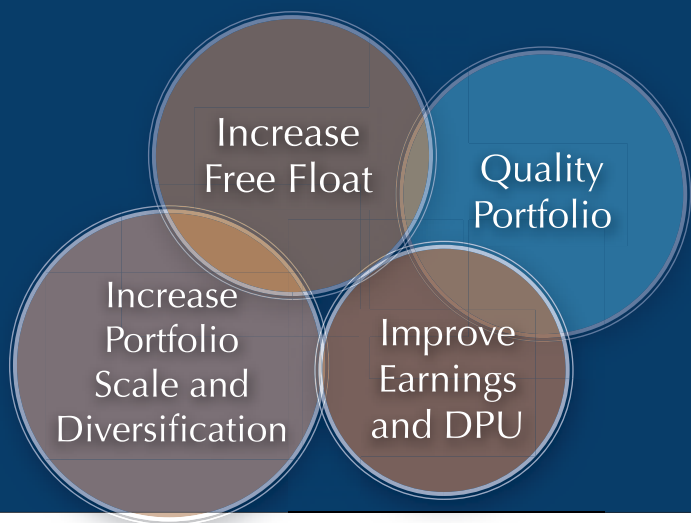
Pan-Asian Presence



Benefits to Unitholders

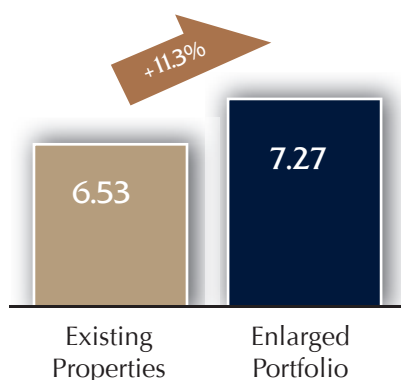
The Manager believes that the Target Acquisitions will allow Unitholders to enjoy the following benefits:

- Improve earnings and Distribution Per Unit (DPU) due to the yield-accretive nature of the Target Acquisitions
- Quality portfolio well-positioned to capture the growing demand for serviced residences in the Pan-Asian Region
- Increase portfolio scale and diversification
- Increase free float



The Target Acquisitions are in line with ART's strategy to invest in a diversified portfolio of strategically located quality serviced residences, and will expand ART's portfolio to 2,904 Apartment Units in 18 properties across seven countries, namely, Singapore, Australia, China, Indonesia, Japan, the Philippines and Vietnam.

Annualised DPU (cents)



Improve Earnings and DPU

The Manager believes that Unitholders will enjoy a higher DPU due to the yield-accretive nature of the Target Acquisitions. For the Forecast Period 2007, REVPAU for the Enlarged Portfolio is expected to be S\$124, compared to S\$121 for the Existing Properties.

Assuming an Illustrative Weighted Issue Price of S\$1.866 per New Unit and that 106.7 million New Units are issued under the Equity Fund Raising, ART's annualised forecast DPU for the Forecast Period 2007 upon completion of the Target Acquisitions and the Equity Fund Raising is approximately 7.27 cents, representing a distribution yield of approximately 3.9 percent. This represents a DPU accretion of approximately 11.3 percent over the forecast DPU of 6.53 cents based on the Existing Properties for the same period.

The Target Acquisitions also provide opportunities for asset enhancements such as selective renovation and potential reconfiguration of rooms to increase lettable space and provide value-added facilities to guests to potentially improve earnings further.

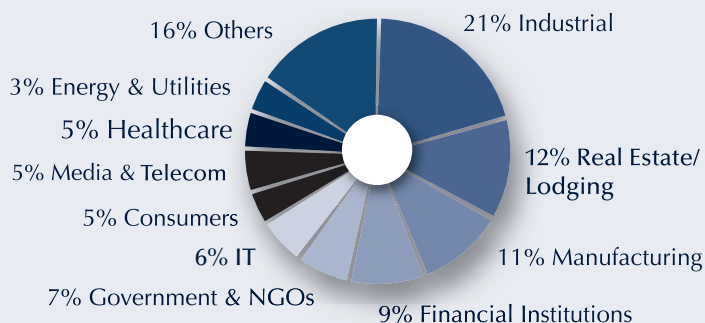
Quality Portfolio

The Manager believes that the Target Properties enjoy the following competitive strengths:

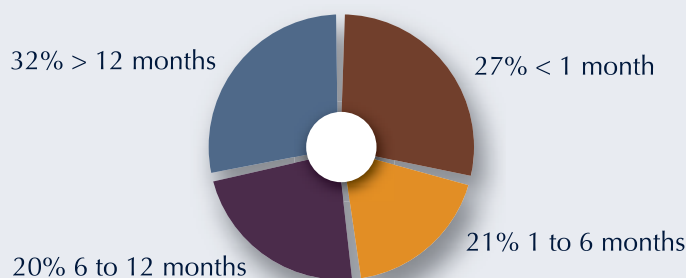
- Strategic locations within the respective cities' central business districts
- Fully-furnished quality serviced residences
- Quality guest profile which is diversified across market segments and industries
- Exposure to both growing and stable markets in the Pan-Asian Region

Diverse Tenant Mix and Quality Clientele

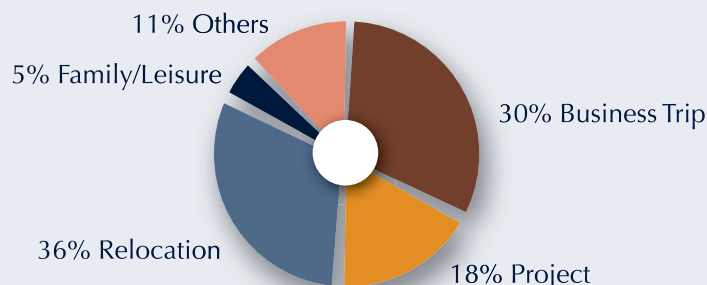
Apartment rental income by industry
For the Enlarged Portfolio generated for the year ended 31 December 2006



Apartment rental income by length of stay
For the Enlarged Portfolio generated for the year ended 31 December 2006



Apartment rental income by market segment
For the Enlarged Portfolio generated for the year ended 31 December 2006

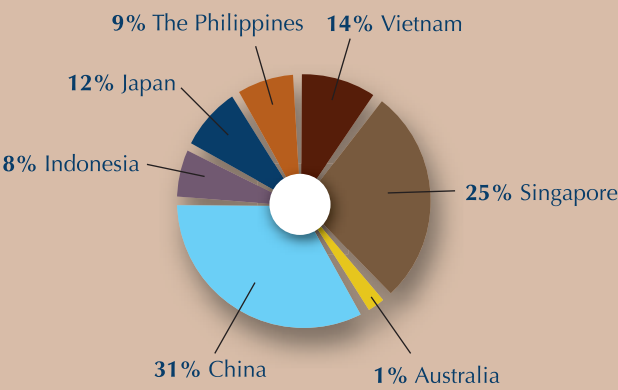


Increase Portfolio Scale and Diversification

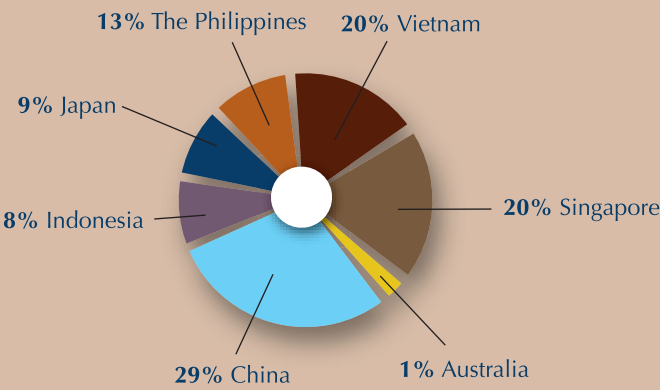
- With a balance of assets in stable as well as emerging markets in the Pan-Asian Region, ART enjoys diversification across economic cycles
- Its first acquisition in Melbourne gives ART access to an established serviced residence market and creates a platform for it to develop a deeper presence in Australia
- An increased presence in Japan gives it further exposure to a stable market
- The addition of the Target Properties in the Philippines and Vietnam will offer exposure to two growing emerging economies. ART will also enjoy cluster synergies with its other properties in those cities and improve operating efficiencies
- With the inclusion of the Target Properties, ART's share of Property Values will increase to approximately S\$1.2 billion

Enlarged Portfolio: 2,904 Apartment Units in 18 properties, across 10 Pan-Asian cities in seven countries

By ART's Share of Property Values of the Enlarged Portfolio ¹



By ART's Share of Gross Profit of the Enlarged Portfolio ¹

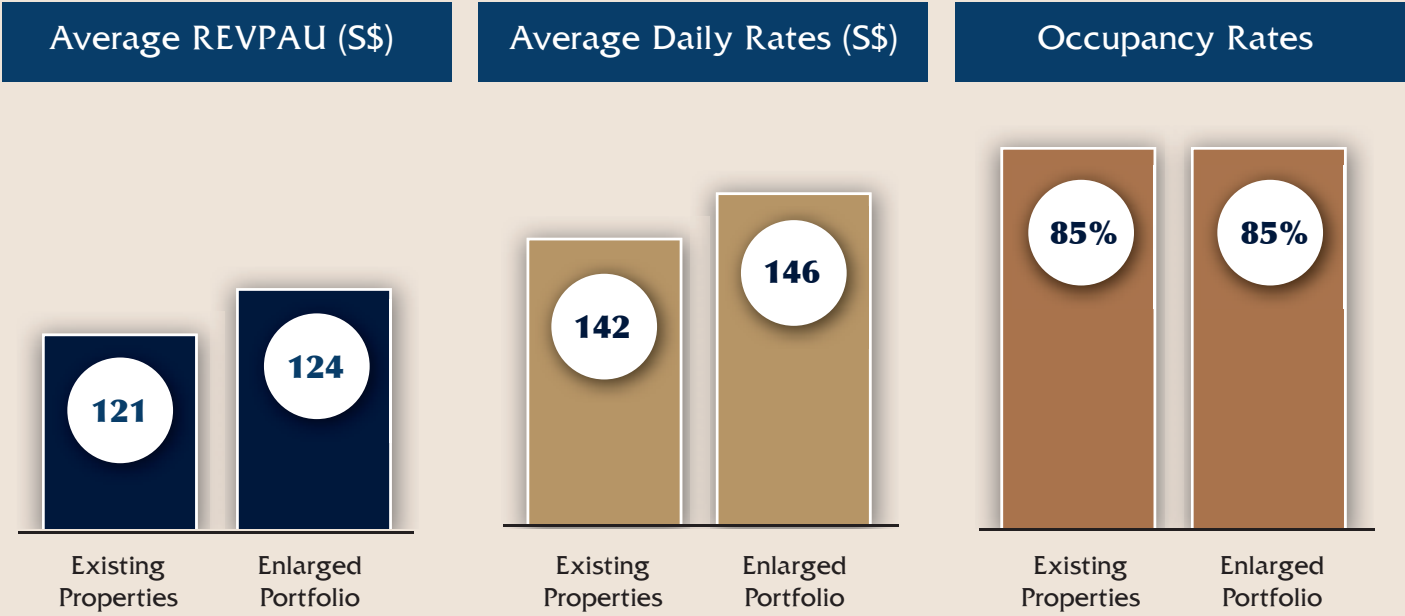


¹ For the Forecast Period 2007. Assuming the Target Acquisitions were completed on 1 April 2007

Increase Free Float

With the proposed issue of New Units under the Equity Fund Raising and assuming that ART issues 106.7 million New Units at an Illustrative Weighted Issue Price of S\$1.866 per New Unit, the free float of ART is expected to increase from the current 29.6 percent to an estimated 37.1 percent upon completion of the Equity Fund Raising. This will also broaden ART's investor base to include more retail and institutional investors.

Improved Portfolio Performance for the Forecast Period 2007



Note: Chart is not drawn to scale

NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Equity Fund Raising and, if given or made, such information or representations must not be relied upon as having been authorised by ART, Ascott Residence Trust Management Limited (in its capacity as manager of ART) (the “**Manager**”), DBS Trustee Ltd (in its capacity as trustee of ART) (the “**Trustee**”), DBS Bank Ltd (“**DBS Bank**”) or J.P. Morgan (S.E.A.) Limited (“**JPMorgan**” and DBS Bank together with JPMorgan, the “**Joint Lead Managers, Bookrunners and Underwriters**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of ART or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the New Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of ART or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and are required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET. All unitholders of ART (the “**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement, shall be deemed to have notice of such changes.

This Offer Information Statement may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction other than Singapore that would permit a public offering of the New Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to ART or the New Units in any jurisdiction other than Singapore where action for that purpose is required. The New Units may not be offered or sold, directly or indirectly and neither this Offer Information Statement nor any other offering material or advertisements in connection with the New Units may be distributed or published in or from any country or jurisdiction except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, legal or tax advice regarding an investment in the New Units and/or the Units.

DBS Bank and JPMorgan make no representation, warranty or recommendation whatsoever as to the merits of the Equity Fund Raising, the New Units, ART, the Target Acquisitions (as defined herein) or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the New Units. Prospective subscribers of the New Units should rely on their own investigation, appraisal and determination of the merits of investing in ART and shall be deemed to have done so.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Equity Fund Raising and may not be relied upon for any other purposes.

The New Units have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the benefit of, US Persons (as defined in Regulation S under the Securities Act (the “**Regulation S**”)).

The distribution of this Offer Information Statement and the placement of the New Units in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Offer Information Statement and/or its accompanying documents are required by the Manager, DBS Bank and JPMorgan to inform themselves of, and observe, any such prohibitions and restrictions.

The audited consolidated financial statements of ART for the financial period ended 31 December 2006 (the “**2006 Audited Consolidated Financial Statements**”) are deemed incorporated into this Offer Information Statement by reference, are current only as at the date of such financial statements, and the incorporation of the financial statements by reference will not create any implication that there has been no change in the affairs of ART since the date of such financial statements or that the information contained in such financial statements is current as at any time subsequent to the date of such financial statements.

Any statement contained in the above-mentioned financial statements shall be deemed to be modified or superseded for the purposes of this Offer Information Statement to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to form a part of this Offer Information Statement.

A copy of the 2006 Audited Consolidated Financial Statements is available on the website of ART at <www.ascottreit.com> and is also available for inspection during normal business hours at the registered office of the Manager at 8 Shenton Way, #13-01 Temasek Tower, Singapore 068811, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the New Units.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

¹ Prior appointment will be appreciated.

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.

Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. Investors have no right to request the Manager to redeem their Units while the Units are listed.

The past performance of ART is not necessarily indicative of the future performance of ART.

This Offer Information Statement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. A few special business factors or risks which are unlikely to be known or anticipated by the general investor and which could materially affect profits are set out under **Appendix A** of this Offer Information Statement.

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. All forecasts and projections are based on the Illustrative Weighted Issue Price (as defined herein) of S\$1.866 and on the Manager's assumptions as explained in **Appendix F** of this Offer Information Statement. DPU (as defined herein) will vary accordingly for investors who subscribe for or purchase Units at a price that is lower or higher than the Illustrative Weighted Issue Price of S\$1.866. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of this Offer Information Statement. The forecast financial performance of ART is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of this Offer Information Statement for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of ART before deciding whether to accept or purchase the New Units.

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DEFINITIONS

In this Offer Information Statement, the following definitions apply throughout unless otherwise stated:

2006 Audited Consolidated Financial Statements	:	The audited consolidated financial statements of ART for FY2006
Acceptance Form	:	The official printed acceptance form for the New Units provisionally allocated to Singapore Registered Unitholders whose securities accounts are credited with Units, to be used for the purpose of the Preferential Offering and which forms part of this Offer Information Statement
Advanced Distribution	:	The proposed distribution of the Distributable Income for the period from 1 January 2007 to the day immediately prior to the date on which the New Units are issued
Apartment Unit	:	An available apartment unit for lease or licence, as the case may be, in the Existing Properties or the Target Properties
Apartment Rental Income	:	Income from the rental or licensing of Apartment Units under ART's portfolio
Ascott Entity	:	The Ascott Group Limited or its wholly owned subsidiaries
Ascott Group	:	The Ascott Group Limited and its subsidiaries
Ascott Group Placement	:	Placement of New Units to The Ascott Group Limited and its subsidiaries as part of the Equity Fund Raising as would be required to maintain up to their respective pre-placement unitholdings, in percentage terms
ART or the Trust	:	Ascott Residence Trust, a unit trust constituted on 19 January 2006 under the laws of the Republic of Singapore
ATM	:	Automated teller machine
ATM and Placement Issue Price	:	The price per New Unit to be issued under the ATM Offering and the Private Placement, which will be between S\$1.85 and S\$1.90
ATM Offering	:	The offering of 8,000,000 New Units at the ATM and Placement Issue Price to retail investors in Singapore through the ATMs of DBS Bank (including POSB) on a "first-come, first-served" basis
Australia Target Acquisition	:	The acquisition of 100.0 percent effective interest in the Australia Target Property
Australia Target Property	:	Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne), Australia
Authority	:	Monetary Authority of Singapore
Average Daily Rates	:	Apartment Rental Income divided by the number of paid occupied nights during the applicable period

A\$:	Australian dollar, the lawful currency of Australia
business day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading
Capital Distributions	:	Capital component of the distributions made by ART out of Unitholders' contributions and representing such part of the income derived from the Target Properties that is not/cannot be repatriated back to Singapore in the form of dividends
CDP	:	The Central Depository (Pte) Limited
CFSL	:	CapitaLand Financial Services Limited
Contract of Lease	:	The contract of lease entered into between MPVI and Ayala Land Inc. in relation to the Philippines Target Property on 6 January 1996
Controlling Unitholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly, 15.0 percent or more of the nominal amount of Units; or (b) in fact exercises control over ART, as defined in the Listing Manual
CPF	:	Central Provident Fund
DBS Bank	:	DBS Bank Ltd
Deposited Property	:	All the assets of ART for the time being held or deemed to be held upon the trusts of the Trust Deed
Direct Expenses	:	Has the meaning ascribed to it in the Trust Deed
Directors	:	Directors of the Manager
Distributable Income	:	Comprises ART's taxable income and Net Overseas Income as determined to be distributed in accordance with ART's distribution policy
DPU	:	Distribution per Unit
EATC(S)	:	East Australia Trading Company (S) Pte Ltd
EGM	:	The extraordinary general meeting of Unitholders held on 23 February 2007
Enlarged Portfolio	:	The Existing Properties and the Target Properties

Existing Properties	:	Ascott Beijing, Somerset Grand Fortune Garden Property, Beijing, Somerset Xu Hui, Shanghai, Somerset Olympic Tower Property, Tianjin, Ascott Jakarta, Somerset Grand Citra, Jakarta, Country Woods, Jakarta, 40.0 percent beneficiary interest in Somerset Roppongi, Tokyo, Somerset Millenium, Makati, Somerset Salcedo Property, Makati, Somerset Grand Cairnhill, Singapore, Somerset Liang Court Property, Singapore, Somerset Grand Hanoi and Somerset Ho Chi Minh City
Equity Fund Raising	:	The proposed issue of New Units for placement by the Joint Lead Managers, Bookrunners and Underwriters to investors so as to raise gross proceeds of approximately S\$199.0 million
Existing Units	:	The outstanding Units in issue on the day immediately prior to the date on which the New Units are issued
Forecast Period 2007	:	The Manager's nine months forecast for the financial period ending 31 December 2007
FRS	:	Financial Reporting Standards
FY2006	:	Financial year ended 31 December 2006
FY2007	:	Financial year ending 31 December 2007
GFA	:	Gross floor area
Gross Profit	:	Has the meaning ascribed to it in the Trust Deed
Gross Rent	:	Comprises rental income (after rent rebates and provisions for rent free periods), service charge (which is a contribution paid by tenant(s) towards covering the operating maintenance expenses of the relevant property) and licence fees (where applicable)
Gross Revenue	:	Consists of (a) Gross Rent and (b) other income earned from the relevant property or properties
GST	:	Goods and services tax
HVS International	:	SG & R Singapore Pte Ltd (trading as HVS International Singapore)
Illustrative Weighted Issue Price	:	The illustrative weighted issue price for the Equity Fund Raising weighted by the size of the Preferential Offering, the ATM Offering and the Private Placement.
Income Tax Act	:	Income Tax Act, Chapter 134 of Singapore
Independent Accountants	:	KPMG
Independent Directors	:	The independent directors of the Manager
Independent Property Consultant	:	Jones Lang LaSalle Property Consultants Pte Ltd

Independent Valuers	:	CB Richard Ellis (V) Pty Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, HVS International and CB Richard Ellis (Vietnam) Ltd.
IRAS	:	Inland Revenue Authority of Singapore
Japan Target Acquisitions	:	The acquisition of 100.0 percent effective interest in Somerset Azabu East, Tokyo and the remaining 60.0 percent beneficiary interest in Somerset Roppongi, Tokyo
Japan Target Properties	:	Somerset Azabu East, Tokyo, Japan and Somerset Roppongi, Tokyo, Japan
Joint Lead Managers, Bookrunners and Underwriters	:	DBS Bank and JPMorgan
JPMorgan	:	J.P.Morgan (S.E.A.) Limited
Latest Practicable Date	:	8 March 2007, being the latest practicable date prior to the printing of this Offer Information Statement
Listing Date	:	31 March 2006, being the date of listing of ART on the SGX-ST
Listing Manual	:	The Listing Manual of the SGX-ST
Loan	:	The bank loan (which amounts to an aggregate of about US\$14.3 million as at the Latest Practicable Date) incurred by Saigon Office and Serviced Apartment Company Limited
Manager	:	Ascott Residence Trust Management Limited, as manager of ART
Market Day	:	A day on which the SGX-ST is open for trading in securities
MEC TMK	:	MEC Roppongi Tokutei Mokuteki Kaisha, <i>a tokutei mokuteki kaisha</i> incorporated under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended)
MPVI	:	Makati Property Ventures Inc.
n.a.	:	Not applicable
NAV	:	Net asset value
Net Overseas Income	:	The aggregate net profits (excluding any gains from the sale of property or shares, as the case may be) after applicable taxes and adjustment for non-cash items, for example depreciation, derived by ART from its properties located outside Singapore
New Units	:	The new Units proposed to be issued under the Equity Fund Raising by way of the Preferential Offering, the ATM Offering and the Private Placement

Non-Ascott Group/CapitaLand TLCs	:	Companies within the Temasek group of companies, including companies in which Temasek has an aggregate interest of at least 10.0 percent, but excluding (a) Temasek; (b) the Ascott Group and the subsidiaries and associated companies of the Ascott Group (including the real estate investment trusts or other funds managed by the subsidiaries and associated companies of The Ascott Group Limited); and (c) CapitaLand Limited and the subsidiaries and associated companies of CapitaLand Limited (including the real estate investment trusts or other funds managed by the subsidiaries and associated companies of CapitaLand Limited)
NTA	:	Net tangible assets
Pan-Asian Region	:	In the context of this Offer Information Statement, it refers to all countries in Asia and the Asia-Pacific region
Participating Banks	:	DBS Bank (including POSB), United Overseas Bank Limited (“ UOB ”) and its subsidiary, Far Eastern Bank Limited (the “ UOB Group ”); and Oversea-Chinese Banking Corporation Limited (“ OCBC ”)
Philippines Target Acquisition	:	The acquisition of 100.0 percent effective interest in the Philippines Target Property
Philippines Target Property	:	Oakwood Premier Ayala Center (to be re-branded Ascott Makati), the Philippines
PHP	:	Philippines peso, the lawful currency of the Philippines
Placement Agreement	:	The placement agreement dated 12 March 2007 entered into between the Manager and the Joint Lead Managers, Bookrunners and Underwriters in relation to the Equity Fund Raising
PRC or China	:	The People’s Republic of China, excluding Hong Kong Special Administrative Region and Macau Special Administrative Region for the purposes of this Offer Information Statement
Preferential Offering	:	The non-renounceable preferential offering of 49,940,088 New Units at the Preferential Offering Issue Price of one New Unit for every 10 Existing Units held on the Preferential Offering Books Closure Date (fractions of a New Unit to be disregarded and subject to the Rounding Mechanism) to Singapore Registered Unitholders
Preferential Offering Issue Price	:	The price per New Unit to be issued under the Preferential Offering, which will be between S\$1.83 and S\$1.88
Private Placement	:	The private placement of up to 50,167,374 New Units at the ATM and Placement Issue Price to institutional and other investors as part of the Equity Fund Raising

Profit Forecast	:	The forecast consolidated statement of ART's net income and distribution for the financial period ending 31 December 2007 and the accompanying assumptions and sensitivity analysis set out in Appendix F of this Offer Information Statement
Property Companies	:	PT Bumi Perkasa Andhika, PT Ciputra Liang Court, PT Indonesia America Housing, Ascott Hospitality Holdings Philippines, Inc., SN Resources, Inc, SQ Resources, Inc, Hemliner (Beijing) Real Estate Co., Ltd, Shanghai Xin Wei Property Development Co., Ltd, Somerset FG, Mekong-Hacota Joint Venture Company Limited, Hanoi Tower Center Company Limited, Tianjin Consco Property Development Co., Ltd, MEC Roppongi Tokutei Mokuteki Kaisha (to be renamed Somerset Roppongi Tokutei Mokuteki Kaisha), Somerset Gordon Heights (Melbourne) Unit Trust, Somerset Azabu East Tokutei Mokuteki Kaisha, Makati Property Ventures Inc., Saigon Office and Serviced Apartment Company Limited and " Property Company " means any one of them
Property Funds Guidelines	:	The guidelines for real estate investment trusts issued by the Authority as Appendix 2 of Code on Collective Investment Schemes issued by the Authority
Property Holding Companies	:	Javana Pte Ltd, Somerset Grand Citra (S) Pte Ltd, Somerset Philippines (S) Pte Ltd, Hemliner Pte Ltd, Glenwood Properties Pte Ltd, Ascott Residences Pte Ltd, Burton Engineering Pte Ltd, Smooth Runner Co., Ltd, Somerset Azabu East (S) Pte. Ltd., Somerset Roppongi (Japan) Pte. Ltd., Somerset Gordon Heights (S) Pte. Ltd., Somerset Roppongi (S) Pte. Ltd. (Japanese branch), Somerset Azabu East Investment (S) Pte. Ltd. (Japanese branch), Ascott Manila Pte. Ltd., Ascott Makati, Inc., East Australia Trading Company (S) Pte Ltd and " Property Holding Company " means any one of them
Property Sale and Purchase Agreements	:	Has the meaning ascribed to it in the Prospectus
Property Values	:	The aggregate of the values of Real Estate held directly by ART and where Real Estate is held indirectly by ART through special purpose vehicles, the values of the underlying Real Estate held by such special purpose vehicles pro-rated to the effective interest of ART's respective shareholdings in such special purpose vehicles
Prospectus	:	The prospectus dated 6 March 2006 issued by ART in connection with its initial public offering of Units

Real Estate	:	Any land, and any interest, option or other right in or over any land. For the purpose of this definition, “land” includes land of any tenure, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein, and “Real Estate” includes shares and stocks in an unlisted company which is constituted to hold/own such real estate, such as a special purpose vehicle
Recognised Stock Exchange	:	Any stock exchange of repute in any part of the world
Regulation S	:	Regulation S under the Securities Act
REIT	:	Real estate investment trust
Restricted Placees	:	<ul style="list-style-type: none"> (a) The Directors, and Substantial Unitholders; (b) The spouse, children, adopted children, step-children, siblings and parents of (i) the Directors and (ii) Substantial Unitholders; (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore), associated companies and sister companies of the Substantial Unitholders; (d) Corporations in which the Directors and the Substantial Unitholders have an aggregate interest of at least 10.0%; and (e) Any person who, in the opinion of the SGX-ST, falls within categories (a) to (d)
Revenue	:	Has the meaning ascribed to it in the Trust Deed
REVPAU	:	Refers to revenue per available unit in the Existing Properties or Target Properties, determined by dividing Apartment Rental Income by the number of available nights in the applicable period
Rounding Mechanism	:	Where a Singapore Registered Unitholder’s provisional allocation of New Units under the Preferential Offering is other than an integral multiple of 1,000 Units, the increase in the provisional allocation of New Units to the Unitholder by such number which, when added to the Unitholder’s unitholdings as at the Preferential Offering Books Closure Date, results in an integral multiple of 1,000 Units
SAE TMK	:	Somerset Azabu East Tokutei Mokuteki Kaisha, a <i>tokutei mokuteki kaisha</i> incorporated under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended)
Scheduled Distribution	:	The next distribution originally scheduled to take place in respect of ART’s Distributable Income for the period from 1 January 2007 to 30 June 2007 for the Existing Units

Securities Act	:	U.S. Securities Act of 1933, as amended
SFA or Securities and Futures Act	:	Securities and Futures Act, Chapter 289 of Singapore
SGHPL	:	Somerset Gordon Heights (S) Pte. Ltd.
SGX-ST	:	Singapore Exchange Securities Trading Limited
Share Sale and Purchase Agreements	:	Has the meaning ascribed to it in the Prospectus
Singapore Properties	:	Somerset Liang Court Property, Singapore and Somerset Grand Cairnhill, Singapore
Singapore Property Put and Call Option Agreements	:	Has the meaning ascribed to it in the Prospectus
Singapore Registered Unitholders	:	Unitholders as at the Preferential Offering Books Closure Date other than those whose registered addresses with CDP are outside Singapore, and who have not, at least five Market Days prior to the Preferential Offering Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
Smooth Runner	:	Smooth Runner Co., Ltd
Somerset FG	:	Somerset FG Pte. Ltd.
Somerset Roppongi TMK	:	Somerset Roppongi Tokutei Mokuteki Kaisha, <i>a tokutei mokuteki kaisha</i> incorporated under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended)
SRJPL	:	Somerset Roppongi (Japan) Pte. Ltd.
SRS	:	Supplementary Retirement Scheme
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0 percent of all outstanding Units
sq ft	:	Square feet
sq m	:	Square metres
S\$ and cents	:	Singapore dollars and cents respectively
Target Acquisitions	:	The Australia Target Acquisition, the Japan Target Acquisitions, the Philippines Target Acquisition and the Vietnam Target Acquisition
Target Properties	:	The Australia Target Property, the Japan Target Properties, the Philippines Target Property and the Vietnam Target Property
Tax-Exempt Income Distributions	:	Tax-exempt income component of the distributions made by ART out of the tax-exempt income derived in respect of the Target Properties

TAG	:	The Ascott Group Limited
Temasek	:	Temasek Holdings (Private) Limited
Trust Deed	:	The trust deed dated 19 January 2006 constituting ART entered into between the Trustee (as trustee of ART) and the Manager constituting ART (as amended)
Trustee	:	DBS Trustee Ltd, in its capacity as trustee of ART
Trustee Co	:	Somerset Gordon Heights (Melbourne) Pty. Ltd.
Undertaking	:	The undertaking given by TAG to the Trustee and Joint Lead Managers, Bookrunners and Underwriters in connection with the Equity Fund Raising
Unit	:	A unit representing an undivided interest in ART
Unitholder	:	The Depositor whose securities account with CDP is credited with Unit(s)
Unit Trust	:	Somerset Gordon Heights (Melbourne) Unit Trust
US\$ or US dollar	:	United States dollar
Vietnam Distributable Profits	:	Profits of Saigon Office and Serviced Apartment Company Limited, after payment of such liabilities (including tax liabilities) that are determined to be appropriate for payment by its directors, including the discharge and payment of any management fees, service fees, technical fees and other payments that may be due and owing by Saigon Office and Serviced Apartment Company Limited to EATC(S)
Vietnam Target Acquisition	:	The acquisition of 40.2 percent effective interest in the Vietnam Target Property and the 26.8 percent effective interest acquired in January 2007
Vietnam Target Property	:	Somerset Chancellor Court, Ho Chi Minh City, Vietnam
Waivers	:	The waivers granted by the SGX-ST as described in paragraph (34) of this Offer Information Statement
¥	:	Yen, the lawful currency of Japan

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day or dates in this Offer Information Statement shall be a reference to Singapore time or dates unless otherwise stated.

The exchange rates used in this Offer Information Statement are for reference only. No representation is made that any amounts could have been or could be converted into Singapore dollar amounts at any of the exchange rates used in this Offer Information Statement, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

Save for the 2006 Audited Consolidated Financial Statements which are deemed incorporated into this Offer Information Statement by reference, information contained in the Manager's website does not constitute part of this Offer Information Statement.

In this Offer Information Statement, capitalised terms not otherwise defined herein have the meaning given to them in the Definitions on pages 1 to 9 of this Offer Information Statement. Any discrepancies in the figures below are due to rounding.

In the Offer Information Statement, provide the following information:

PART I — FRONT COVER

- (1) On the front cover of the offer information statement, provide –
- (a) the date of lodgment of the offer information statement;
 - (b) the following statements –
 - (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; and
 - (ii) “The collective investment scheme offered in this document is {an authorised/a recognised*} scheme under the Securities and Futures Act. A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered for investment.”;
 - (c) the name of the collective investment scheme (referred to in this Schedule as the Scheme) in which units are being offered, and its place and date of constitution;
 - (d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the units being offered on that securities exchange, and the name of such securities exchange; and
 - (e) a statement that no units shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

*to state accordingly

Noted.

PART II — BASIC INFORMATION

(2) State the names and addresses of –

- (a) the manager for the Scheme (referred to in this Schedule as the Manager); and**
(b) each of the directors or equivalent persons of the Manager.

- (a) The Manager is Ascott Residence Trust Management Limited and its registered office is located at 8 Shenton Way, #13-01 Temasek Tower, Singapore 068811.
- (b) The names and addresses of the directors of the Manager (the “**Directors**”) as at the Latest Practicable Date (as defined herein) are as follows:

Name	Position	Address
Lim Jit Poh	Non-Executive Chairman	21 Stevens Close Singapore 257962
Liew Mun Leong	Non-Executive Deputy Chairman	49 Chancery Lane Singapore 309578
Ong Ah Luan Cameron	Non-Executive Director	15-A Kee Choe Avenue Singapore 348957
S. Chandra Das	Non-Executive Director	28 Cassia Drive Singapore 289721
Paul Ma Kah Woh	Independent Director	18 Sunset Place Singapore 597366
David Schaefer	Independent Director	Apartment B, 2/F, Block 3 The Mount Austin 8 Mount Austin Road Hong Kong
Ku Moon Lun	Independent Director	7B, Craigmount 34 Stubbs Road Hong Kong

(3) State the names and addresses of –

- (a) the issue manager to the offer, if any;**
(b) the underwriter to the offer, if any; and
(c) the legal adviser for or in relation to the offer, if any.

- (a) The Joint Lead Managers, Bookrunners and Underwriters² for the Equity Fund Raising are:
- (i) DBS Bank, which is located at 6 Shenton Way, DBS Building Tower One, Singapore 068809; and
- (ii) JPMorgan, which is located at 168 Robinson Road, 17th Floor Capital Tower, Singapore 068912.
- (b) The legal adviser for the Equity Fund Raising, and to the Manager and Trustee, is WongPartnership, which is located at One George Street, #20-01, Singapore 049145.
- (c) The legal adviser to the Joint Financial Advisers and the Joint Lead Managers, Bookrunners and Underwriters for the Equity Fund Raising is Allen & Gledhill, which is located at One Marina Boulevard #28-00, Singapore 018989.

The Joint Financial Advisers are CapitaLand Financial Services Limited, which is located at 39 Robinson Road, #18-01 Robinson Point, Singapore 068911, and JPMorgan.

² The New Units to be subscribed for by The Ascott Group Limited and its subsidiaries (the “Ascott Group”) pursuant to the Undertaking (as defined herein) are not underwritten by the Joint Lead Managers, Bookrunners and Underwriters.

PART III — OFFER STATISTICS AND TIMETABLE

OFFER STATISTICS

(4) For each method of offer, state the number of units being offered.

The Equity Fund Raising will comprise:

- (a) a non-renounceable preferential offering of 49,940,088 New Units at the issue price of between S\$1.83 and S\$1.88 per New Unit (the “**Preferential Offering Issue Price**”) of one New Unit for every 10 Existing Units (as defined herein) held on the Preferential Offering Books Closure Date (as defined herein) (fractions of a New Unit to be disregarded and subject to the Rounding Mechanism) to Singapore Registered Unitholders (as defined herein) (the “**Preferential Offering**”);
- (b) an offering of 8,000,000 New Units at the issue price of between S\$1.85 and S\$1.90 per New Unit (the “**ATM and Placement Issue Price**”) to retail investors in Singapore through the automated teller machines (the “**ATMs**”) of DBS Bank (including POSB) on a “first-come, first-served” basis (the “**ATM Offering**”); and
- (c) a placement of up to 50,167,374 million New Units at the ATM and Placement Issue Price to institutional and other investors (the “**Private Placement**”),

so as to raise gross proceeds of approximately S\$199.0 million.

The final Preferential Offering Issue Price and the ATM and Placement Issue Price will be determined by the Joint Lead Managers, Bookrunners and Underwriters, with the agreement of the Manager, within the respective ranges mentioned above, after an accelerated book-building process, and will be announced by the Manager thereafter. Such announcement will be made prior to the commencement of the Preferential Offering and the ATM Offering.

New Units under the Preferential Offering which are not taken up by the Singapore Registered Unitholders for any reason will be aggregated and sold at the ATM and Placement Issue Price to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

In the event that the New Units offered under the ATM Offering are not fully taken up, the number of New Units that are not taken up will be aggregated and sold at the ATM and Placement Issue Price to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

Any excess demand for the New Units under the Private Placement will be satisfied only to the extent that New Units offered under the Preferential Offering and/or the ATM Offering are not taken up and are re-allocated to the Private Placement.

ART’s gross proceeds under the Equity Fund Raising shall be approximately S\$199.0 million, being the aggregate of (i) the Preferential Offering Issue Price multiplied by 49,940,088 (being the number of New Units offered to Singapore Registered Unitholders under the Preferential Offering); (ii) the ATM and Placement Issue Price multiplied by 8,000,000 (being the number of New Units offered to retail investors in Singapore under the ATM Offering); and (iii) the ATM and Placement Issue Price multiplied by the number of New Units offered to institutional and other investors under the Private Placement.

METHOD AND TIMETABLE

(5) Provide the information referred to in paragraphs 6 to 10 to the extent applicable to –

- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
-

Noted.

(6) State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure shall be made public.

Preferential Offering:

The Preferential Offering will commence on 14 March 2007 at 9.00 a.m. and will close (i) on 20 March 2007 at 4.45 p.m. for acceptances of provisional allocations of New Units effected via Acceptance Forms (as defined herein), and (ii) on 20 March 2007 at 9.30 p.m. for acceptances of provisional allocations of New Units effected through the ATMs of Participating Banks.

As the Preferential Offering is made on a non-renounceable basis, the provisional allocations of New Units cannot be renounced in favour of a third party or traded on the SGX-ST.

The provisional allocations of Singapore Registered Unitholders will be subject to the Rounding Mechanism. For example, a Singapore Registered Unitholder with 5,000 Existing Units as at the Preferential Offering Books Closure Date will be provisionally allocated with 1,000 New Units under the Preferential Offering (increased from the 500 New Units allocated based on the ratio of one New Unit for every 10 Existing Units under the Preferential Offering) so that should the Unitholder decide to accept the whole of his provisional allocation of New Units, he will own a total of 6,000 Units. The Rounding Mechanism will be extended to investors who have subscribed for or purchased Units under the Central Provident Fund (“CPF”) Investment Scheme and/or the Supplementary Retirement Scheme (the “SRS”), and to Units held by nominee companies. However, in the case of nominee companies, as the Rounding Mechanism will be applied at the level of the aggregate Units held in the securities accounts of such nominee companies with The Central Depository (Pte) Limited (“CDP”), investors whose Units are held through such nominee companies may not enjoy the benefit of the Rounding Mechanism on an individual level.

The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Unitholders may have their addresses registered with CDP, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore and who have not, at least five Market Days (as defined herein) prior to the Preferential Offering Books Closure Date, provided CDP with addresses in Singapore for the service of notice and documents. Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering would have to provide CDP with addresses in Singapore for the service of notice and documents at least five Market Days prior to the Preferential Offering Books Closure Date.

Acceptance of the provisional allocations of New Units may be effected via Acceptance Forms or through the ATMs of Participating Banks and must be made in accordance with the **“Procedures for Acceptance of and Payment for New Units under the Preferential Offering by Singapore Registered Unitholders”** set out in **Appendix K** of this Offer Information Statement. Relevant Singapore Registered Unitholders who have subscribed for or purchased Units under the CPF Investment Scheme and/or the SRS can only accept their provisional allocations of New Units by instructing the relevant banks in which they hold the CPF Investment Scheme accounts and/or SRS accounts to subscribe for New Units on their behalf.

Acceptance Forms are to be submitted to CDP and may also be submitted in such other manner as agreed with the Joint Lead Managers, Bookrunners and Underwriters.

ATM Offering:

The ATM Offering will commence on 13 March 2007 at 10.00 a.m. and will close on 13 March 2007 at 5.00 p.m., subject to early closure at the discretion of the Manager (in consultation with the Joint Lead Managers, Bookrunners and Underwriters) in the event that the New Units under the ATM Offering are fully subscribed. The closure of the ATM Offering will be announced by the Manager via SGXNET no later than the Market Day after the date of such closure.

The New Units under the ATM Offering will be offered at the ATM and Placement Issue Price to retail investors in Singapore through the ATMs of DBS Bank (including POSB) on a “first-come, first-served” basis. The minimum application under the ATM Offering is 1,000 New Units. An applicant may apply for a larger number of New Units under the ATM Offering in integral multiples of 1,000 New Units, subject to a maximum of 50,000 New Units per applicant. Only one application for the New Units under the ATM Offering may be made for the benefit of one person. Multiple applications for the New Units under the ATM Offering will not be accepted.

Please refer to **Appendix L** of this Offer Information Statement for the **“Terms and Conditions for ATM Electronic Applications Under the ATM Offering”** for details on the application procedures under the ATM Offering.

Private Placement:

The Private Placement will commence from the time and date this Offer Information Statement is lodged with the Authority and will remain open until the close of the book of orders for the Private Placement, which is currently expected to be no later than 13 March 2007. Upon the close of the book of orders for the Private Placement, such closure will be announced by the Manager via SGXNET no later than the Market Day after the date of such closure.

The names and addresses of the Joint Lead Managers, Bookrunners and Underwriters, to whom the subscription applications under the Private Placement are to be submitted, are set out in paragraph (3). Subscription applications may also be submitted in such other manner as agreed with the Joint Lead Managers, Bookrunners and Underwriters.

The date and time of commencement of trading of the New Units on the SGX-ST is currently expected to be 26 March 2007 at 9.00 a.m.

The selling restrictions in relation to the Equity Fund Raising are set out in **Appendix J** of this Offer Information Statement.

The performance of the obligations of the Joint Lead Managers, Bookrunners and Underwriters under the Placement Agreement will be conditional upon various conditions set out in the Placement Agreement having been satisfied.

-
- (7) **State the method and time limit for paying up for the units and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
-

Preferential Offering:

Acceptance of and payment for New Units under the Preferential Offering must be made in accordance with the “**Procedures for Acceptance of and Payment for New Units under the Preferential Offering by Singapore Registered Unitholders**” in **Appendix K** of this Offer Information Statement.

ATM Offering:

An investor will have to pay for the New Units at the ATM and Placement Issue Price upon subscription of such New Units at the ATMs of DBS Bank (including POSB). An investor can use cash and/or CPF funds to apply for the New Units under the ATM Offering. Investors applying for only 1,000 New Units can use either cash or CPF funds only, but not both.

Please refer to **Appendix L** of this Offer Information Statement for the “**Terms and Conditions for ATM Electronic Applications Under the ATM Offering**” for details on the application procedures under the ATM Offering.

Private Placement:

Upon the allocation of New Units to an investor under the Private Placement, an investor will be obliged to pay the ATM and Placement Issue Price for the allocated New Units upon settlement, which is currently expected to be on 26 March 2007 or as otherwise agreed between the Manager and the Joint Lead Managers, Bookrunners and Underwriters.

Payment under the Private Placement shall be made by way of telegraphic transfer or such other means as agreed with the Joint Lead Managers, Bookrunners and Underwriters.

-
- (8) **State, where applicable, the methods of and time limits for –**
- (a) **the delivery of the documents evidencing title to the units being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) **the book-entry transfers of the units being offered in favour of subscribers or purchasers.**
-

No certificate shall be issued to Unitholders by either the Manager or the Trustee, in respect of the New Units. For so long as ART is listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange (as defined herein) and the Units have not been suspended from such listing, quotation and trading for more than 60 consecutive calendar days or de-listed permanently, CDP shall be appointed by the Manager as the Unit depository for ART, and all Units issued will be represented by entries in the register of Unitholders kept by the Trustee or the agent appointed by the Trustee in the name of, and deposited with, CDP as the registered holder of such Units.

CDP is appointed pursuant to the depository services agreement dated 1 March 2006 entered into between CDP, the Manager and the Trustee. The Manager or the agent appointed by the Manager shall issue to CDP not more than 10 business days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a lock-up and the expiry date of such lock-up and for the purposes of the Trust Deed (as defined herein), such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

The New Units will 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, including the right to any distributions which may be paid for the period from the day the New Units are issued to 30 June 2007 as well as all distributions thereafter. For the avoidance of doubt, the New Units will not be entitled to participate in the Advance Distribution.

-
- (9) In the case of any pre-emptive rights to subscribe for or purchase the units being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
-

There are no such pre-emptive rights.

-
- (10) Provide a full description of the manner in which results of the allotment or allocation of the units are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
-

On 16 February 2007, the Manager announced that the Preferential Offering Books Closure Date was 8 March 2007.

An announcement through the SGXNET will be made by the Manager within one Market Day after the occurrence of each of the following events (a) determination of the Preferential Offering Issue Price and the ATM and Placement Issue Price, (b) close of the ATM Offering and (c) allotment of the New Units under the Equity Fund Raising.

Where an application under the Preferential Offering or the ATM Offering is rejected or accepted in part only, the full amount or the balance of the application moneys, as the case may be, will be returned or refunded (without interest or any share of revenue or other benefit arising therefrom) by ordinary post (where acceptance is through CDP) or by being automatically credited to the bank account of the applicant with DBS Bank (including POSB) or the relevant Participating Bank (where acceptance is effected through an ATM), at the risk of the applicant, provided that the remittance has or have been honoured and the application moneys received in the designated unit issue account.

PART IV — KEY INFORMATION

USE OF PROCEEDS FROM OFFER AND EXPENSES INCURRED

-
- (11) In the same section, provide the information set out in paragraphs 12 to 17.
-

Noted.

-
- (12) **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph as the net proceeds). Where only a part of the net proceeds will go into the property of the Scheme, indicate such amount. If none of the proceeds will go into the property of the Scheme, provide a statement of that fact.**
-

The amount of the net proceeds from the Equity Fund Raising, being the gross proceeds from the Equity Fund Raising less the estimated amount of underwriting and selling commissions as well as the other fees and expenses (including professional fees and expenses) incurred by ART in connection with the Equity Fund Raising, is estimated to be S\$194.7 million.

-
- (13) **Disclose how the net proceeds from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the Manager, must be raised by the offer of units.**
-

The Manager intends to utilise the net proceeds of the Equity Fund Raising to part finance and/or re-finance the Target Acquisitions and associated costs, with the balance of the proceeds to be utilised for general corporate and working capital purposes. In particular, the Manager intends to utilise the proceeds from the Equity Fund Raising to re-finance the loan drawn for the acquisition of the 26.8 percent effective interest in Somerset Chancellor Court, Ho Chi Minh City, Vietnam (the “**Vietnam Target Property**”), which was completed in January 2007.

An estimated additional borrowings of S\$47.9 million will be drawn down from the available banking facilities to part finance the balance of the total costs relating to the Target Acquisitions.

Subject to the relevant laws and regulations, the net proceeds of the Equity Fund Raising may be used, at the Manager’s absolute discretion, to finance and/or re-finance all or some of the Target Acquisitions and/or to acquire any other suitable property or properties for ART and/or re-finance any other existing borrowings and/or for general corporate and working capital purposes. While the Manager currently intends to apply the proceeds towards, *inter alia*, partially financing and/or re-financing the Target Acquisitions, the Equity Fund Raising is not subject to or conditional upon completion of all or any of the Target Acquisitions.

Save for the acquisition of the 40.0 percent of the shares in East Australia Trading Company (S) Pte Ltd (the “**EATC(S)**”) relating to the Vietnam Target Acquisition (as defined herein), which was completed in January 2007, completion of the Target Acquisitions is expected to take place shortly after the close of the Equity Fund Raising.

Please refer to **Appendix C** of this Offer Information Statement for details on the Target Properties and the Target Acquisitions.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising through SGXNET as and when such funds are utilised.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds of the Equity Fund Raising may be deposited with banks and/or financial institutions or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.

Save for such number of New Units to be subscribed for by the Ascott Group pursuant to the Undertaking, the Equity Fund Raising will be underwritten by the Joint Lead Managers, Bookrunners and Underwriters.

(14) For each dollar of the proceeds from the offer, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

The Manager intends to allocate the proceeds from the Equity Fund Raising in the following manner:

- approximately S\$194.0 million to part finance and re-finance the Target Acquisitions and associated costs;
- approximately S\$3.3 million to pay for the underwriting, management and selling commissions and financial advisory fees and related expenses payable to the Joint Lead Managers, Bookrunners and Underwriters; and
- approximately S\$1.0 million (excluding Goods and Services Tax (“GST”)) to pay for the professional and other fees and expenses expected to be incurred by ART in connection with the Equity Fund Raising,

with the balance of the proceeds amounting to approximately S\$0.7 million to be utilised for re-financing ART’s other existing debt obligations and for other general corporate and working capital purposes.

(15) If any of the proceeds from the offer will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from a person specified as an interested party by the Authority in the Code on Collective Investment Schemes, identify the interested party and state how the cost to the Scheme is or will be determined.

The Target Acquisitions are being made by ART (a real estate investment trust) in its ordinary course of business.

In respect of the Vietnam Target Acquisition, ART acquired 40.0 percent of the shares in EATC(S) from unrelated parties in January 2007, which represents 26.8 percent effective interest in the Vietnam Target Property. ART is acquiring the remaining 60.0 percent of the shares in EATC(S) which represents 40.2 percent effective interest in the Vietnam Target Property from The Ascott Holdings Limited (a subsidiary of TAG which is a Substantial Unitholder with an aggregate interest (direct and deemed) of approximately 27.7 percent of the total number of Units in issue and which holds a 100.0 percent interest in the Manager as at the Latest Practicable Date). For the purpose of the acquisition of the remaining 60.0 percent of the shares in EATC(S), The Ascott Holdings

Limited is considered to be an “interested party” under the Property Funds Guidelines (as defined herein) and an “interested person” under the SGX-ST Listing Manual (the “**Listing Manual**”), and the acquisition of the remaining 60.0 percent of the shares in EATC(S) is accordingly an interested party transaction under the Property Funds Guidelines and an interested person transaction under Chapter 9 of the Listing Manual. Paragraph 5 of the Property Funds Guidelines requires, *inter alia*, approval of Unitholders for an interested party transaction whose value exceeds 5.0 percent of ART’s latest audited net asset value (the “**NAV**”). Chapter 9 of the Listing Manual imposes a similar requirement for an interested person transaction if the value thereof exceeds 5.0 percent of ART’s latest audited net tangible asset (the “**NTA**”). The purchase consideration for the 60.0 percent shares in EATC(S) of S\$23.1 million does not exceed 5.0 percent of ART’s latest audited NTA or NAV as at 31 December 2006, which is approximately S\$33.1 million. As the relevant thresholds are not exceeded, Unitholders’ approval need not be obtained for the Vietnam Target Acquisition.

The audit committee of the Manager has reviewed and approved the Vietnam Target Acquisition.

Under the Property Funds Guidelines, two independent valuations of the property, with one of the valuers commissioned independently by the Trustee, are required when the acquisition by ART is an interested party transaction. The Vietnam Target Property has been valued by two independent valuers, namely HVS International and CB Richard Ellis (Vietnam) Ltd.

The following table sets out the independent valuers for the Vietnam Target Property, the date of valuation, the appraised value and the purchase consideration (excluding acquisition costs) for the Vietnam Target Property.

Property	Independent Valuers	Date of Valuation	Appraised Value (\$ million)⁽¹⁾	Appraised Value (foreign currency)⁽¹⁾	Purchase consideration (\$ million)
Somerset Chancellor Court, Ho Chi Minh City ⁽²⁾	HVS International (on behalf of the Trustee)	1 December 2006	72.0	US\$45.0 million	23.1
	CB Richard Ellis (Vietnam) Ltd. (on behalf of The Ascott Holdings Limited)	31 December 2006	72.0	US\$45.0 million	

Notes:

- (1) Refers to 100.0 percent of the Vietnam Target Property. Appraised values in Singapore dollars are based on an exchange rate of US\$1.00 to S\$1.60.
- (2) In January 2007, ART acquired 26.8 percent effective interest in the Vietnam Target Property. ART is acquiring the remaining 40.2 percent effective interest. The Manager intends to utilise the proceeds from the Equity Fund Raising to fund the acquisition of the remaining 40.2 percent effective interest in the Vietnam Target Property as well as to re-finance the loan drawn for the acquisition of the 26.8 percent effective interest in the Vietnam Target Property, which was completed in January 2007.

-
- (16) **If any of the proceeds from the offer will be used to finance or refinance the acquisition of a business, briefly describe the business and give information on the status of the acquisition.**
-

Save for the Target Acquisitions, none of the proceeds from the Equity Fund Raising will be used to finance or re-finance the acquisition of a business.

- (17) **If any material part of the proceeds from the offer will be used to discharge, reduce or retire the indebtedness of the Scheme, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

The Manager intends to use part of the proceeds from the Equity Fund Raising to re-finance the loan drawn for the acquisition of 40.0 percent of the shares in EATC(S) which represents 26.8 percent effective interest in the Vietnam Target Property, which was completed in January 2007.

- (18) **In the section containing the information referred to in paragraphs 12 to 17 or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

Fee Payable to the Joint Lead Managers, Bookrunners and Underwriters

The Manager shall pay to the Joint Lead Managers, Bookrunners and Underwriters management, underwriting and selling commissions and financial advisory fees and related expenses of approximately S\$3.3 million.

Brokerage

Subscribers of the New Units under the Private Placement may be required to pay brokerage (and if so required, such brokerage will be up to 1.0 percent of the ATM and Placement Issue Price, excluding GST), any stamp duty and other similar charges in accordance with the laws and practices of the country of subscription, in addition to the ATM and Placement Issue Price.

Administrative Fee

Applicants for the New Units under the Preferential Offering and ATM Offering will be required to pay an administrative fee of S\$1.00 for each successful application through the ATMs of Participating Banks and DBS Bank (including POSB), respectively.

INFORMATION ON THE SCHEME

- (19) **Provide the following information:**

- (a) **the nature of the operations and principal activities of the Scheme.**
-

Overview

ART is a Singapore-based REIT established with the objective of investing primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used, as serviced residences or rental housing properties in the Pan-Asian Region.

ART will make such investments by way of direct property ownership or indirectly through the ownership of legal entities that own these properties, only if the Manager considers these investments to be yield-accretive after taking into account other relevant factors such as regulatory, commercial and political risks. ART's investments are generally intended to be for the long-term.

The current portfolio of ART comprises the following properties which are held directly or through the ownership of shares in the Property Holding Companies and Somerset FG Pte. Ltd. (the “**Somerset FG**”):

- **Singapore** — Somerset Liang Court Property, Singapore and Somerset Grand Cairnhill, Singapore;
- **China** — Ascott Beijing, Somerset Grand Fortune Garden Property, Beijing, Somerset Olympic Tower Property, Tianjin and Somerset Xu Hui, Shanghai;
- **Indonesia** — Ascott Jakarta, Somerset Grand Citra, Jakarta and Country Woods, Jakarta;
- **Japan** — Somerset Roppongi, Tokyo;
- **The Philippines** — Somerset Millennium, Makati and Somerset Salcedo Property, Makati; and
- **Vietnam** — Somerset Ho Chi Minh City, Somerset Grand Hanoi and Somerset Chancellor Court, Ho Chi Minh City.

These serviced residences (excluding Country Woods, Jakarta which is a rental housing property) operate under the luxury-tier “The Ascott” and upper-tier “Somerset” brands, which are among the world's leading serviced residence chains. Each of these Existing Properties provides fully-equipped kitchens, separate dining areas and spacious living areas and is strategically located within or in close proximity to the central business districts of the countries in which they are located. They also provide guests with a wide variety of dining and entertainment options with restaurants and entertainment facilities located in close proximity to the Existing Properties.

Key Objectives

The key objectives of the Manager are to deliver stable and growing distributions to Unitholders. The Manager plans to achieve these key objectives through the following strategies:

- **Active Asset Management Strategy** — This involves active management of ART's portfolio of properties in order to generate organic growth through the maximisation of REVPAU, the improvement of operating efficiencies and economies of scale. The Manager will also work closely with the serviced residence management companies of each property to enhance existing strong relationships with key guests. The quality of ART's portfolio will be continually maintained through upgrading, refurbishment and reconfiguration of the properties.
- **Acquisition Growth Strategy** — This involves the exploration of investment opportunities and the acquisition of suitable assets, principally in the Pan-Asian Region that fit ART's strategy. ART will acquire properties and make investments with yields that are currently or have the potential to be above ART's cost of capital and which are expected to maintain and enhance returns for Unitholders. In addition, TAG, the largest serviced residence operator in the Pan-Asian Region, has granted ART a right of first refusal over future sales of properties by any Ascott Entity (as defined herein) that are used, or predominantly used, as serviced residences or as rental housing properties in the Pan-Asian Region (including those under “The Ascott”, “Somerset” and “Citadines” brands) and serviced residences or rental housing

properties offered to any Ascott Entity from 31 March 2006 (for so long as the Manager remains the manager of ART and TAG and/or any of its related corporations remains a shareholder of the Manager).

- **Capital and Risk Management Strategy** — This involves optimising ART’s capital structure and cost of capital within the borrowing limits set out in the Property Funds Guidelines by using a combination of debt and equity to fund acquisitions and asset enhancement projects. The Manager adopts a proactive interest rate management strategy to manage risks related to interest rate fluctuations and manages foreign exchange exposure as far as possible by adopting a natural hedge strategy. In addition, the Manager aims to maintain gearing comfortably within borrowing limits allowed under the Property Funds Guidelines. Further, by achieving the right combination of debt and equity, the Manager will be able to minimise cost of capital and maximise returns to Unitholders. The Manager will also consider accessing the public debt capital markets through the issuance of bonds and notes to diversify its source of funding as well as capitalise on opportunities to raise additional equity capital for ART through the issue of additional Units.

-
- (19) (b) **the general development of the Scheme from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the Scheme since –**
- (i) **the end of the most recent completed financial year for which financial statements have been published; or**
 - (ii) **the end of any subsequent interim period if interim financial statements have been published;**
-

The general development of ART since its establishment is set out below:

January 2006	Establishment of ART pursuant to a trust deed dated 19 January 2006
March 2006	Units were listed on the Main Board of the SGX-ST on 31 March 2006 and commenced trading on the SGX-ST on a “ready basis”
July 2006	ART entered into a conditional sale and purchase agreement on 24 July 2006 with Realand Pte. Ltd. (the “ Realand ”) and Consco (Tianjin) Investment Ltd (the “ Consco Investment ”) for the sale and purchase of 100.0 percent of the issued share capital of Smooth Runner Co., Ltd (the “ Smooth Runner ”)
September 2006	ART entered into a conditional sale and purchase agreement on 4 September 2006 with The Ascott Holdings Limited for the sale and purchase of 100.0 percent of the issued share capital of Somerset Roppongi (Japan) Pte. Ltd. (“ SRJPL ”)
September 2006	ART issued 44,000,000 Units at an issue price of S\$1.10 per Unit on 25 September 2006 pursuant to a placement agreement entered into between the Manager and JPMorgan for placement to institutional and other investors. The 44,000,000 Units were listed on the SGX-ST on 25 September 2006
October 2006	Completion of the acquisition of the entire issued share capital of Smooth Runner and the acquisition of the entire issued share capital of SRJPL by ART on 3 October 2006

November 2006	ART entered into a conditional sale and purchase agreement on 23 November 2006 with Ayala Hotels Inc. and Ocmador Philippines, B.V. for the sale and purchase of the entire issued share capital of Makati Property Ventures Inc. (the “MPVI”)
December 2006	<p>ART, through Somerset Gordon Heights (Melbourne) Pty Ltd (an indirectly wholly owned subsidiary of ART), entered into a conditional sale and purchase agreement on 12 December 2006 with Tiow Hoe Goh, Kooi Lean Goh and Chew Por Chan for the sale and purchase of Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne)</p> <p>ART entered into separate conditional sale and purchase agreements on 14 December 2006 with each of Coral Holdings Limited and Sparkle Limited for the sale and purchase of an aggregate of 40.0 percent of the issued share capital of EATC(S)</p>
January 2007	<p>Completion of the acquisition of 40.0 percent of the issue share capital of EATC(S) by ART on 12 January 2007 and 17 January 2007</p> <p>ART entered into a conditional sale and purchase agreement on 23 January 2007 with The Ascott Holdings Limited for the sale and purchase of the remaining 60.0 percent of the shares of EATC(S)</p> <p>ART entered into a conditional real property sale and purchase agreement on 23 January 2007 with Mitsubishi Estate Co., Ltd for the sale and purchase of Somerset Azabu East, Tokyo</p> <p>ART, through SRJPL, entered into a conditional sale and purchase agreement on 23 January 2007 with MEC Roppongi Funding Corporation for the sale and purchase of 75.0 percent of the common shares in MEC Roppongi TMK</p> <p>ART entered into a conditional sale and purchase agreement on 23 January 2007 with Mitsubishi Estate Co., Ltd for the sale and purchase of the remaining 60.0 percent of the preferred shares in MEC Roppongi TMK</p>

Save as disclosed above, there have been no material changes in the affairs of ART since the most recent completed financial year.

ART has an opportunity to enlarge its portfolio with the Target Acquisitions. The Manager is in favour of the Target Acquisitions as it believes that ART and the Unitholders will benefit from the inclusion of the Target Properties to the portfolio of ART. The Manager’s rationale for the Target Acquisitions is set out in **Appendix B** of this Offer Information Statement.

If there are material changes in the affairs of ART after the date of this Offer Information Statement which are required to be disclosed by law and/or under the Listing Manual, the Manager will announce such changes via an announcement through the SGXNET. All Unitholders and investors should take note of any such announcements and shall be deemed to have notice of such changes upon the release of the announcements.

(19) (c) the participants' funds in and borrowings of the Scheme, as at the latest practicable date, showing –

- (i) in the case of the participants' funds, the number of units issued and the number of units outstanding; or**
 - (ii) in the case of borrowings, the total amount of the borrowings outstanding, together with the rate of interest (whether fixed or floating) payable thereon;**
-

(i) Number of Units

As at the Latest Practicable Date, there were 499,400,889 Units issued and outstanding.

(ii) Borrowings

The total amount of ART's outstanding borrowings (excluding interest) as at the Latest Practicable Date is approximately S\$311.5 million, with an interest rate averaging 3.4 percent per annum for the period from 1 January 2007 to 28 February 2007.

The following facilities were available to ART as at the Latest Practicable Date:

- (a) a multi-currency revolving floating rate credit facility of S\$120.0 million from Oversea-Chinese Banking Corporation ("**OCBC**") for a tenure of five years from March 2006;
- (b) a multi-currency revolving floating rate credit facility of S\$120.0 million from United Overseas Bank Limited ("**UOB**") for a tenure of five years from March 2006;
- (c) two US dollar denominated term loan facilities in the aggregate amount of US\$36.0 million from UOB for a tenure of five years from March 2006;
- (d) a US dollar denominated cross currency swap in the aggregate amount of US\$66.3 million from OCBC for a tenure of five years from March 2006; and
- (e) a US dollar denominated term loan facility in the aggregate amount of US\$21.1 million from UOB for a tenure of 5.5 years from October 2006.

(19) (d) the number of units of the Scheme owned by each substantial participant as at the latest practicable date;

Based on the Register of Substantial Unitholders maintained by the Manager, the Substantial Unitholders and their respective interests (direct and indirect) in the Units as at the Latest Practicable Date are as follows:

	Number of Units	%
The Ascott Group Limited ⁽¹⁾⁽³⁾	138,244,767	27.7
CapitaLand Limited ⁽²⁾⁽³⁾	213,569,202	42.8

Note:

- (1) Includes 1,400,889 Units held by the Manager as at the Latest Practicable Date.
- (2) These interests are held through two wholly owned subsidiaries, Somerset Capital Pte Ltd (which owns 129,695,745 Units comprising 26.0 percent of the Existing Units as at the Latest Practicable Date) and pFission Pte Ltd (which owns 83,873,457 Units comprising 16.8 percent of the Existing Units as at the Latest Practicable Date).
- (3) As at the Latest Practicable Date, CapitaLand Limited holds 66.8 percent interest in The Ascott Group Limited.

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- (19) (e) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the Scheme's financial position or profitability;**
-

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of ART.

- (19) (f) **where any units in the Scheme have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) **if the units have been issued for cash, state the prices at which the units have been issued and the number of units issued at each price; or**
 - (ii) **if the units have been issued for services, state the nature and value of the services and give the name and address of the person who received the units; and**
-

On 1 March 2006, ART issued an aggregate of 454,000,000 Units at an issue price of S\$1.32 per Unit (which is the NAV per Unit before transactional costs) to TAG, in satisfaction of the consideration for the acquisition of certain properties, the relevant property holding companies and Somerset FG.

On 15 September 2006, ART issued 638,579 Units at an issue price of approximately S\$1.14 per Unit to the Manager, as payment of management fees in respect of the period from 1 March 2006 to 30 June 2006.

On 23 September 2006, ART issued 44,000,000 Units at an issue price of S\$1.10 per Unit under an equity fund raising exercise.

On 7 February 2007, ART issued 651,595 Units at an issue price of S\$1.7397 per Unit to the Manager, as payment of management fees in respect of the period from 1 July 2006 to 31 December 2006.

On 8 March 2007, ART issued 110,715 Units at an issue price of S\$1.8625 per Unit to the Manager as payment of acquisition fees payable in Units.

- (19) (g) **a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee for the Scheme (acting in its capacity as trustee of the Scheme) is a party, for the period of 2 years before the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the Scheme.**
-

Save as disclosed below, the Trustee (acting in its capacity as trustee of ART) or the Manager has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years preceding the date of lodgment of this Offer Information Statement:

- (a) the Share Sale and Purchase Agreements;
- (b) the Singapore Property Put and Call Option Agreements;

- (c) the Property Sale and Purchase Agreements;
- (d) the deed of indemnity dated 20 January 2006 entered into between The Ascott Holdings Limited and the Trustee;
- (e) the underwriting agreement dated 6 March 2006 entered into between the Manager, TAG and JPMorgan for the underwriting of the preferential offering of Units by JPMorgan in March 2006;
- (f) the conditional sale and purchase agreement dated 24 July 2006 entered into between the Trustee (as purchaser) and Realand and Consco Investment (as vendors) for the sale and purchase of 100.0 percent of the issued share capital of Smooth Runner;
- (g) the conditional sale and purchase agreement dated 4 September 2006 entered into between the Trustee (as purchaser) and The Ascott Holdings Limited (as vendor) for the sale and purchase of 100.0 percent of the issued share capital of SRJPL;
- (h) the placement agreement dated 19 September 2006 entered into between the Manager and JPMorgan (as placement agent and underwriter) for the underwriting of the placement of Units by JPMorgan in September 2006;
- (i) the letter of undertaking executed by TAG dated 19 September 2006 in which it had irrevocably agreed to subscribe and/or procure subscription by any one or more of the wholly owned subsidiaries of TAG for any New Units remaining unsubscribed pursuant to a placement made by JPMorgan in September 2006 at an issue price of S\$1.10, up to a maximum of such number of new Units as would be required for TAG to maintain the percentage of its unitholdings in ART (direct and indirect) immediately before the said placement, after all indications of interest under the said placement have been met;
- (j) the deed of indemnity entered into between The Ascott Holdings Limited and the Trustee dated 19 September 2006 pursuant to which The Ascott Holdings Limited has agreed to indemnify ART and/or Tianjin Consco for any claims, damages and/or losses that may be suffered by Tianjin Consco in connection with the provision of a limited range of services provided by the employees of Tianjin Consco which are controlled by Ascott Property Management (Shanghai) Co., Ltd. (such as housekeeping, reception, front office and security services) to the Somerset Olympic Tower Property and for any wrongful dismissal of such employees of Tianjin Consco;
- (k) the letter of undertaking executed by TAG dated 29 January 2007 in which (i) it agreed to accept and will procure the Manager to accept in full its respective provisional allocations of New Units under the Preferential Offering and (ii) it will subscribe and/or procure its subsidiaries to subscribe, for such number of New Units under the Private Placement, being the difference between the total number of New Units which the Ascott Group will be required to subscribe for to maintain its pre-placement unitholding, in percentage terms, and the total number of New Units under the Preferential Offering provisionally allocated to and accepted by TAG and the Manager; and
- (l) the placement agreement dated 12 March 2007 entered into between the Manager and DBS Bank and JPMorgan (as Joint Lead Managers, Bookrunners and Underwriters for the Equity Fund Raising) for the offer and placement of New Units under the Equity Fund Raising.

PART V — OPERATING AND FINANCIAL REVIEW AND PROSPECTS

OPERATING RESULTS

- (20) (1) Provide selected data from –
- (a) the audited income statement of the Scheme for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the Scheme for any subsequent period for which that statement has been published.
- (2) The data referred to in sub-paragraph (1) shall include the line items in the income statement of the Scheme and shall in addition include the following items –
- (a) distribution per unit;
 - (b) earnings or loss per unit; and
 - (c) earnings or loss per unit after any adjustment to reflect the sale of new units.
-

ART was constituted on 19 January 2006 and listed on the SGX-ST on 31 March 2006. Accordingly, ART has audited financial statements only for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006.

Selected financial data from the 2006 Audited Consolidated Financial Statements for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006, including the line items in the statement of total return and reconciliation from total return to total Unitholders' distribution of ART, are set out in **Appendix I** of this Offer Information Statement.

Based on the audited results for FY2006:

- (a) the basic and diluted DPU for the period from 19 January 2006 to 31 December 2006 is 5.24 cents;
- (b) the basic and diluted earnings per Unit for the period from 19 January 2006 to 31 December 2006 is 5.78 cents; and
- (c) the basic and diluted earnings per Unit for the period from 1 March 2006 to 31 December 2006, as adjusted for the issue of 106.7 million New Units at the Illustrative Weighted Issue Price of S\$1.866 per Unit, is 6.14 cents assuming that:
 - (i) 106.7 million New Units had been issued as at 1 March 2006; and
 - (ii) earnings from the Target Properties for the period from 1 March 2006 to 31 December 2006 had been taken into consideration. These earnings were derived from:
 - (a) earnings before finance costs, income tax, depreciation and amortisation of the Target Properties (as extracted from their management accounts); and
 - (b) after deducting for additional finance costs, management fees and trust expenses incurred in connection with the Target Acquisitions.

-
- (21) (1) In respect of –
- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
 - (b) any subsequent period for which interim financial statements have been published,
- provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected income available for distribution to participants after tax, and indicate the extent to which such income was so affected.
- (2) Describe any other significant component of revenue or expenditure necessary to understand the income available for distribution to participants after tax for each of the financial periods referred to in sub-paragraph (1).
-

ART was constituted on 19 January 2006 and listed on the SGX-ST on 31 March 2006. Accordingly, ART has audited financial statements only for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006.

Selected financial data from the 2006 Audited Consolidated Financial Statements for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006 are set out in **Appendix I** of this Offer Information Statement.

FINANCIAL POSITION

-
- (22) (1) Provide selected data from the balance sheet of the Scheme as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period.
- (2) The data referred to in sub-paragraph (1) shall include the line items in the audited or interim balance sheet of the Scheme and shall in addition include the following items:
- (a) number of units after any adjustment to reflect the sale of new units;
 - (b) net asset value per unit; and
 - (c) net asset value per unit after any adjustment to reflect the sale of new units.
-

ART was constituted on 19 January 2006 and listed on the SGX-ST on 31 March 2006. Accordingly, ART has audited financial statements only for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006.

The audited balance sheet of ART as at 31 December 2006 is set out in **Appendix I** of this Offer Information Statement.

The pro forma financial effects of the Target Acquisitions on the consolidated NAV as at 31 December 2006 based on certain assumptions¹ are set out in the table below:

	As at 31 December 2006	
	Existing Properties	Enlarged Portfolio
NAV (S\$'000)	661,812	856,496
Units in issue ('000)	498,639	605,305
NAV per Unit (S\$)	1.33	1.41

¹ Assuming that 106.7 million New Units were issued on 31 December 2006 at an Illustrative Weighted Issue Price of S\$1.866 per Unit and expenses relating to the Equity Fund Raising of S\$4.3 million were deducted against net assets attributable to Unitholders.

LIQUIDITY AND CAPITAL RESOURCES

(23) Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –

- (a) the most recent completed financial year for which financial statements have been published; and**
- (b) if interim financial statements have been published for any subsequent period, that period.**

ART was constituted on 19 January 2006 and listed on the SGX-ST on 31 March 2006. Accordingly, ART has audited financial statements only for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006.

The consolidated cash flow statement of ART for the period from 19 January 2006 (the date of establishment of ART) to 31 December 2006 is set out in **Appendix I** of this Offer Information Statement.

Between 19 January 2006 and 31 December 2006, the cash and cash equivalents of ART increased by approximately S\$36.3 million.

The increase is mainly due to cash inflow of approximately S\$10.2 million from operating activities and cash inflow of approximately S\$120.4 million from financing activities, which was offset by cash outflow of approximately S\$94.3 million from investing activities.

Significant cash inflow from financing activities was attributable to the net proceeds of approximately S\$119.2 million from bank borrowings.

The cash outflow of approximately S\$94.3 million from investing activities was attributable mainly to the acquisition of serviced residence properties and subsidiary companies.

(24) Provide a statement by the Manager as to whether, in its reasonable opinion, the working capital available to the Scheme as at the date of lodgment of the offer information statement is sufficient for present requirements and, if insufficient, how the additional working capital considered by the Manager to be necessary is proposed to be provided.

The Manager is of the view that, in its reasonable opinion, the working capital available to ART, after taking into account the loan facilities available to ART and the estimated net proceeds from the Equity Fund Raising, as at the date of lodgment of this Offer Information Statement, is sufficient for the present requirements of ART.

-
- (25) If the Scheme is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Scheme's financial position and results or business operations, or the investments by participants in the Scheme, provide –
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the Manager to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
-

To the best of the Manager's knowledge and belief, ART is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect ART's financial position and results or business operations, or the investments by Unitholders.

TREND INFORMATION AND FORECAST OR PROJECTION

-
- (26) Discuss, for at least the current financial year, the business and financial prospects of the Scheme, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on revenue, net property income, profitability, liquidity or capital resources, or that would cause the financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
-

The Manager has actively sought to improve the results of ART's existing portfolio through yield management, asset enhancements and acquisitions.

Asset Enhancements

To further enhance the yield of ART's existing portfolio, the Manager has implemented asset enhancement plans for the following properties:

Ascott Beijing, China

Phased re-configuration of 35 larger Apartment Units to create 70 one-bedroom Apartment Units to tap into the higher-yielding short and medium term business segments. The re-configuration is targeted to be completed in the second quarter of 2007.

Somerset Olympic Tower Property, Tianjin, China

Phased re-configuration of 10 penthouse duplex Apartment Units into 20 smaller two-bedroom Apartment Units. The re-configuration is targeted to be completed in the second quarter of 2007.

New Acquisitions

The following yield-accretive acquisitions have or are expected to be completed in 2007:

- Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne), Australia
- Somerset Azabu East, Tokyo, Japan
- Somerset Roppongi, Tokyo, Japan

- Oakwood Premier Ayala Center (to be re-branded Ascott Makati), the Philippines
- Somerset Chancellor Court, Ho Chi Minh City, Vietnam

The Target Acquisitions are located in:

- (i) Melbourne, a key financial centre of Australia;
- (ii) Tokyo, the capital city and business centre of Japan;
- (iii) Manila, the capital city of the Philippines; and
- (iv) Ho Chi Minh City, the commercial centre of Vietnam.

The demand for serviced residences is expected to continue to grow in the Pan-Asian Region cities where the Target Properties are located largely as a result of improving economic conditions and in general, stable and/or growing international arrivals. For instance, Melbourne is expected to experience growth in international arrivals having successfully positioned itself as the events capital of Australia. Similarly, occupancy levels in Tokyo are expected to experience further growth in the immediate term on the back of the improving economy and anticipated growth in inbound arrivals. Serviced residences in Manila are expected to continue to enjoy healthy demand in the wake of limited supply, economic expansion and positive tourism prospects. The outlook for the serviced residence sector in Ho Chi Minh City remains overwhelmingly positive on the back of the current strong trading performance, limited new supply and anticipated improvement in the business operating environment and continued inflow of foreign investments.

Outlook for FY2007

The economic and business environment in the Pan-Asian Region remains positive for 2007. The countries where ART has a presence are expected to register real GDP growth³ of between 2.0 percent to 10.0 percent in 2007. Strong inflows of foreign direct investment³ will boost demand for quality serviced accommodation. ART is well positioned to benefit from this positive business and market conditions in the Pan-Asian Region.

For the full year 2007, the manager of ART is confident of delivering the forecast distribution per Unit of 7.27 cents (assuming that the Target Acquisitions are completed in 2007), which is an improvement from the 6.43 cents as forecasted in the Prospectus.

Notwithstanding the above, a few special business factors or risks which are unlikely to be known or anticipated by the general investor and which could materially affect the profits of ART are set out in **Appendix A** of this Offer Information Statement.

-
- (27) (1) Except as provided in sub-paragraphs (2) and (3), the offer information statement shall not –**
- (a) include any prediction, projection or forecast as to the future or likely performance of the Scheme; or**
 - (b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.**

³ Source: Economist Intelligence Unit. Economist Intelligence Unit has not consented to the inclusion of the information quoted under this section and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Manager has included the above information in their proper form and context in this Offer Information Statement and has not verified the accuracy of these statements.

- (2) The offer information statement may include a prediction, projection or forecast on the economy or the economic trends of the markets which are targeted by the Scheme, but such prediction, projection or forecast shall be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the Scheme.
- (3) The offer information statement may include a forecast or projection in relation to the Scheme (including, where applicable, any yield to be generated by any new asset or property proposed to be acquired by the Scheme) in the offer information statement, provided that –
 - (a) if the forecasted or projected yields of the units in the Scheme are stated in percentage terms –
 - (i) such yields are presented on an annualised basis; and
 - (ii) it is prominently stated in the offer information statement that such forecasted or projected yields are calculated based on a stated reference price or standard reference prices and that such yields will vary accordingly for investors who purchase units in the secondary market at a market price higher or lower than the stated reference price or prices;
 - (b) the assumptions underlying such forecast or projection are reasonable, and are stated clearly and explicitly in the offer information statement; and
 - (c) the forecast or projection is accompanied by the items referred to in subparagraph (4).
- (4) The items referred to in paragraph (3) (c) are –
 - (a) a statement by an auditor of the Scheme as to whether such forecast or projection is –
 - (i) properly prepared on the basis of the assumptions;
 - (ii) consistent with accounting policies adopted by the Manager in respect of the Scheme; and
 - (iii) presented in accordance with acceptable accounting standards adopted by the Manager in the preparation of the financial statements of the Scheme;
 - (b) where –
 - (i) the forecast or projection is in respect of a period ending on a date not later than the end of the current financial year of the Scheme –
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, that the forecast or projection has been stated by the Manager after due and careful enquiry and consideration; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or

- (ii) the forecast or projection is in respect of a period ending on a date after the end of the current financial year of the Scheme –
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection;
 - (c) a sensitivity analysis; and
 - (d) a confirmation from the Manager that the forecast or projection has been properly prepared on the basis of appropriate and reasonable assumptions.
-

Noted. Please refer to **Appendices F** and **G** of this Offer Information Statement.

SIGNIFICANT CHANGES

- (28) Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the Scheme or, if there is no such event, provide an appropriate negative statement.
-

Save for the completion of the acquisition of 10.0 percent effective interest in Somerset Olympic Tower Property, Tianjin, China and the completion of the acquisition of 26.8 percent effective interest of the Vietnam Target Property in January 2007, to the best of the Manager's knowledge and belief, no event has occurred from 31 December 2006, being the last day of the period covered by the 2006 Audited Consolidated Financial Statements to the Latest Practicable Date, which may have a material effect on the financial position and results of ART.

MEANING OF "PUBLISHED"

- (29) In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.
-

Noted.

PART VI — THE OFFER AND LISTING

OFFER AND LISTING DETAILS

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- (30) **Indicate the price at which the units are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**
-

The Preferential Offering Issue Price is between S\$1.83 and S\$1.88 per New Unit. The ATM and Placement Issue Price is between S\$1.85 and S\$1.90 per New Unit. The ATM and Placement Issue Price will be at a discount of not more than 10.0 percent to the weighted average price for trades done on the SGX-ST for the full Market Day immediately preceding the date of lodgment of this Offer Information Statement. Separately, the Preferential Offering Issue Price will be at a further discount in addition to the discount at which the ATM and Placement Issue Price is to the weighted average price for trades done on the SGX-ST for the full Market Day immediately preceding the lodgment of this Offer Information Statement.

The final Preferential Offering Issue Price and the ATM and Placement Issue Price will be determined by the Joint Lead Managers, Bookrunners and Underwriters with the agreement of the Manager, within the respective ranges mentioned above, after an accelerated book-building process, and will be announced by the Manager thereafter. Such announcement will be made prior to the commencement of the Preferential Offering and the ATM Offering.

Brokerage

Subscribers of the New Units under the Private Placement may be required to pay brokerage (and if so required, such brokerage will be up to 1.0 percent of the ATM and Placement Issue Price excluding GST), any stamp duty and other similar charges in accordance with the laws and practices of the country of subscription, in addition to the ATM and Placement Issue Price.

Administrative Fee

Applicants for the New Units under the Preferential Offering and the ATM Offering will be required to pay an administrative fee of S\$1.00 for each successful application through the ATMs of Participating Banks and DBS Bank (including POSB), respectively.

-
- (31) **If –**

- (a) **any of the Scheme's participants have pre-emptive rights to subscribe for or purchase the units being offered; and**
 - (b) **the exercise of the rights by the participant is restricted, withdrawn or waived,**
- indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**
-

This is not applicable as none of the Unitholders has pre-emptive rights to subscribe for or purchase the New Units.

- (32) If units in the Scheme and of the same class as those being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned units have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units –
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month which the latest practicable date falls to the latest practicable date;

This is not applicable as ART was listed on the SGX-ST on 31 March 2006.

- (32) (b) in a case where the first-mentioned units have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units –
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

The closing price range for the Units and the volume of Units traded on the SGX-ST for each calendar month for the period commencing on 31 March 2006 (being the date ART was listed on the SGX-ST) to the Latest Practicable Date are as follows:

Month	Price Range (S\$ per Unit)		Volume of Units Traded
	Lowest Price	Highest Price	
31 March 2006	—	1.15	7,641,000
April 2006	1.14	1.28	23,966,000
May 2006	1.10	1.19	9,041,000
June 2006	1.03	1.14	1,987,000
July 2006	1.05	1.13	2,934,000
August 2006	1.10	1.15	8,089,000
September 2006	1.11	1.18	3,243,000
October 2006	1.19	1.31	5,184,000
November 2006	1.24	1.45	6,946,000
December 2006	1.38	1.60	3,323,000
January 2007	1.54	1.89	14,684,000
February 2007	1.68	1.99	25,076,000
1 March 2007 to the Latest Practicable Date	1.79	1.91	8,525,000

Source: Bloomberg *

* Bloomberg L.P. has not consented to the inclusion of the price range of Units quoted under this section and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Manager has included the above price range of Units in their proper form and context in this Offer Information Statement and has not verified the accuracy of these statements.

-
- (32) (c) **disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the units have been listed for quotation for less than 3 years, during the period from the date on which the units were first listed on the securities exchange, to the latest practicable date; and**
-

The Manager is not aware of any significant trading suspension on the SGX-ST for the period commencing from the Listing Date to the Latest Practicable Date.

-
- (32) (d) **disclose information on any lack of liquidity, if the units are not regularly traded on the securities exchange.**
-

The volume of Units traded between 31 March 2006 and 28 February 2007 was between 1,987,000 Units and 25,076,000 Units for each month.

-
- (33) **Where the units being offered are not identical to the units already issued in the same collective investment scheme, provide –**

- (a) **a statement of the rights, preferences and restrictions attached to the units being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the Manager may create or issue further units to rank in priority to or *pari passu* with the units being offered.**
-

ART's policy is to distribute its Distributable Income (as defined herein) on a semi-annual basis to Unitholders. However, in conjunction with the Equity Fund Raising, the Manager intends to declare, in lieu of the Scheduled Distribution (as defined herein), in respect of the Existing Units, a distribution of the Distributable Income for the period from 1 January 2007 to and including the day immediately prior to the date on which the New Units are issued. The next distribution following the Advanced Distribution (as defined herein) will comprise the Distributable Income for the period from the day that the New Units are issued to 30 June 2007. Semi-annual distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the Distributable Income derived from investments acquired before the New Units are issued 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. Under the Advanced Distribution, the Distributable Income up to and including the day immediately preceding the date of issue of the New Units (which, at that point, will be entirely attributable to the Existing Units) will only be distributed in respect of the Existing Units.

The Transfer Books and Register of Unitholders of ART will be closed at 5.00 p.m. on 23 March 2007 to determine the Unitholders' entitlement to the Advanced Distribution and further details pertaining to the Advanced Distribution will be announced in due course.

For the avoidance of doubt, holders of the New Units will not be entitled to participate in the distribution of any Distributable Income accrued by ART prior to the issue of such New Units.

Save for the Advanced Distribution, the New Units and the Existing Units are identical and carry the same rights, preferences and restrictions.

PLAN OF DISTRIBUTION

-
- (34) **Indicate the amount, and outline briefly the plan of distribution, of the units that are to be offered otherwise than through underwriters. If the units are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
-

Underwriting

The Equity Fund Raising, save for such number of New Units to be subscribed for by the Ascott Group pursuant to the Undertaking (as defined herein), will be underwritten by the Joint Lead Managers, Bookrunners and Underwriters.

TAG Undertaking

As at the Latest Practicable Date, The Ascott Group Limited (“**TAG**”) has a direct and deemed interest in an aggregate of 138,244,767 Units, comprising approximately 27.7 percent of the Existing Units. To demonstrate its commitment to ART and to align its interest with the other Unitholders, TAG has undertaken to the Trustee and the Joint Lead Managers, Bookrunners and Underwriters that:

- (a) TAG will accept and will procure the Manager to accept in full its respective provisional allocation of New Units under the Preferential Offering; and
- (b) TAG will subscribe and/or procure its subsidiaries to subscribe, for such number of New Units under the Private Placement, being the difference between the total number of New Units which the Ascott Group will be required to subscribe for to maintain its pre-placement unitholding, in percentage terms and the total number of New Units under the Preferential Offering provisionally allocated to and accepted by TAG and the Manager,

(the “**Undertaking**”).

CapitaLand Limited’s Provisional Allocation

Each of Somerset Capital Pte Ltd and pFission Pte Ltd, wholly owned subsidiaries of CapitaLand Limited, has confirmed that it does not intend to take up its provisional allocation of New Units under the Preferential Offering to allow for greater free float of the Units. In order to increase ART’s free float, these New Units will then be placed out under the ATM Offering and the Private Placement.

Waivers

The Manager has obtained the following waivers from the SGX-ST for the purpose of allotting New Units to certain persons and entities under the Equity Fund Raising, details of which are set out below.

Allotment of New Units to Restricted Placees (as defined herein) under the Preferential Offering

The Manager has obtained a waiver from the SGX-ST from the requirements under Rule 812(1) of the Listing Manual to allow Restricted Placees to accept their provisional allocations of New Units under the Preferential Offering.

Allotment of New Units to Directors and their immediate family members under the ATM Offering

The Manager has obtained a waiver from the SGX-ST from the requirements under Rule 812(1) of the Listing Manual to permit the Directors and their immediate family members to apply for the New Units under the ATM Offering. The Manager will announce any allotment of New Units to the Directors and their immediate family members under the ATM Offering through SGXNET accordingly.

Placement of New Units to the Ascott Group under the Private Placement

The Manager has obtained a waiver from the SGX-ST from the requirements under Rule 812(1) of the Listing Manual to permit the New Units to be placed to the Ascott Group.

At the EGM of Unitholders held on 23 February 2007, Unitholders approved the resolution for the placement of up to such number of New Units under the Private Placement to the Ascott Group as would be required to maintain its pre-placement unitholding, in percentage terms, in ART.

Placement of New Units to Non-Ascott Group/CapitaLand TLCs under the Private Placement

The Manager has obtained a waiver from the SGX-ST from the requirements under Rule 812(1) of the Listing Manual for the placement of New Units to Non-Ascott Group/CapitaLand TLCs, including companies in which Temasek Holdings (Private) Limited has an aggregate interest of at least 10.0 percent, but excluding (a) Temasek; (b) the Ascott Group and the subsidiaries and associated companies of the Ascott Group (including the real estate investment trusts or other funds managed by the subsidiaries and associated companies of The Ascott Group Limited); and (c) CapitaLand Limited and the subsidiaries and associated companies of CapitaLand Limited (including the real estate investment trusts or other funds managed by the subsidiaries and associated companies of CapitaLand Limited), under the Private Placement, subject to the following conditions in respect of the waiver from the SGX-ST that (i) the Manager certifies that it is independent of the Non-Ascott Group/CapitaLand TLCs and (ii) the Manager announces any such placement.

The Manager therefore certifies that, to the best of its knowledge and belief, it is independent of the Non-Ascott Group/CapitaLand TLCs, and will announce any such placement accordingly.

The rationale for allowing the placement to Non-Ascott Group/CapitaLand TLCs is that Temasek's charter provides that while it will provide strategic directions to the companies in which it has an interest, it does not involve itself in their day-to-day operational and commercial decisions. Moreover, some of these Non-Ascott Group/CapitaLand TLCs are listed companies, and thus, each would have to consider the interests of all its shareholders, not only that of its major shareholders.

Further, TAG is an international serviced residence company listed on the SGX-ST with a substantial property value of approximately S\$1.6 billion as at 31 December 2006 and CapitaLand Limited is a real estate company listed on the SGX-ST. Their day-to-day operations are managed independently of their ultimate shareholder (Temasek) by a professional management team. Being listed on the SGX-ST, each of TAG and CapitaLand Limited also operates independently of the Non-Ascott Group/CapitaLand TLCs. Conversely, the Non-Ascott Group/CapitaLand TLCs also operate independently and are not under the control or influence of the directors of TAG or the Manager.

(35) Provide a summary of the features of the underwriting relationship together with the amount of units being underwritten by each underwriter.

Under the placement agreement dated 12 March 2007 (the “**Placement Agreement**”) entered into between the Manager and the Joint Lead Managers, Bookrunners and Underwriters, excluding the New Units which are the subject of the Undertaking, the Preferential Offering is underwritten by the Joint Lead Managers, Bookrunners and Underwriters at the Preferential Offering Issue Price and the ATM Offering and the Private Placement are underwritten by the Joint Lead Managers, Bookrunners and Underwriters at the ATM and Placement Issue Price.

The Manager has agreed in the Placement Agreement to indemnify the Joint Lead Managers, Bookrunners and Underwriters against certain liabilities.

The Placement Agreement also provides that the obligations of the Joint Lead Managers, Bookrunners and Underwriters to subscribe for or procure the subscription of the New Units in the Equity Fund Raising, are subject to certain conditions contained in the Placement Agreement.

The Placement Agreement may be terminated by the Joint Lead Managers, Bookrunners and Underwriters by notice in writing from them to the Manager, upon the occurrence of certain events including, among other things, any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority of any relevant jurisdiction or any change in the legal or regulatory environment, any change or development, or any event or series of events likely to result in any change or development in local, national or international financial or currency markets or global or regional economic environments, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST, The Stock Exchange of Hong Kong Limited, London Stock Exchange plc or the New York Stock Exchange, Inc due to exceptional financial circumstances, a change or development occurs involving a prospective change in taxation or exchange control in Singapore or any outbreak or escalation of hostilities or calamity or crisis involving Singapore, Hong Kong, the United States and/or any country in which the Existing Properties or the Target Properties are located, which, in the sole opinion of the Joint Lead Managers, is or will be or is likely to have a material adverse effect on the business, financial or other condition or prospects of ART.

The Joint Lead Managers, Bookrunners and Underwriters and their affiliates may engage in transactions with, and perform services for, the Manager, the Ascott Group, CapitaLand Limited and its subsidiaries and the Temasek group of companies in the ordinary course of business and have engaged, and may in the future engage, in commercial banking and/or investment banking transactions with the Manager, the Ascott Group, CapitaLand Limited and its subsidiaries and the Temasek group of companies for which they have received, or may in the future receive, customary compensation.

CapitaLand Financial Services Limited (“**CFSL**”) is one of the Joint Financial Advisers. CFSL is an indirect wholly owned subsidiary, and the real estate financial services arm of CapitaLand Limited, which holds an indirect interest of 42.8 percent of the Existing Units as at the Latest Practicable Date through Somerset Capital Pte Ltd and pFission Pte Ltd.

PART VII — ADDITIONAL INFORMATION

STATEMENTS BY EXPERTS

- (36) Where a statement or report attributed to a person as an expert is included in the offer information statement, provide the name, address and qualifications of that person.

Independent Accountants' Report on Profit Forecast

The Independent Accountants' Report on Profit Forecast (the "**Profit Forecast**") in **Appendix G** of this Offer Information Statement was prepared by KPMG, Certified Public Accountants, which is located at 16 Raffles Quay, #22-00 Hong Leong Building, Singapore 048581.

Valuations of Target Properties

The valuation of the Target Properties were prepared by the following Independent Valuers (as defined herein):

Independent Valuer	Address	Properties Valued
CB Richard Ellis (V) Pty Ltd	Level 32 Rialto North Tower 525 Collins Street Melbourne VIC 3000 Australia	Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne)
Jones Lang LaSalle Property Consultants Pte Ltd	9 Raffles Place #38-01 Republic Plaza Singapore 048619	Somerset Azabu East, Tokyo Somerset Roppongi, Tokyo
HVS International	79 Anson Road #11-05 Singapore 079906	Oakwood Premier Ayala Center (to be re-branded Ascott Makati) Somerset Chancellor Court, Ho Chi Minh City ⁽¹⁾
CB Richard Ellis (Vietnam) Ltd.	Unit 1301 Me Linh Point Tower 2 Ngo Duc Ke St. District 1 Ho Chi Minh City Vietnam	Somerset Chancellor Court, Ho Chi Minh City ⁽¹⁾

Note:

- (1) As the Vietnam Target Acquisition is an interested party transaction under Paragraph 5 of the Property Funds Guidelines, two independent valuations of the Vietnam Target Property were conducted, with one of the valuers commissioned independently by the Trustee, in accordance with Paragraph 5 of the Property Funds Guidelines.

The source of the statements under paragraph (26) and in the paragraph on "Increased portfolio scale and diversification" in **Appendix B** of this Offer Information Statement is Jones Lang LaSalle Property Consultants Pte Ltd, being the Independent Property Consultant, which is located at 9 Raffles Place, #38-01 Republic Plaza, Singapore 048619.

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- (37) Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

The Independent Accountants' Report on Profit Forecast dated 12 March 2007 in **Appendix G** of this Offer Information Statement was prepared by KPMG for the purpose of incorporation in the Offer Information Statement. KPMG has given, and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of the Independent Accountants' Report on Profit Forecast in the form and context in which it is included in this Offer Information Statement.

The Independent Valuers have given and have not, before the lodgment of this Offer Information Statement, withdrawn their written consent to the issue of this Offer Information Statement with the inclusion of their names and all references to their names in the form and context in which they are included in this Offer Information Statement. The valuations of the Target Properties were not prepared by the Independent Valuers for the purpose of incorporation in the Offer Information Statement.

The Independent Property Consultant has given and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name and all references to its name in the form and context in which they are included in this Offer Information Statement. The statements under paragraph (26) and relating to the paragraph on "Increased portfolio scale and diversification" in Appendix B of this Offer Information Statement were prepared by the Independent Property Consultant for the purpose of, amongst others, incorporation in the Offer Information Statement.

CONSENTS FROM ISSUE MANAGERS AND UNDERWRITERS

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- (38) Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

The Joint Lead Managers, Bookrunners and Underwriters have given, and have not, before the lodgment of this Offer Information Statement, withdrawn their written consent to being named in this Offer Information Statement as the Joint Lead Managers, Bookrunners and Underwriters to the Equity Fund Raising. The underwriting for the Equity Fund Raising is provided on the terms of the Placement Agreement referred to in paragraph (35) above.

Without prejudice to the foregoing, the Joint Lead Managers, Bookrunners and Underwriters do not make, or purport to make, any statement in this Offer Information Statement and none of them is aware of any statement in this Offer Information Statement which purports to be based on a statement made by it and each of them makes no representation, express or implied, regarding, and, subject to applicable law and regulations, takes no responsibility for, any statement in or omission from this Offer Information Statement.

OTHER MATTERS

-
- (39) Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the operations or financial position or results of the Scheme; or**
 - (b) investments by participants of the Scheme.**
-

The full valuation reports of the Independent Valuers on the Target Properties are available for inspection from 9.00 a.m. to 5.30 p.m. at the Manager's registered office at 8 Shenton Way, #13-01 Temasek Tower, Singapore 068811, for a period of three (3) months from the date of this Offer Information Statement.

ART is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be currently viewed on the website of the Authority at <<http://www.mas.gov.sg>>.

ART may, in the future, be subject to the Singapore Code on Take-overs and Mergers issued by the Authority. On 21 June 2006, the Securities Industry Council issued the "Consultation Paper on Revision of the Singapore Code on Take-overs and Mergers". One of the key proposals is for the Singapore Code of Take-overs and Mergers to apply to REITs. The "Consultation Paper on Revision of the Singapore Code on Take-overs and Mergers" can currently be viewed at the website of the Authority at <<http://www.mas.gov.sg>>.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly the operations or financial position or results of ART or Unitholders.

Statements contained in this Offer Information Statement, which are not historical facts, may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

PART VIII — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF UNITS BY WAY OF RIGHTS ISSUE

(40) Provide –

- (a) the particulars of the rights issue;**
 - (b) the last day and time for splitting of the provisional allotment of the units to be issued pursuant to the rights issue;**
 - (c) the last day and time for acceptance of and payment for the units to be issued pursuant to the rights issue;**
 - (d) the last day and time for renunciation of and payment by the renouncee for the units to be issued pursuant to the rights issue;**
 - (e) the terms and conditions of the offer of units to be issued pursuant to the rights issue;**
 - (f) the particulars of any undertaking from the substantial participants of the Scheme to subscribe for their entitlements; and**
 - (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
-

Not applicable as ART is not making a rights issue.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

Dated this 12 day of March 2007

**THE DIRECTORS OF
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED**

Lim Jit Poh

Liew Mun Leong

Ong Ah Luan Cameron

S. Chandra Das

Paul Ma Kah Woh

David Schaefer

Ku Moon Lun

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SPECIAL BUSINESS FACTORS OR RISKS

Details of a few special business factors or risks which could materially affect ART are set out below. Details of other risk factors are set out in the Prospectus.

RISKS RELATING TO THE TARGET ACQUISITIONS

The Contract of Lease for the Philippines Target Property may not be renewed upon expiry in 2044 or may be terminated in the event of default or breach by the lessee, MPVI

ART is proposing to acquire 100.0 percent interest in the Philippines Target Property through the acquisition of 100.0 percent of the issued shares in MPVI from Ayala Hotels Inc. and Ocmador Philippines, B.V.. MPVI, a special purpose vehicle incorporated in the Philippines with limited liability, has entered into a Contract of Lease with Ayala Land Inc., the registered and legal owner of the land on which the Philippines Target Property sits. Upon completion of the Philippines Target Acquisition, MPVI and Ayala Land Inc. will enter into an amended Contract of Lease which will expire on 6 January 2044. Upon mutual agreement between the parties, the term of the Contract of Lease may be renewed for another 25 years. There is no assurance that the Contract of Lease will be renewed upon its expiry in 2044.

Pursuant to the terms of the Contract of Lease, Ayala Land Inc., as lessor of the land, has the right to terminate the Contract of Lease in the event of default or breach by the lessee, MPVI, prior to the expiry of the Contract of Lease on 6 January 2044.

RISKS RELATING TO ART'S OPERATIONS

ART's income from Somerset Azabu East, Tokyo and Somerset Roppongi, Tokyo may be subject to a higher withholding tax rate in Japan

Pursuant to the applicable tax treaty between Singapore and Japan, the dividends which a Singapore incorporated company receives from a *tokutei mokuteki kaisha* are subject to a reduced withholding tax rate of 5.0 percent as long as the Singapore incorporated company is the beneficial owner of at least 25.0 percent of the voting shares of the *tokutei mokuteki kaisha* during the six-month period immediately before the end of the accounting period for which dividends are distributed.

The dividends receivable by SRJPL from Somerset Roppongi TMK and by Somerset Azabu East (S) Pte. Ltd. from SAE TMK, are, as at the Latest Practicable Date, subject to the reduced withholding tax rate of 5.0 percent.

There can be no assurance that ART will enjoy the reduced withholding tax rate of 5.0 percent on the dividend income receivable from Somerset Roppongi TMK and SAE TMK. The applicability of the reduced withholding tax rate of 5.0 percent to SRJPL and Somerset Azabu East (S) Pte. Ltd. is subject to the tax authorities in Japan recognising SRJPL and Somerset Azabu East (S) Pte. Ltd. as the beneficial owners of their shares in the respective *tokutei mokuteki kaisha*.

If the tax authorities in Japan were to deem that ART is the beneficial owner of SRJPL's shares in Somerset Roppongi TMK and Somerset Azabu East (S) Pte. Ltd.'s shares in SAE TMK, the reduced withholding tax rate of 5.0 percent on dividends received by SRJPL from Somerset Roppongi TMK and by Somerset Azabu East (S) Pte. Ltd. from SAE TMK may not be applicable. Such dividends may then be subject to the higher domestic withholding tax rate, currently 20.0 percent (i.e. as at the Latest Practicable Date). This would reduce ART's income from Somerset Azabu East, Tokyo and Somerset Roppongi, Tokyo, which may in turn adversely affect the income available for distribution to Unitholders.

The proportionate distributions received by ART from the Vietnam Target Property will be diluted in the future

The Vietnam Target Property is owned by Saigon Office and Serviced Apartment Company Limited. Upon the completion of the Vietnam Target Acquisition, ART will have an effective interest of 67.0 percent in Saigon Office and Serviced Apartment Company Limited through EATC(S), which will be its wholly owned subsidiary. The remaining 33.0 percent in Saigon Office and Serviced Apartment Company Limited is owned by Ben Thanh Corporation, a state-owned enterprise in Vietnam. ART's interest in Saigon Office and Serviced Apartment Company Limited is held under the terms of a joint venture arrangement with Ben Thanh Corporation. Under the terms of the Vietnam Target Property Joint Venture Agreement, the Vietnam Distributable Profits (as defined herein) shall be available for distribution in the following proportions to the joint venture parties:

- (i) During the period of repayment of the Loan incurred by Saigon Office and Serviced Apartment Company Limited, Ben Thanh Corporation is entitled to 33.0 percent and EATC(S) is entitled to 67.0 percent of the Vietnam Distributable Profits.
- (ii) After repayment of the Loan, Ben Thanh Corporation is entitled to 40.0 percent and EATC(S) is entitled to 60.0 percent of the Vietnam Distributable Profits.
- (iii) From the 31st to 48th year, namely between October 2024 and October 2041, of the Vietnam Target Property Joint Venture Agreement, which was set up in October 1993 Ben Thanh Corporation is entitled to 60.0 percent and EATC(S) is entitled to 40.0 percent of the Vietnam Distributable Profits.

In the event the Loan is repaid, the income of ART and distributions to Unitholders will be adversely affected. In addition, the decrease in the proportion of the Vietnam Distributable Profits which EATC(S) is entitled to for the period from the 31st to 48th year of the Vietnam Target Property Joint Venture Agreement will also have an adverse impact on the income of ART and distributions to Unitholders.

There is no assurance that our joint venture partner in respect of Saigon Office and Serviced Apartment Company Limited will co-operate on matters concerning Saigon Office and Serviced Apartment Company Limited

Saigon Office and Serviced Apartment Company Limited, the property holding company for the Vietnam Target Property, is not wholly owned by the Trustee, as trustee of ART. Accordingly, the Trustee, as trustee of ART, does not have an unfettered discretion to deal with the Vietnam Target Property through Saigon Office and Serviced Apartment Company Limited as if the Vietnam Target Property were entirely, directly or indirectly, owned by it.

Under the joint venture documentation relating to Saigon Office and Serviced Apartment Company Limited, certain matters such as the use of funds, capital borrowing and other credit activities by Saigon Office and Serviced Apartment Company Limited and appointment of key personnel, may require a unanimous or a majority shareholders' approval being obtained.

As ART does not own the entire interest in Saigon Office and Serviced Apartment Company Limited, there is no assurance that such unanimous/majority approval from the shareholders of Saigon Office and Serviced Apartment Company Limited can be obtained. The other shareholder of Saigon Office and Serviced Apartment Company Limited, namely Ben Thanh Corporation, may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, certain matters relating to the Vietnam Target Property, such as those relating to the operation of the Vietnam Target Property and the level of dividends declared by Saigon Office and Serviced Apartment Company Limited may not be carried out and this may adversely affect the income available for distribution by ART.

Cessation of preferential tax rates for Saigon Office and Serviced Apartment Company Limited will have an adverse impact on ART's income

Saigon Office and Serviced Apartment Company Limited, in which ART has an effective interest of 67.0 percent and which owns the Vietnam Target Property, has been granted preferential tax rates by the relevant authorities in Vietnam. The preferential tax rate for Saigon Office and Serviced Apartment Company Limited is 15.0 percent up to the end of 2007 and 25.0 percent for the period thereafter up to 2041. Any removal, loss, suspension or reduction of these preferential tax rates will render Saigon Office and Serviced Apartment Company Limited subject to the full income tax rate of 28.0 percent (based on existing tax regulations) on profits made and this will have an adverse impact on the income of ART which will in turn affect the income available for distribution to Unitholders.

Fluctuations in exchange rates may adversely affect our reported financial results and distributions to Unitholders

ART's current portfolio of properties are located across six countries in the Pan-Asian Region, namely Singapore, China, Indonesia, Japan, the Philippines and Vietnam. Upon completion of the Target Acquisitions, ART's portfolio of properties would be spread across seven countries, including Australia. Accordingly, because of the geographic diversity of ART's portfolio of properties, ART receives income in the local currencies where its properties are located at the then applicable exchange rates. As a result, ART is exposed to fluctuations in the foreign currency exchange rates against the Singapore dollar. Such fluctuations can cause fluctuations in ART's results of operations and could have a material adverse effect on ART's reported financial results. In addition, as distributions made to Unitholders are paid in Singapore dollars, fluctuations in the foreign exchange rates against the Singapore dollar can have an adverse impact on the amount of distributions made to Unitholders.

The Manager is a wholly owned subsidiary of TAG. There may be potential conflicts of interest between ART, the Manager and TAG

TAG, its subsidiaries, related corporations and associates are engaged in the investment in, and the development and operation of, among other things, real estate and real estate related assets which are used, or predominantly used, as serviced residences and rental housing properties in Singapore and elsewhere in the Pan-Asian Region. As at the Latest Practicable Date, TAG has an aggregate interest (direct and deemed) of approximately 27.7 percent of the total number of Units in issue and holds a 100.0 percent interest in the Manager.

TAG may exercise influence over the activities of ART through the Manager. A majority of the members of the board of directors of the Manager comprises representatives from TAG, with the balance comprising independent directors. As a result, the strategy and activities of ART may be influenced by the overall interests of TAG. Moreover, TAG may in the future sponsor, manage or invest in other REITs or other vehicles which may also compete directly with ART. There can be no assurance that conflicts of interest will not arise between ART and TAG in the future, or that ART's interests will not be subordinated to those of TAG whether in relation to the future acquisition of additional properties, acquisitions of property-related investments in Singapore or competition for guests, in Singapore and elsewhere in the Pan-Asian Region.

Further, the serviced residence management companies currently engaged to manage the Existing Properties, are subsidiaries of TAG. There can be no assurance that the serviced residence management companies will not favour properties that TAG has retained in its own property portfolio over those owned by ART when providing serviced residence management services to ART, which could lead to lower occupancy rates and/or lower rental income for the properties owned by ART as a whole and this could adversely affect distributions to Unitholders.

ART faces certain risks in connection with the acquisition of properties from TAG or parties related to TAG

Besides the acquisition of 60.0 percent of EATC(S) from The Ascott Holdings Limited as part of the Vietnam Target Acquisition, ART may acquire other assets from TAG or parties related to TAG in the future. There can be no assurance that the terms of such acquisitions, the negotiations with respect to such acquisitions, the acquisition value of such properties and other terms and conditions relating to the purchase of such properties (in particular, with respect to the representations, warranties and/or indemnities agreed) are not or, as the case may be, will not be adverse to ART or reflect or, as the case may be, will reflect, an arm's length acquisition of other properties by ART.

ART depends on certain key personnel, and the loss of any key personnel may adversely affect its operations

ART's performance depends, in part, upon the continued service and performance of members of the Manager's senior management team and certain key senior personnel. These key personnel may in future leave the Manager or compete with the Manager and ART. The loss of any of these individuals, or of one or more of the Manager's other key employees could have a material adverse effect on ART's financial condition and results of operations.

ART's acquisition of the Target Properties may be subject to risks associated with the acquisition of properties

While the Manager believes that reasonable due diligence investigations have been conducted with respect to the Target Properties prior to their acquisition by ART indirectly through the acquisition of shares in the property holding companies of the Target Properties, there can be no assurance that the Target Properties will not have defects or deficiencies requiring significant capital expenditure, repair or maintenance expenses, or payment or other obligations to third parties. The experts' reports that the Manager has relied upon as part of its due diligence investigations may contain inaccuracies and deficiencies, as certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

In addition, laws and regulations (including those in relation to real estate) may have been breached and certain regulatory requirements in relation to the Target Properties may not have been complied with, which the Manager's due diligence investigations did not uncover. As a result, ART may incur financial or other obligations in relation to such breaches or non-compliance.

ART is subject to risks relating to the economic, political, legal or social environments of the countries in which the Existing Properties and Target Properties are located

ART is subject to the risks associated with countries in which the Existing Properties and Target Properties are located. The business, prospects, profitability and asset values of the Existing Properties and Target Properties, and hence the value of the Units may be materially and adversely affected by factors such as:—

- (i) unexpected changes in governmental laws and regulations;
- (ii) the ability of the Manager to deal with multiple and diverse regulatory regimes;
- (iii) potentially adverse tax consequences;
- (iv) uncertain protection for intellectual property rights;
- (v) fluctuations in exchange rates between S\$ and the local currency in the event ART is unable to adopt a suitable hedging strategy;
- (vi) the risk of nationalisation and expropriation of ART's assets;

- (vii) currency fluctuation and regulation risks including imposition or tightening of foreign exchange controls or restrictions on repatriation of dividends or profits;
- (viii) social unrest or political instability; and
- (ix) adverse economic, political and other conditions.

In particular, the legal and regulatory regimes in the countries in which the Existing Properties and Target Properties are located may be uncertain and subject to unforeseen changes. At times, the interpretation or application of laws and regulations in such jurisdictions is unclear. ART or the Manager has no control over such conditions and developments and cannot provide any assurance that such conditions and developments will not have a material adverse effect on the operations, financial condition and results of operations of the Existing Properties and the Target Properties or the price of, or market for, the Units.

ART's ability to make distributions to Unitholders may be adversely affected by increases in Direct Expenses and other operating expenses

ART's ability to make distributions to Unitholders could be adversely affected if Direct Expenses and other operating expenses increase without a corresponding increase in Revenue.

Factors which could increase Direct Expenses and other operating expenses include any:–

- (i) changes in tax rates, increase in property tax assessments and other statutory charges;
- (ii) change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- (iii) increase in sub-contracted service costs;
- (iv) increase in labour costs;
- (v) increase in repair and maintenance costs;
- (vi) increase in the rate of inflation;
- (vii) increase in insurance premiums; and
- (viii) increase in cost of utilities.

The gross revenue earned from, and the value of, the Existing Properties and Target Properties may be adversely affected by a number of factors

The gross revenue earned from and the value of the Existing Properties and Target Properties may be adversely affected by a number of factors, including:–

- (i) a general downturn of the economy affecting occupancy and rental rates;
- (ii) the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, serviced residences, changes in market rental rates and operating expenses for ART's properties);
- (iii) competition for occupants from other properties which may affect rental levels or occupancy levels at ART's properties;
- (iv) changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes, government charges and environmental issues, which may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance;
- (v) legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment, which may affect or restrict rights related to relevant properties in ART's portfolio; and

- (vi) acts of God, natural disasters, wars, military coups, terrorist attacks, riots, civil commotions and other events beyond the control of the Manager (such as the spread of severe acute respiratory syndrome (SARS) or other communicable diseases).

ART may be adversely affected by the illiquidity of REITs

Investments in real estate involve a higher level of risk as compared to a portfolio which has a diverse range of investments. REITs, particularly investments in high value properties such as those in which ART has invested or intends to invest, are relatively illiquid. Such illiquidity may affect ART's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, ART may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, ART may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on ART's financial condition and results of operations, with a consequential adverse effect on ART's ability to make expected distributions to Unitholders.

ART operates in an industry which may become intensely competitive, which may have a material adverse effect on its business

The serviced residence industry is competitive and may become increasingly so. Each of the Existing Properties and Target Properties is located in an area that includes serviced residences and other types of accommodation such as hotels and guest houses owned and/or operated by third parties. ART will compete locally and regionally with existing serviced residences and serviced residences that may be developed in the future. An increase in the number of competitive serviced residence properties in a particular area could have a material adverse effect on the occupancy rates and contribution to Revenue generated by each of the Existing Properties and Target Properties.

ART operates substantially through Property Companies and its ability to make distributions to Unitholders is dependent on the financial position of the Property Companies

ART operates substantially through Property Companies and relies on payments and other distributions from these Property Companies for its income and cash flows. In addition, substantially all of the assets of ART consist of shareholdings in Property Holding Companies and Somerset FG.

In order to make distributions to Unitholders, ART will rely on the receipt of dividends from these Property Companies to the Property Holding Companies. The ability of the Property Companies to make such payments may be restricted by, among other things, the Property Companies' respective business and financial positions, the availability of distributable profits, applicable laws and regulations (which may restrict the payment of dividends by the Property Companies) or the terms of agreements to which they are, or may become, a party to.

There can be no assurance that these Property Companies will have sufficient distributable or realised profits or surplus in any future period to pay dividends or make advances to ART. The level of profit or surplus of each Property Company available for distribution by way of dividends to ART may be affected by a number of factors including:—

- (i) operating losses incurred by the Property Companies in any financial year;
- (ii) losses arising from a revaluation of any of the Existing Properties and/or the Target Properties following any diminution in value of any of the relevant Existing Properties or the Target Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the relevant Property Company may distribute dividends;
- (iii) accounting standards that require profits generated from investment properties to be net of depreciation charges before such profits are distributed to ART;

- (iv) changes in accounting standards, taxation regulations, corporation laws and regulations relating thereto. For example, the PRC authorities announced on 31 December 2006 that with effect from 1 January 2007, the Provisional Regulations of the People's Republic of China governing land use tax in cities and towns are also applicable to use of land by foreign enterprises and foreign investment enterprises. The land use tax is calculated based on the actual area of land used and is levied in accordance with stipulated range of tax rates. The implementation rules, including the actual tax rate, will be determined by the provincial autonomous region or directly administered municipal people's government. Changes such as this will have an impact on the amount of profits available for distribution to Unitholders; and
- (v) insufficient cash flows received by the Property Companies from the Existing Properties and/or the Target Properties (as the case maybe).

The occurrence of these or other factors that affect the ability of the Property Companies to pay dividends or other distributions to ART would adversely affect the level of distributions paid to Unitholders.

ART may be unable to comply with the terms and conditions of tax exemptions and tax rulings obtained, or such tax exemptions or tax rulings may be revoked or amended

ART has obtained various tax rulings and tax exemptions from the IRAS or the Singapore Ministry of Finance, including the tax transparency ruling and exemptions on foreign-sourced income received in Singapore in respect of its overseas properties.

These rulings and tax exemptions are subject to stipulated terms and conditions and based on the facts presented to the IRAS or the Singapore Ministry of Finance at the time of such application. There can be no assurance that ART will be able to comply with these terms and conditions on an on-going basis or ensure that the facts presented to the IRAS or the Singapore Ministry of Finance do not change over time. There can also be no assurance that the IRAS or the Singapore Ministry of Finance will not review, amend or revoke the tax rulings and the tax exemptions, either in whole or in part, either arising from a change in the tax laws or their interpretations or a change in policy.

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RATIONALE FOR THE TARGET ACQUISITIONS

The Manager's principal investment strategy is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences or rental housing properties in the Pan-Asian Region.

The Manager's acquisition strategy is to focus on investment opportunities principally in the Pan-Asian Region to leverage on the increasing popularity of serviced residences as an alternative accommodation concept arising from the increasing trend in business travel into Asia, an increasing preference of corporate and business executives for home-styled accommodations for extended stays and the increasing levels of foreign direct investments in Asian economies.

The Manager believes that the Target Acquisitions will offer the following benefits to Unitholders:

1. Improved earnings and DPU

The Manager expects that the Target Acquisitions will enhance the DPU to Unitholders due to the yield accretive nature of the Target Acquisitions.

The Manager expects REVPAU for the Enlarged Portfolio to be S\$124 for the Forecast Period 2007, compared to S\$121 for the Existing Properties in the same period. Average Daily Rates for the Enlarged Portfolio is expected to be S\$146 for the Forecast Period 2007, which is higher than the Average Daily Rates of the Existing Properties of S\$142. Average occupancy rates for the Existing Properties and for the Enlarged Portfolio are expected to be around 85.0 percent for the Forecast Period 2007.

Based on the Manager's nine-month forecast for the Forecast Period 2007 and the aggregate purchase consideration of S\$218.6 million (assuming that ART proceeds with completion of all the Target Acquisitions and that the Target Acquisitions were completed on 1 April 2007), the Target Acquisitions are expected to generate an annualised forecast consolidated net property yield of approximately 6.2 percent. The annualised forecast consolidated net property yield of the Target Acquisitions is higher than the annualised forecast consolidated net property yield generated by the Existing Properties of approximately 5.9 percent for the same period and the implied property yield of the Existing Properties of approximately 4.4 percent.

To illustrate the yield accretive nature of the Target Acquisitions, Table A on page B-2 of this Offer Information Statement shows ART's annualised forecast DPU for the Forecast Period 2007 in relation to:

- (i) the Existing Properties; and
- (ii) ART's Enlarged Portfolio upon completion of the Target Acquisitions (assuming that ART proceeds with completion of all the Target Acquisitions and that the Target Acquisitions were completed on 1 April 2007),

based on an Illustrative Weighted Issue Price of S\$1.866 per New Unit and 106.7 million New Units. Table A shows the accretion of the Target Acquisitions based on the intended gearing of ART of 29.0 percent after completion of the Target Acquisitions and the Equity Fund Raising.

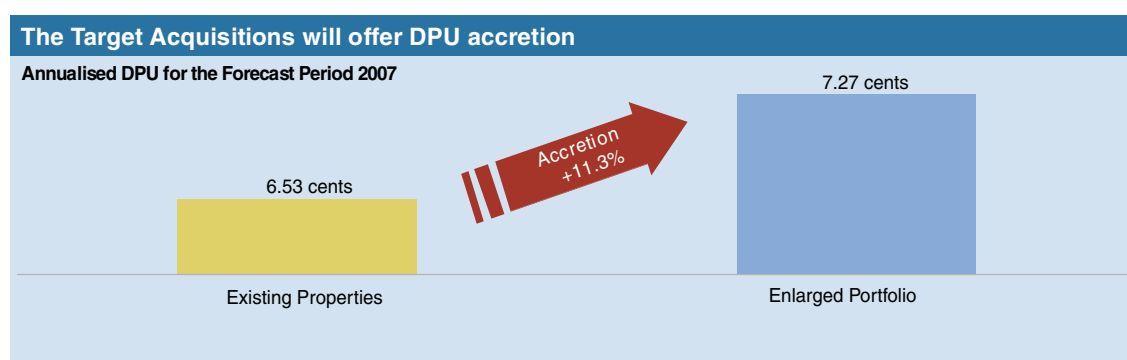
The table should be read together with ART's Forecast Consolidated Statement of Net Income and Distribution for the Forecast Period 2007 as well as the accompanying assumptions and sensitivity analysis in **Appendix F** of this Offer Information Statement, and the report of KPMG (the "Independent Accountants") in **Appendix G** of this Offer Information Statement.

Table A

Issue Price (S\$)	Number of New Units Issued (million)	Existing Properties		Enlarged Portfolio		Accretion (%)
		Annualised DPU (cents)	Distribution yield (%)	Annualised DPU (cents)	Distribution yield (%)	
1.65	120.6	6.53	3.96	7.10	4.30	8.7
1.67	119.2	6.53	3.91	7.12	4.26	9.0
1.69	117.8	6.53	3.87	7.14	4.22	9.2
1.71	116.4	6.53	3.82	7.15	4.18	9.5
1.73	115.0	6.53	3.78	7.17	4.14	9.7
1.75	113.7	6.53	3.73	7.18	4.10	10.0
1.77	112.4	6.53	3.69	7.20	4.07	10.2
1.79	111.2	6.53	3.65	7.21	4.03	10.4
1.81	109.9	6.53	3.61	7.23	3.99	10.6
1.83	108.7	6.53	3.57	7.24	3.96	10.9
1.85	107.6	6.53	3.53	7.26	3.92	11.1
1.87	106.4	6.53	3.49	7.27	3.89	11.3
1.89	105.3	6.53	3.46	7.28	3.85	11.5
1.91	104.2	6.53	3.42	7.30	3.82	11.7
1.93	103.1	6.53	3.38	7.31	3.79	11.9
1.95	102.1	6.53	3.35	7.32	3.76	12.1

Note: DPU will vary if completion of the Target Acquisitions is on a date other than 1 April 2007

Assuming an Illustrative Weighted Issue Price of S\$1.866 per New Unit and that 106.7 million New Units are issued under the Equity Fund Raising, ART's annualised forecast DPU for the Forecast Period 2007 upon completion of the Target Acquisitions and the Equity Fund Raising is approximately 7.27 cents, representing a distribution yield of approximately 3.90 percent. This represents a DPU accretion of approximately 11.3 percent over the annualised forecast DPU of 6.53 cents based on the Existing Properties for the same period.



Note: Assuming the Target Acquisitions were completed on 1 April 2007 and an Illustrative Weighted Issue Price of S\$1.866 per New Unit under the Equity Fund Raising. Chart is not drawn to scale.

The Target Acquisitions may also provide opportunities for asset enhancements such as selective renovation and potential reconfiguration of rooms to increase lettable space, and provide value-added facilities to guests to further improve earnings. For example, there is potential for the refurbishment of the Philippines Target Property, which is expected to result in higher rental rates and at the same time, enhance its leading position in the serviced residence industry in Manila.

In general, the Manager will seek ways to further enhance the performance of the Target Acquisitions through the following initiatives:

- constant evaluation of opportunities to enhance the Target Acquisitions;
- repositioning the Target Acquisitions by adjusting marketing strategies, service levels and pricing to better match the demand characteristics of particular market segments;
- undertaking capital upgrading programmes to enhance the performance and competitiveness of the Target Acquisitions; and
- capital improvements such as renovation of public and common areas, upgrading of Apartment Units and reconfiguration of space in selected areas.

2. Increased portfolio scale and diversification

Economies of scale

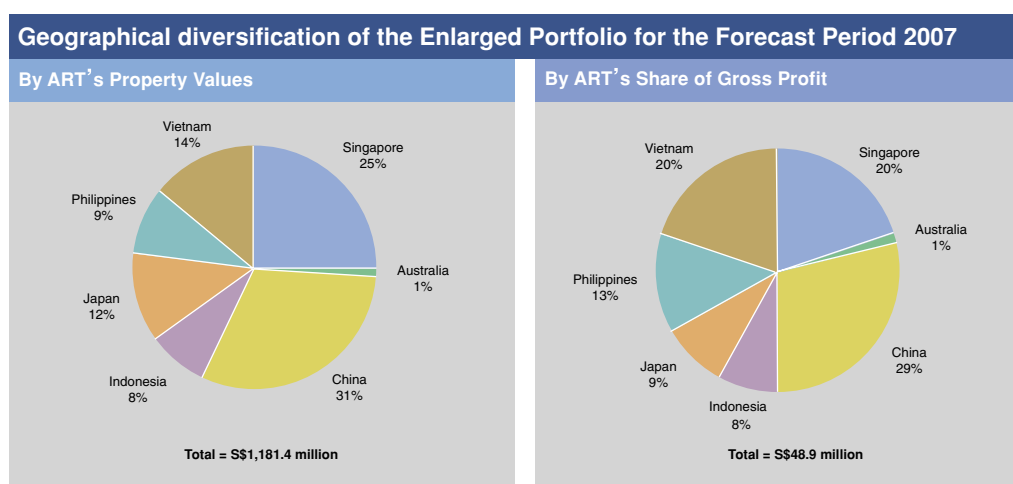
The Target Acquisitions will enlarge the portfolio of ART from S\$961.4 million to S\$1,181.4 million with an increase in the number of Apartment Units from 2,476 in 15 properties to 2,904 in 18 properties across ten cities in seven countries.

With a larger presence, ART is better positioned to enjoy potential cost synergies and create economies of scale, leading to lower operating costs for the properties in its portfolio. By increasing ART's presence in existing markets of Ho Chi Minh City, Manila and Tokyo, ART is also able to enjoy cluster synergies with its other properties in those cities and improve operating efficiencies.

Revenue diversification across geography as well as property and economic cycles

The Target Acquisitions will further enhance the diversification of ART's portfolio in terms of geographical spread and across property and economic cycles. In line with the Manager's investment strategy of investing in a diversified portfolio of strategically-located, high-quality serviced residences, the Target Acquisitions will introduce a new market with the addition of Australia, and further increase its presence in Japan, the Philippines, and Vietnam. The Australia Target Acquisition marks ART's entry into an attractive established serviced residence market and creates a platform where ART may seek to further establish a deeper presence in Australia.

With the Target Acquisitions, ART's portfolio will be diversified across 10 cities in seven countries. The following charts illustrate the geographical diversification of ART's Enlarged Portfolio (by Property Values and share of Gross Profit contribution) for the Forecast Period 2007 (assuming the Target Acquisitions were completed on 1 April 2007):



Note: Assuming the Target Acquisitions were completed on 1 April 2007. Chart is not drawn to scale

The Manager believes that Unitholders will benefit from strong economic growth in the Pan-Asian Region. The Target Acquisitions will further expand ART's presence in rapidly-expanding key Pan-Asian Region cities, providing Unitholders exposure to both stable markets, and emerging markets experiencing high growth.

The Manager has commissioned the Independent Property Consultant to prepare a report on the serviced residence sector in Singapore, Australia, China, Indonesia, Japan, the Philippines and Vietnam, countries where the Manager believes offer strong growth opportunities and where ART has and/or proposes to establish a presence.

The Target Acquisitions are located in:

- (i) Melbourne, a key financial centre of Australia;
- (ii) Tokyo, the capital city and business centre of Japan;
- (iii) Manila, the capital city of the Philippines; and
- (iv) Ho Chi Minh City, the commercial centre of Vietnam.

The demand for serviced residences is expected to continue to grow in the Pan-Asian Region cities where the Target Properties are located largely as a result of improving economic conditions and in general, stable and/or growing international arrivals.

For instance, Melbourne is expected to experience growth in international arrivals having successfully positioned itself as the events capital of Australia. Similarly, occupancy levels in Tokyo are expected to experience further growth in the immediate term on the back of the improving economy and anticipated growth in inbound arrivals. Serviced residences in Manila are expected to continue to enjoy healthy demand in the wake of limited supply, economic expansion and positive tourism prospects. The outlook for the serviced residence sector in Ho Chi Minh City remains overwhelmingly positive on the back of the current strong trading performance, limited new supply and continued improvement in the business operating environment on the back of higher foreign investments.

The Manager expects that the Target Properties will be able to achieve strong occupancies and generate high and stable REVPAU, taking into consideration the strong economic performance in the Pan-Asian Region.

3. Increased free float

Assuming Unitholders' approval is obtained for the proposed issue of New Units under the Equity Fund Raising and that ART issues 106.7 million New Units at an Illustrative Weighted Issue Price of S\$1.866 per New Unit, the number of Units in issue will increase by approximately 21.4 percent (based on 499.4 million Existing Units).

Additionally, assuming that the Ascott Group subscribes for such number of New Units pursuant to the Undertaking in order to maintain its pre-placement unitholding, the free float of ART is expected to increase from the current 29.6 percent to 37.1 percent after the Equity Fund Raising. The market capitalisation of ART is expected to increase from S\$953.9 million as at the Latest Practicable Date to approximately S\$1,157.6 million, based on a market price of S\$1.91 per Unit.

INFORMATION ON THE TARGET PROPERTIES AND THE EXISTING PROPERTIES

The following sections set out descriptions and selected information in respect of the Target Properties and the Existing Properties as well as certain pro forma financial information relating to the Target Acquisitions. Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding.

THE TARGET PROPERTIES

SHOAN HEIGHTS SERVICED APARTMENT, MELBOURNE (TO BE RE-BRANDED SOMERSET GORDON HEIGHTS, MELBOURNE), AUSTRALIA⁽¹⁾



Address

19–25 Little Bourke Street
Melbourne, Victoria 3000, Australia

Description

Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) is located in Melbourne's central business and financial district, surrounded by a myriad of theatres, excellent restaurants, cafes, sporting venues, galleries, department stores and glorious parks. Furthermore, Melbourne's free City Circle tram stops within leisurely walking distance, giving easy access to the city's extensive tourist attractions.

Melbourne is the second most populous city in Australia with a metropolitan area population of over four million (2006 estimate). Melbourne is located in the country's south-east coast. The city is the state capital of Victoria and home to over 70.0 percent of all Victorians. Melbourne today is a major centre of commerce, industry and cultural activity. Often referred to as the "sporting capital of Australia", the city has a rich sporting history and is home to most of Australia's major annual sporting events.

Opened in 1998, Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) is a freehold serviced residence located in the heart of Melbourne's busy central business and financial district, just around the corner from the Princess Theatre and the Victorian State Parliament. Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) features 43 fully-furnished Apartment Units ranging from studios, one and two-bedroom apartments to two-bedroom penthouses. Facilities of Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) include a restaurant, advanced security system, daily housekeeping service, valet, dry-cleaning and free laundry facilities.

Serviced Residence Management Company

Ascott International Management (Australia) Pty Ltd⁽²⁾.

Number of Apartment Units

43

Net Lettable Area

2,137 sq m

Year of Completion

1998

Title

Freehold

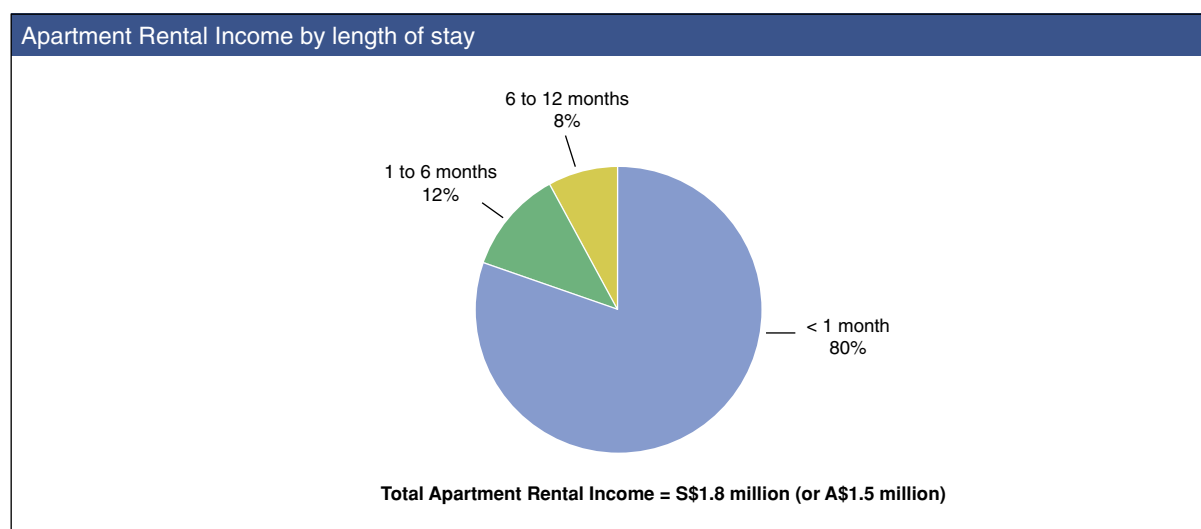
Appraised Value

Appraised Value : A\$11.6 million (equivalent to approximately S\$13.9 million, based on an exchange rate of A\$1.00 to S\$1.20)

Date of Appraisal : 5 December 2006

Length of Stay

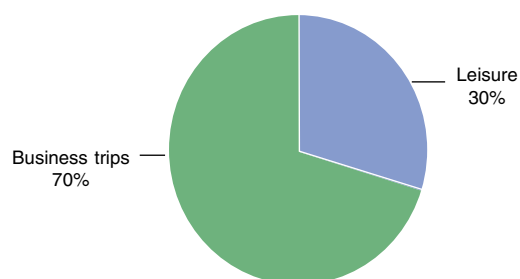
The following chart shows the length of stay profile of Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) (in terms of Apartment Rental Income) generated for the year ended 31 December 2006:



Guest Profile

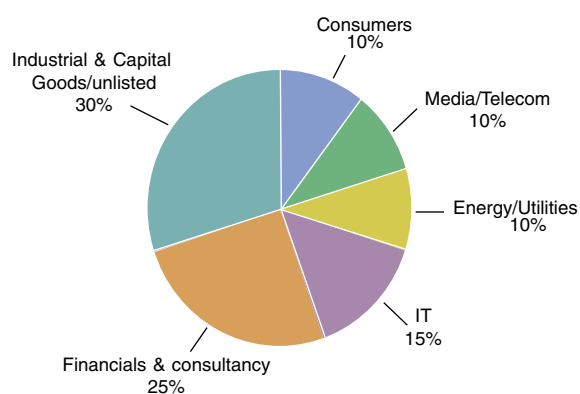
The following charts show the guest profile of Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) (in terms of Apartment Rental Income) generated for the year ended 31 December 2006 by market segment and by industry:

Apartment Rental Income by market segment



Total Apartment Rental Income = S\$1.8 million (or A\$1.5 million)

Apartment Rental Income by industry



Total Apartment Rental Income = S\$1.8 million (or A\$1.5 million)

Note: Automotive industry is classified as industrial goods and oil, mining and gas is classified as energies and utilities.

Expiry of Licences

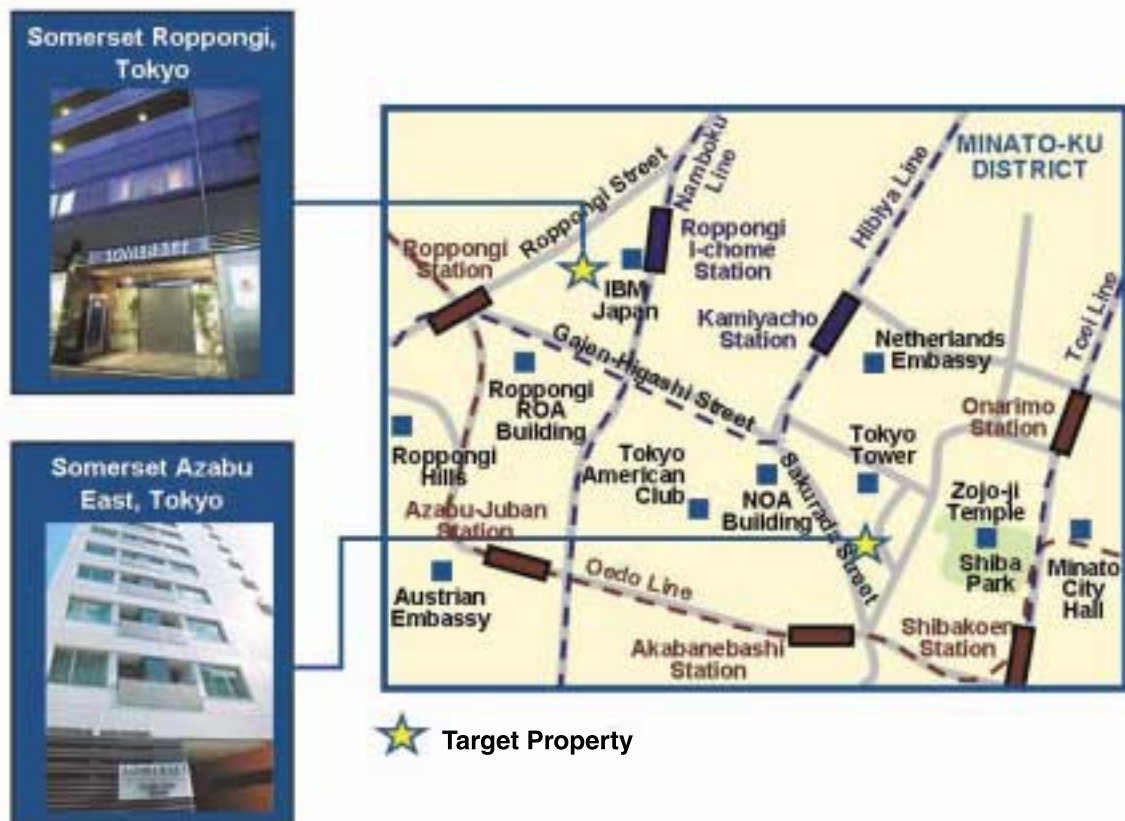
The table below sets out details of expiries in respect of the licences for Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) which, as at 31 December 2006, are scheduled to take place during the periods indicated:

Period	Number of Apartment Units in respect of which licences are expiring	Apartment Units in respect of which licences are expiring (%)
1 January 2007 to 31 March 2007	28	85
1 April 2007 to 30 June 2007	2	6
1 July 2007 to 30 September 2007	2	6
1 October 2007 & beyond	1	3
Total	33	100

Notes:

- (1) ART is proposing to acquire Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) through a special purpose unit trust known as "Somerset Gordon Heights (Melbourne) Unit Trust" constituted in Victoria, Australia.
- (2) To be appointed. The management contract for Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) is expected to commence after completion of the Australia Target Acquisition in April 2007 and expire in April 2012, with an option to renew for a further five years. Ascott International Management (Australia) Pty Ltd is an indirect wholly owned subsidiary of TAG.

SOMERSET AZABU EAST, TOKYO, JAPAN⁽¹⁾



Address

No. 1 – 9 – 11, Higashi-Azabu, Minato-ku
Tokyo, Japan 106-0044

Description

Somerset Azabu East, Tokyo is conveniently located in Minato-ku, in the central business district of Tokyo close to multinational companies, embassies, restaurants and the Roppongi Hills shopping mall. Three subway stations are in close proximity, providing guests with efficient access to the entire city. The nearby lush Shiba Park allows guests, whether on business or leisure travel, to relax and enjoy greenery in the city, whilst the nearby Roppongi entertainment and shopping district provides guests with an international variety of restaurants and entertainment, all within walking distance of the residence.

The property comprises 79 fully-furnished Apartment Units housed in a 14-storey building with a one-level basement and a rooftop terrace. The fully-furnished Apartment Units range from spacious studios to one-bedroom layouts and are self-contained with a fully-equipped kitchen, home entertainment system, broadband internet access and IDD telephone with a private number and voicemail.

Somerset Azabu East, Tokyo provides recreational facilities which include a fitness centre, a residents' lounge, rooftop barbecue terrace and an indoor swimming pool. It also provides 24-hour reception and security, daily morning refreshments, housekeeping service twice a week, mail and courier service, dry-cleaning and laundry services and car park.

SR Management Company

Ascott International Management Japan Company Limited⁽²⁾

Number of Apartment Units

79

Net Lettable Area

4,019 sq m

Year of Completion

2003

Title

Freehold

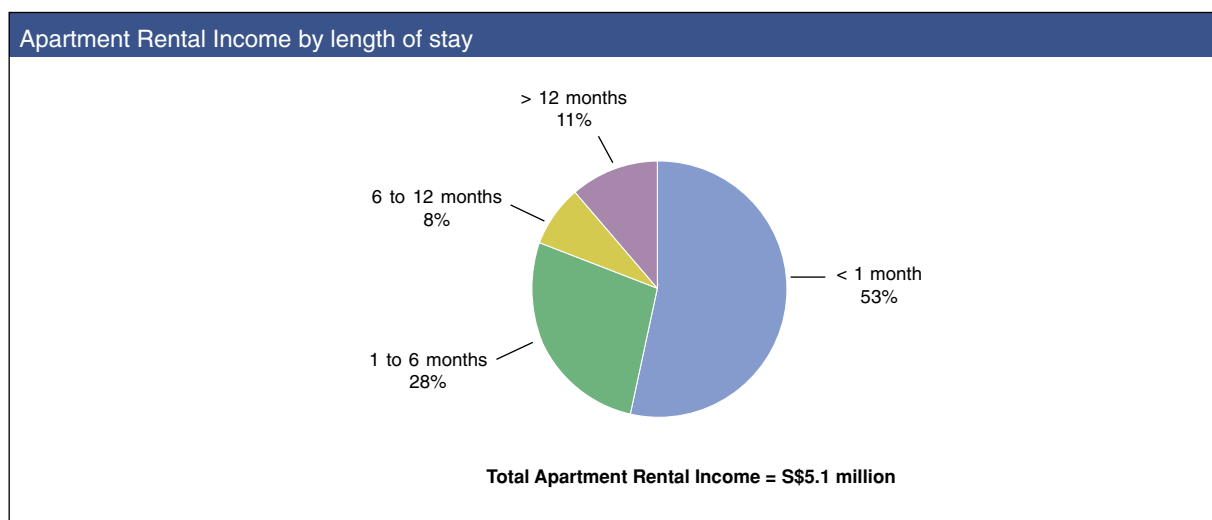
Appraised Value

Appraised Value : S\$79.8 million (equivalent to approximately ¥5.7 billion based on an exchange rate of ¥1 to S\$0.014)

Date of Appraisal : 3 January 2007

Length of Stay

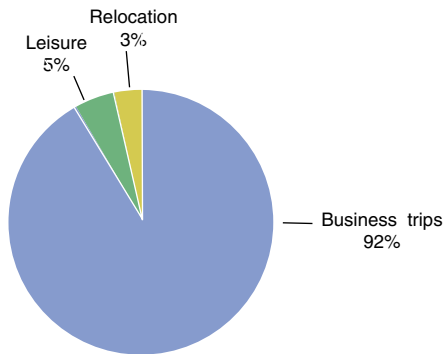
The following chart shows the length of stay profile of Somerset Azabu East, Tokyo (in terms of Apartment Rental Income) generated for the year ended 31 December 2006.



Guest Profile

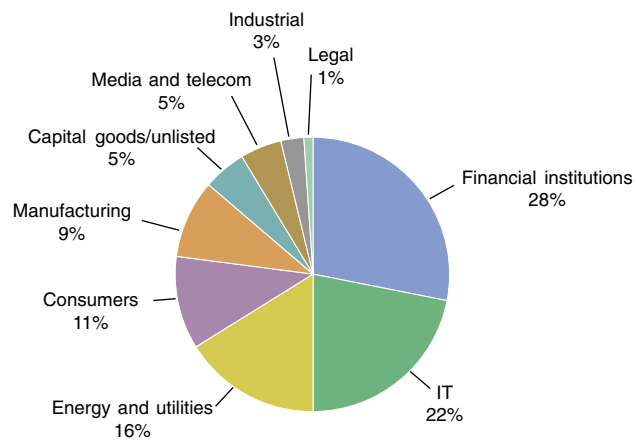
The following charts show the guest profile of Somerset Azabu East, Tokyo (in terms of Apartment Rental Income) generated for the year ended 31 December 2006 by market segment and by industry.

Apartment Rental Income by market segment



Total Apartment Rental Income = S\$5.1 million

Apartment Rental Income by industry



Total Apartment Rental Income = S\$5.1 million

Expiry of Licences

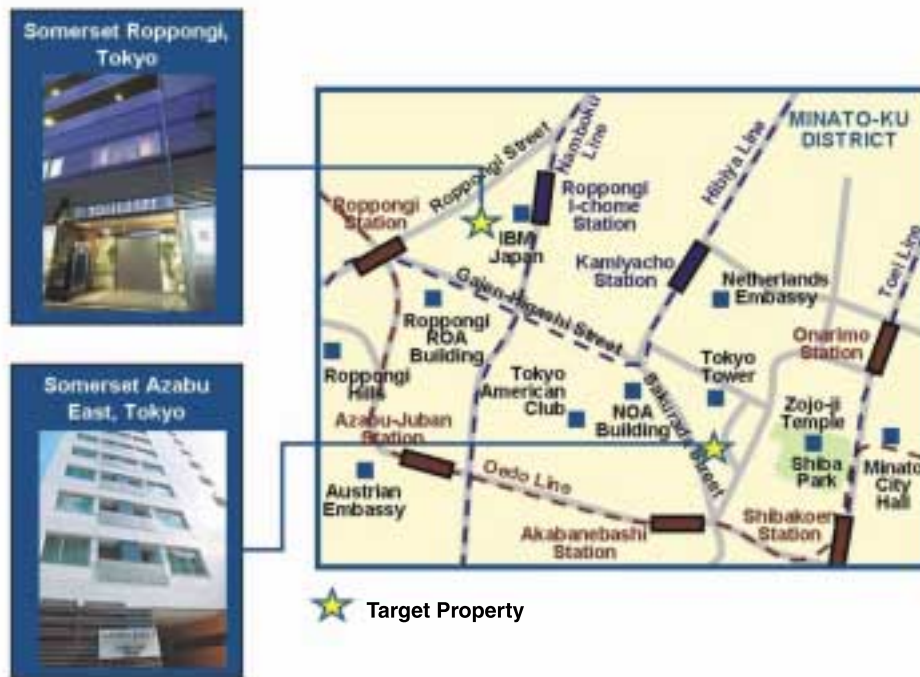
The table below sets out details of expiries in respect of the licences for Somerset Azabu East, Tokyo which, as at 31 December 2006, are scheduled to take place during the periods indicated:

Period	Number of Apartment Units in respect of which licences are expiring	Apartment Units in respect of which licences are expiring (%)
1 January 2007 to 31 March 2007	37	71
1 April 2007 to 30 June 2007	15	29
1 July 2007 and beyond	—	0
Total	52	100

Notes:

- (1) ART will acquire Somerset Azabu East, Tokyo from Mitsubishi Estate Co., Ltd. To effect the acquisition, ART has set up two wholly owned companies incorporated in Singapore, namely Somerset Azabu East Investment (S) Pte. Ltd. and Somerset Azabu East (S) Pte. Ltd.. Somerset Azabu East Investment (S) Pte. Ltd. has registered a Japanese branch in Tokyo, which will in turn own 51.0 percent of the preferred shares in a new *tokutei mokuteki kaisha*, Somerset Azabu East TMK, to be set up under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended). Somerset Azabu East (S) Pte. Ltd. will directly own 49.0 percent of the preferred shares and 100.0 percent of the common shares in SAE TMK. SAE TMK will own 100.0 percent effective interest in Somerset Azabu East, Tokyo. As a result, ART will through SAE TMK own 100.0 percent effective interest in Somerset Azabu East, Tokyo.
- (2) Ascott International Management Japan Company Limited is 60.0 percent owned by TAG and 40.0 percent owned by Mitsubishi Estate Co., Ltd. SAE TMK will appoint Ascott International Management Japan Company Limited upon completion to continue to manage Somerset Azabu East, Tokyo.

SOMERSET ROPPONGI, TOKYO, JAPAN⁽¹⁾



Address

No. 3 – 4 – 31, Roppongi, Minato-ku
Tokyo, Japan 106-0032

Description

Somerset Roppongi, Tokyo is located within Minato-ku, in the central business district of Tokyo, located within five minutes walk from the nearest subway station, providing efficient access to the entire city. Roppongi is known for its prominent entertainment area with an international variety of restaurants and entertainment lining the streets. An abundance of business and leisure destinations is located within walking distance of the residence.

The property's 64 fully-furnished Apartment Units are housed in a 13-storey building with a basement. The fully-furnished Apartment Units range from spacious studios to two-bedroom layouts designed for the distinguished tastes and needs of international business executives. Guest room amenities include a fully-equipped kitchen, home entertainment system, broadband internet access and IDD telephone cum fax machine with a private number.

Somerset Roppongi, Tokyo provides recreational facilities which include a fitness centre and a residents' lounge. It also provides 24-hour reception and security, daily morning refreshments, housekeeping service twice a week, mail and courier service, dry-cleaning and laundry services, car park, a 24-hour convenience store and a café.

SR Management Company

Ascott International Management Japan Company Limited⁽²⁾

Number of Apartment Units

64

Net Lettable Area

3,542 sq m

Year of Completion

1999

Title

Freehold

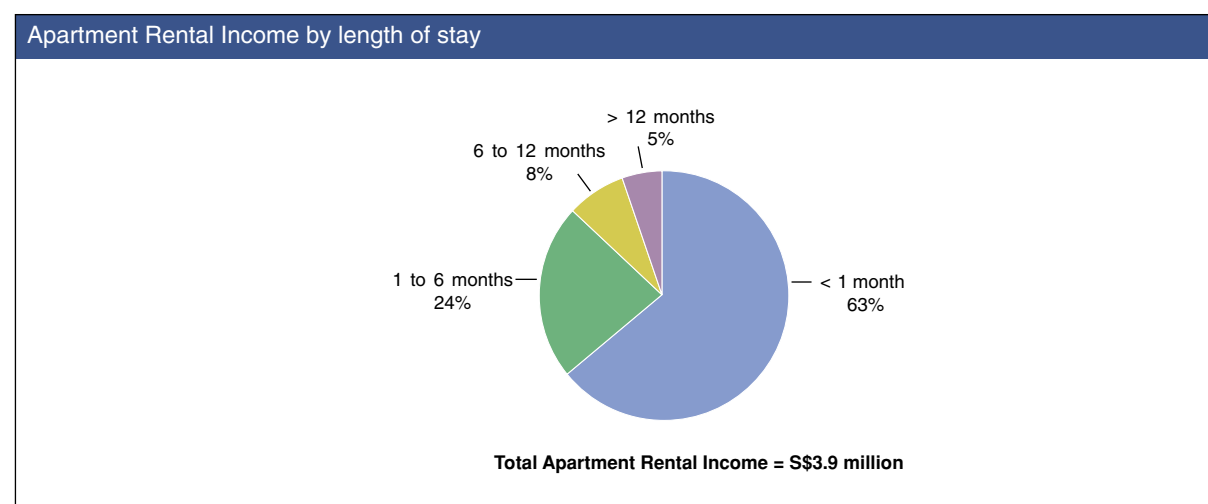
Appraised Value

Appraised Value : S\$60.2 million (equivalent to approximately ¥4.3 billion based on an exchange rate of ¥1 to S\$0.014)

Date of Appraisal : 3 January 2007

Length of Stay

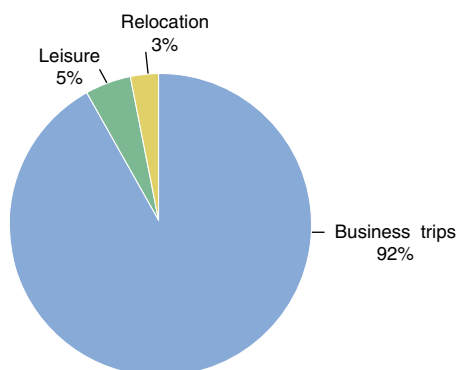
The following chart shows the length of stay profile of Somerset Roppongi, Tokyo (in terms of Apartment Rental Income) generated for the year ended 31 December 2006.



Guest Profile

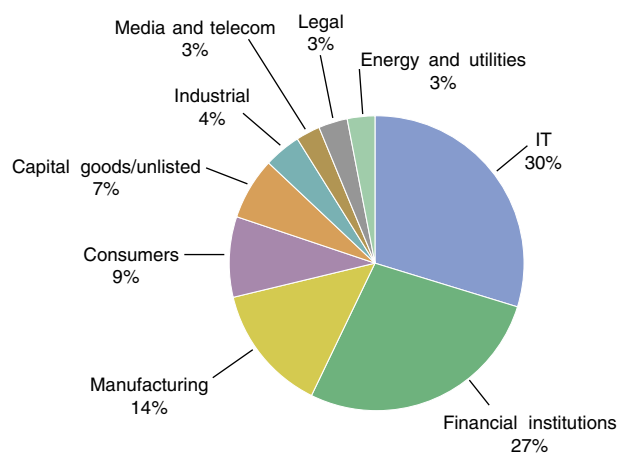
The following charts show the guest profile of Somerset Roppongi, Tokyo (in terms of Apartment Rental Income) generated for the year ended 31 December 2006 by market segment and by industry.

Apartment Rental Income by market segment



Total Apartment Rental Income = S\$3.9 million

Apartment Rental Income by industry



Total Apartment Rental Income = S\$3.9 million

Expiry of Licences

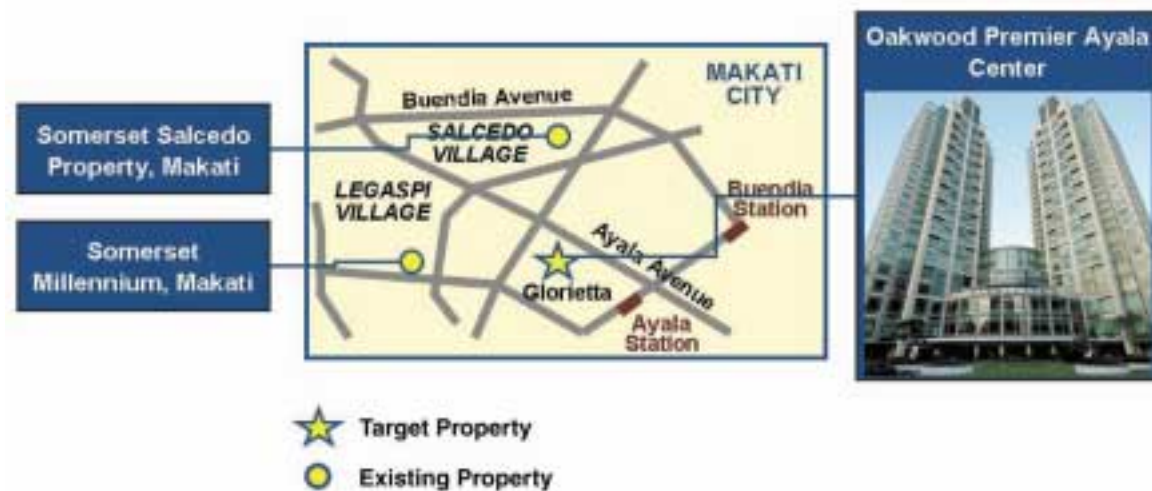
The table below sets out details of expiries in respect of the licences for Somerset Roppongi, Tokyo which, as at 31 December 2006, are scheduled to take place during the periods indicated:

Period	Number of Apartment Units in respect of which licences are expiring	Apartment Units in respect of which licences are expiring (%)
1 January 2007 to 31 March 2007	31	82
1 April 2007 to 30 June 2007	7	18
1 July 2007 and beyond	—	0
Total	38	100

Notes:

- ART, through its wholly owned subsidiary, SRJPL, currently holds 40.0 percent beneficiary interest in Somerset Roppongi, Tokyo through its ownership of 40.0 percent of the preferred shares and 25.0 percent of the common shares in MEC Roppongi Tokutei Mokuteki Kaisha, a *tokutei mokuteki kaisha* incorporated under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended). ART will acquire the remaining 60.0 percent beneficiary interest in Somerset Roppongi, Tokyo from Mitsubishi Estate Co., Ltd and MEC Roppongi Funding Corporation. To effect the acquisition, ART has set up a wholly owned company incorporated in Singapore named Somerset Roppongi (S) Pte. Ltd.. Somerset Roppongi (S) Pte. Ltd. has registered a new Japanese branch in Tokyo, which will own 60.0 percent of the preferred shares in MEC TMK (to be renamed as “**Somerset Roppongi TMK**”). The remaining 75.0 percent of the common shares in Somerset Roppongi TMK will be acquired by SRJPL. Post-completion, Somerset Roppongi TMK’s trust arrangement in Japan will be terminated and Somerset Roppongi TMK will be the registered owner of Somerset Roppongi, Tokyo. As a result, ART will own an effective 100.0 percent interest in the property via Somerset Roppongi TMK.
- Ascott International Management Japan Company Limited is 60.0 percent owned by TAG and 40.0 percent owned by Mitsubishi Estate Co., Ltd. Somerset Roppongi TMK will appoint Ascott International Management Japan Company Limited upon completion to continue to manage Somerset Roppongi, Tokyo.

**OAKWOOD PREMIER AYALA CENTER (TO BE RE-BRANDED ASCOTT MAKATI),
THE PHILIPPINES⁽¹⁾**



Address

Glorietta 4, Ayala Center
Makati City, Manila
The Philippines

Description

Located in Glorietta 4 Ayala Center in the heart of Makati City's central business district, Oakwood Premier Ayala Center (to be re-branded Ascott Makati) is close to the headquarters of numerous multinational corporations and financial institutions. The 306-unit property comprises studios, one-bedroom to three-bedroom and penthouse apartments. It has full facilities such as fitness centre, gymnasium, swimming pool, business centre, meeting rooms, tennis courts and a restaurant. Guests also have direct access to entertainment facilities, shops and restaurants in the premier Ayala Center shopping mall, which is linked to the serviced residence towers. Well-known shops at Ayala Center include anchor department stores like Rustan's, ShoeMart, Landmark and popular brands such as Swatch, Dolce & Gabbana, Hugo Boss and Marks & Spencer. It is also near the Greenbelt Mall, a lifestyle mall where well known international brands such as Louis Vuitton, Prada, and Gucci can be found.

SR Management Company

Scotts Philippines Inc.⁽²⁾

Number of Apartment Units

306

Net Lettable Area

34,282 sq m

Year of Completion

1999

Title

Lease tenure expiring on 6 January 2044, renewable for another 25 years subject to the mutual agreement of both parties

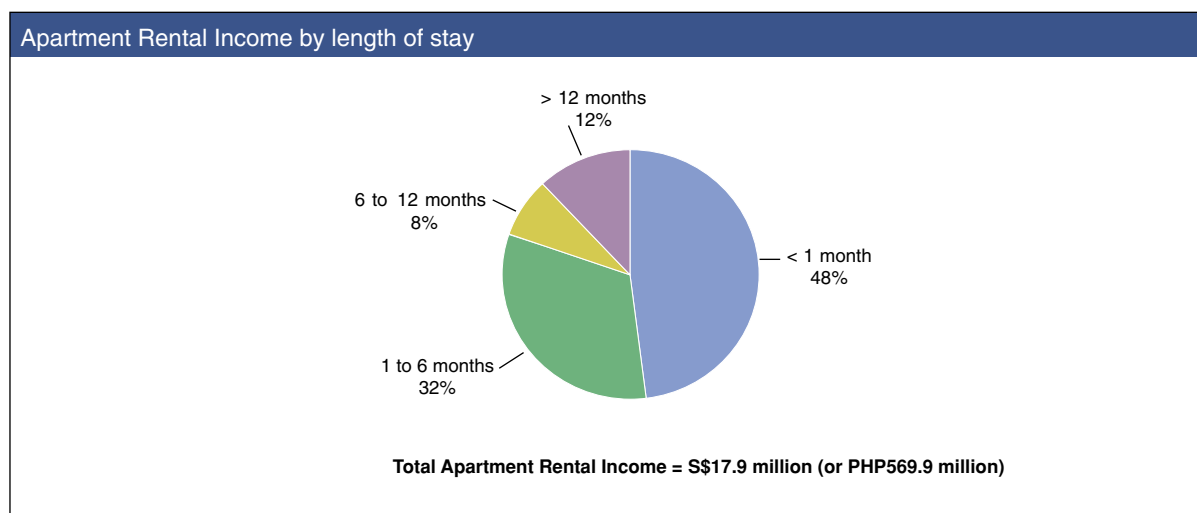
Appraised Value

Appraised Value : S\$87.9 million (equivalent to approximately PHP 2.8 billion based on an exchange rate of PHP 1.00 to S\$0.0314)

Date of Appraisal : 1 November 2006

Length of Stay

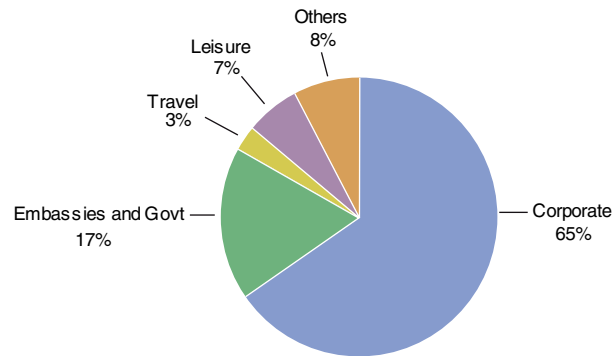
The following chart shows the length of stay profile of Oakwood Premier Ayala Center (to be re-branded Ascott Makati) (in terms of Apartment Rental Income) generated for the year ended 31 December 2006.



Guest Profile

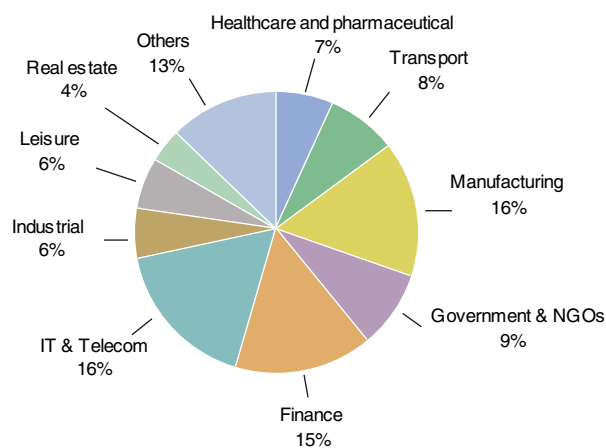
The following charts show the guest profile of Oakwood Premier Ayala Center (to be re-branded Ascott Makati) (in terms of Apartment Rental Income) generated for the year ended 31 December 2006 by market segment and by industry.

Apartment Rental Income by market segment



Total Apartment Rental Income = S\$17.9 million (or PHP569.9 million)

Apartment Rental Income by industry



Total Apartment Rental Income = S\$17.9 million (or PHP569.9 million)

Expiry of Licences

The table below sets out details of expiries in respect of the licences for Oakwood Premier Ayala Center (to be re-branded Ascott Makati) which, as at 31 December 2006, are scheduled to take place during the periods indicated:

Period	Number of Apartment Units in respect of which licences are expiring	Apartment Units in respect of which licences are expiring (%)
1 January 2007 to 31 March 2007	255	88
1 April 2007 to 30 June 2007	24	8
1 July 2007 to 31 August 2007	6	2
1 September 2007 to 31 December 2007	5	2
Total	290	100

Notes:

- (1) ART is acquiring 100.0 percent interest in the Philippines Target Property through the acquisition of 100.0 percent of the issued shares in MPVI from Ayala Hotels Inc. and Ocmador Philippines, B.V. ART has set up a Singapore special purpose vehicle, Ascott Manila Pte. Ltd., for the purpose of owning MPVI through another holding company in the Philippines, Ascott Makati, Inc.. MPVI, a special purpose vehicle incorporated in the Philippines with limited liability, has entered into a Contract of Lease with Ayala Land Inc., the registered and legal owner of the land on which the Philippines Target Property sits. Upon completion of the Philippines Target Acquisition, MPVI and Ayala Land Inc. will enter into an amended Contract of Lease which will expire on 6 January 2044. Upon mutual agreement of both parties, the term of the Contract of Lease may be renewed for another 25 years.
- (2) To be appointed on completion of the Philippines Target Acquisition. Scotts Philippines Inc. is a subsidiary of TAG.

SOMERSET CHANCELLOR COURT, HO CHI MINH CITY, VIETNAM⁽¹⁾



Address

21-23 Nguyen Thi Minh Khai Street
District 1, Ho Chi Minh City
Vietnam

Description

Somerset Chancellor Court, Ho Chi Minh City is an 18-storey building with one basement level and 42 car park lots. Centrally located in District 1 in Ho Chi Minh City's prime commercial, diplomatic and major shopping district, Somerset Chancellor Court, Ho Chi Minh City is within walking distance of many businesses, consulates and shopping centres.

The 172-unit Somerset Chancellor Court, Ho Chi Minh City offers guests facilities such as a business centre, swimming pool and steam room, fully-equipped gymnasium, hair and beauty salon, 24-hour reception and security, and a residents' lounge with a library.

SR Management Company

Ascott International Management (2001) Pte Ltd⁽²⁾.

Number of Apartment Units

172

Net Lettable Area

19,026 sq m

Year of Completion

1995

Title

Leasehold estate of 48 years expiring on 4 October 2041

Appraised Value

HVS International

Appraised Value : S\$72.0 million (equivalent to approximately US\$45.0 million based on an exchange rate of US\$1.00 to S\$1.60)

Date of Appraisal : 1 December 2006

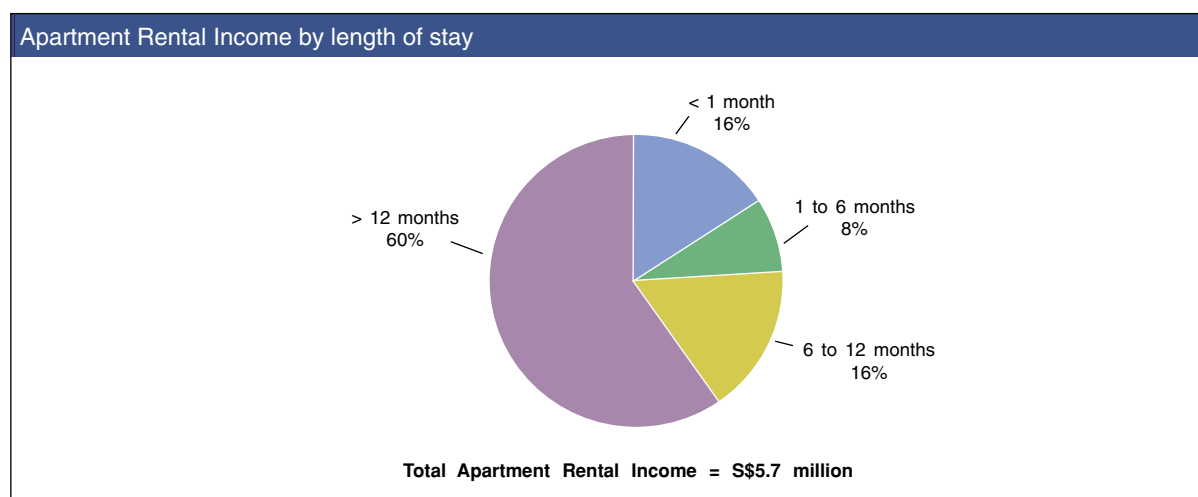
CB Richard Ellis Vietnam

Appraised Value : S\$72.0 million (equivalent to approximately US\$45.0 million based on an exchange rate of US\$1.00 to S\$1.60)

Date of Appraisal : 31 December 2006

Length of Stay

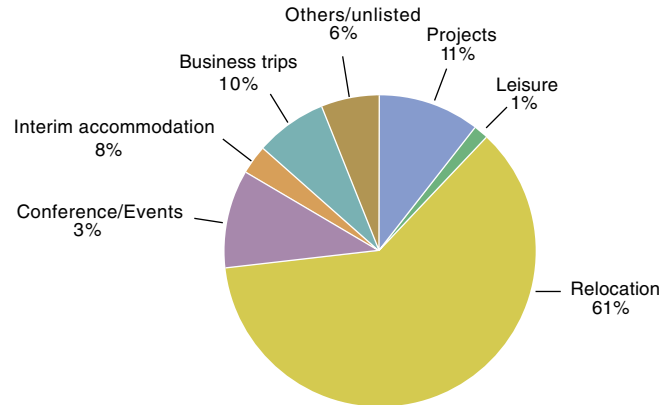
The following chart shows the length of stay profile of Somerset Chancellor Court, Ho Chi Minh City (in terms of Apartment Rental Income) generated for the year ended 31 December 2006.



Guest Profile

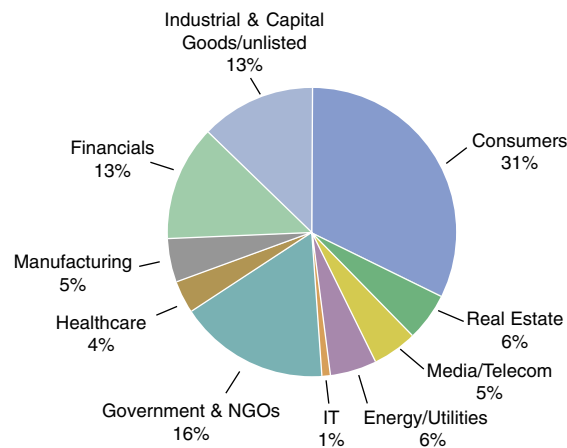
The following charts show the guest profile of Somerset Chancellor Court, Ho Chi Minh City (in terms of Apartment Rental Income) generated for the year ended 31 December 2006 by market segment and by industry.

Apartment Rental Income by market segment



Total Apartment Rental Income = S\$5.7 million

Apartment Rental Income by industry



Total Apartment Rental Income = S\$5.7 million

Expiry of Licences

The table below sets out details of expiries in respect of the licences for Somerset Chancellor Court, Ho Chi Minh City, which, as at 31 December 2006, are scheduled to take place during the periods indicated:

Period	Number of Apartment Units in respect of which licences are expiring	Apartment Units in respect of which licences are expiring (%)
1 January 2007 to 31 March 2007	59	48
1 April 2007 to 30 June 2007	19	15
1 July 2007 to 31 December 2007	34	28
1 January 2008 and beyond	11	9
Total	123	100

Notes:

- (1) Somerset Chancellor Court, Ho Chi Minh City is owned by Saigon Office and Serviced Apartment Company Limited, a 67.0 percent subsidiary of EATC(S). In January 2007, ART acquired 40.0 percent of the shares in EATC(S). ART is proposing to acquire the remaining 60.0 percent of the shares in EATC(S).
- (2) The property has been managed by Ascott International Management (2001) Pte Ltd, an indirect subsidiary of TAG, since 1 November 1995. The management contract has since been extended for another 10 years from 1 September 2006.

SUMMARY OF SELECTED INFORMATION ABOUT THE TARGET PROPERTIES AND EXISTING PROPERTIES

The composition of the Enlarged Portfolio after the Target Acquisitions is as follows:

Property Name	Address	Number of Apartment Units	Net Lettable Area	Appraised Value ⁽¹⁾ (\$ million)	Title
Australia (1 property)					
Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne)	19-25 Little Bourke Street, Melbourne, Victoria 3000, Australia	43	2,137 sq m	13.9	Freehold estate
China (4 properties)					
Ascott Beijing	108B Jian Guo Road, Chaoyang District, Beijing 100022, China	272	59,422 sq m	204.9	Leasehold estate of 70 years expiring on 7 February 2066
Somerset Grand Fortune Garden Property, Beijing	No. 46 Liangmaqiao Road, Chaoyang District, Beijing 100016, China	81	15,899 sq m	50.2	Leasehold estate of 70 years expiring on 27 August 2068
Somerset Xu Hui, Shanghai	No 888, Shanxinan Road Xu Hui District, Shanghai 200031, China	167	17,805 sq m	46.6	Leasehold estate of 70 years expiring on 22 June 2066
Somerset Olympic Tower Property, Tianjin	126 Chengdu Dao Heping District, Tianjin, China	172	25,043 sq m ⁽²⁾ and 6,194 sq m ⁽³⁾	76.2	Leasehold estate of 70 years expiring on 19 November 2062; and 33 years master lease expiring on 30 June 2039
Indonesia (3 properties)					
Ascott Jakarta	No. 2, Jalan Kebon Kacang Raya Central, Jakarta, Indonesia 10230	198	21,371 sq m	41.3	Leasehold estate of 20 years expiring on 31 March 2024
Somerset Grand Citra, Jakarta	Jl Prof. Dr. Satrio Kav. 1 Kuningan, Jakarta, Indonesia 12940	203 (includes 40 rental housing units)	29,666 sq m	54.0	Leasehold estate of 30 years expiring on 14 August 2024
Country Woods, Jakarta	Jl.W.R. Supratman, Pondok Ranji Ciputat Tangerang, Banten, Jakarta, Indonesia 15412	251 (includes townhouses and bungalows)	48,490 sq m	24.0	Leasehold estate of 20 years expiring on 22 October 2025
Japan (2 properties)					
Somerset Azabu East, Tokyo	No. 1 – 9 – 11, Higashi-Azabu, Minato-ku, Tokyo, Japan 106-0044	79	4,019 sq m	79.8	Freehold estate

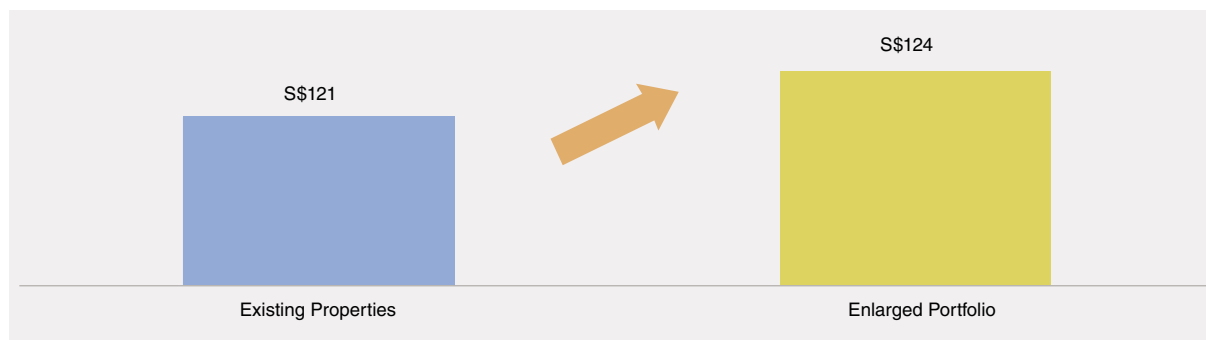
Property Name	Address	Number of Apartment Units	Net Lettable Area	Appraised Value ⁽¹⁾ (\$ million)	Title
Somerset Roppongi, Tokyo	No. 3 – 4 – 31, Roppongi, Minato-ku, Tokyo, Japan 106-0032	64	3,542 sq m	60.2	Freehold estate
The Philippines (3 properties)					
Oakwood Premier Ayala Center (to be re-branded Ascott Makati)	Glorietta 4, Ayala Center, Makati City, Manila, the Philippines	306	34,282 sq m	87.9	Contract of Lease of 48 years expiring on 6 January 2044, with an option to renew for another 25 years upon the mutual agreement of the parties ⁽⁴⁾
Somerset Millennium, Makati	104, Aguirre Street, Legaspi Village, Makati City, 1229 Manila, the Philippines	138 (of which 69 have been leased from unrelated third parties)	4,448 sq m	13.9	Freehold estate
Somerset Salcedo Property, Makati	H.V. Dela Costa corner L.P. Leviste Street Salcedo Village, Makati City, 1227 Manila, the Philippines	71	5,901 sq m	13.6	Freehold estate
Singapore (2 properties)					
Somerset Grand Cairnhill, Singapore	No. 15, Cairnhill Road, Singapore 229650	144	18,629 sq m	160.0	Leasehold estate of 99 years expiring on 10 June 2082
Somerset Liang Court Property, Singapore	No. 177B, River Valley Road, Singapore 179032	193	16,908 sq m	132.0	Leasehold estate of 97 years 30 days expiring on 1 May 2077
Vietnam (3 properties)					
Somerset Grand Hanoi	No 49, Hai Ba Trung Street Hoan Kiem District, Hanoi, Vietnam	185	28,328 sq m	103.1	Leasehold estate of 45 years expiring on 8 February 2038
Somerset Chancellor Court, Ho Chi Minh City	21-23 Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam	172	19,026 sq m	72.0	Leasehold estate of 48 years expiring on 4 October 2041
Somerset Ho Chi Minh City	8A, Nguyen Binh Khiem Street, District 1, Ho Chi Minh City, Vietnam	165	19,154 sq m	66.6	Leasehold estate of 45 years expiring on 25 December 2039
	Total	2,904	380,264 sq m	1,300.2	

Notes:

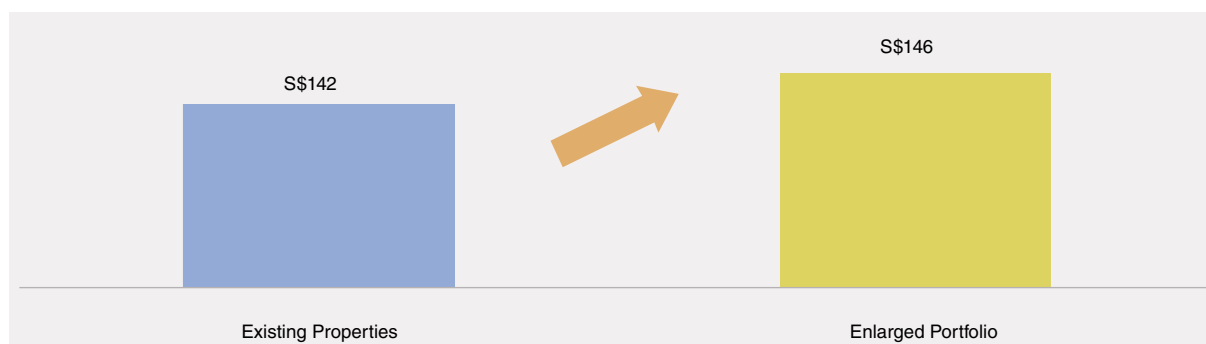
- (1) Refers to 100.0% of Target Property or Existing Property.
- (2) In respect of the serviced residence portion of Somerset Olympic Tower Property, Tianjin.
- (3) In respect of the 33-year master lease of the commercial podium of the Somerset Olympic Tower Property, Tianjin between Tianjin Sports Administration Bureau (as lessor) and Tianjin Consco (as lessee) for the period from 1 July 2006 to 30 June 2039.
- (4) This refers to an amended Contract of Lease to be entered into upon completion of the Philippines Target Acquisition.

The following charts set out the average portfolio REVPAU, Average Daily Rates and Occupancy Rates for the Existing Properties and the Enlarged Portfolio for the Forecast Period 2007:

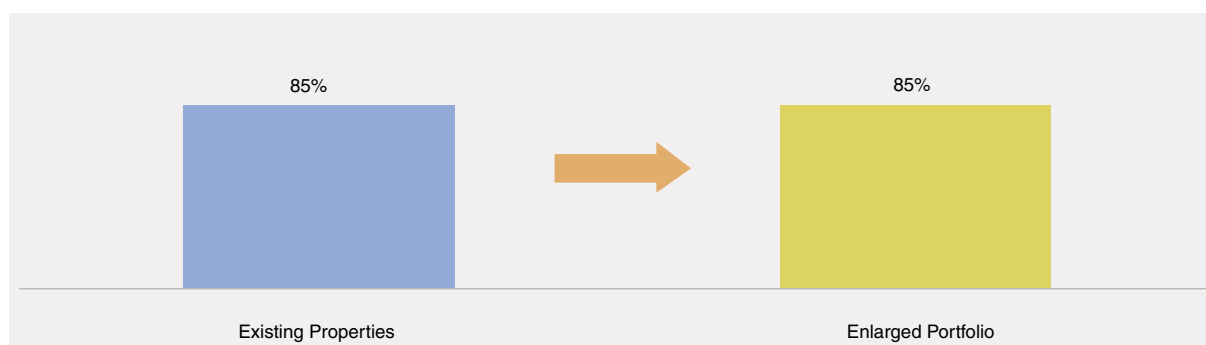
Average REVPAU for the Forecast Period 2007



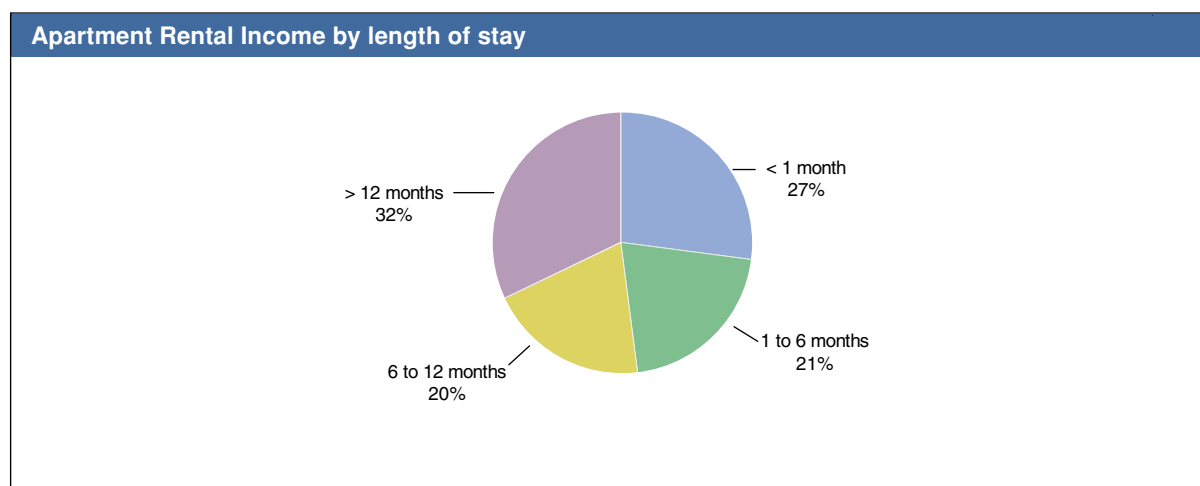
Average Daily Rates for the Forecast Period 2007



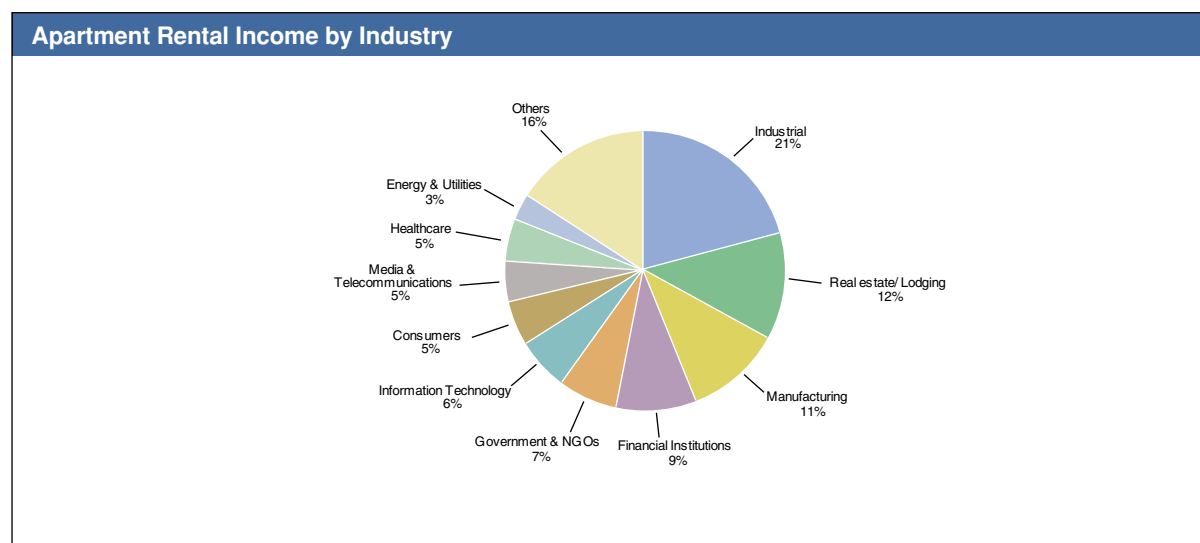
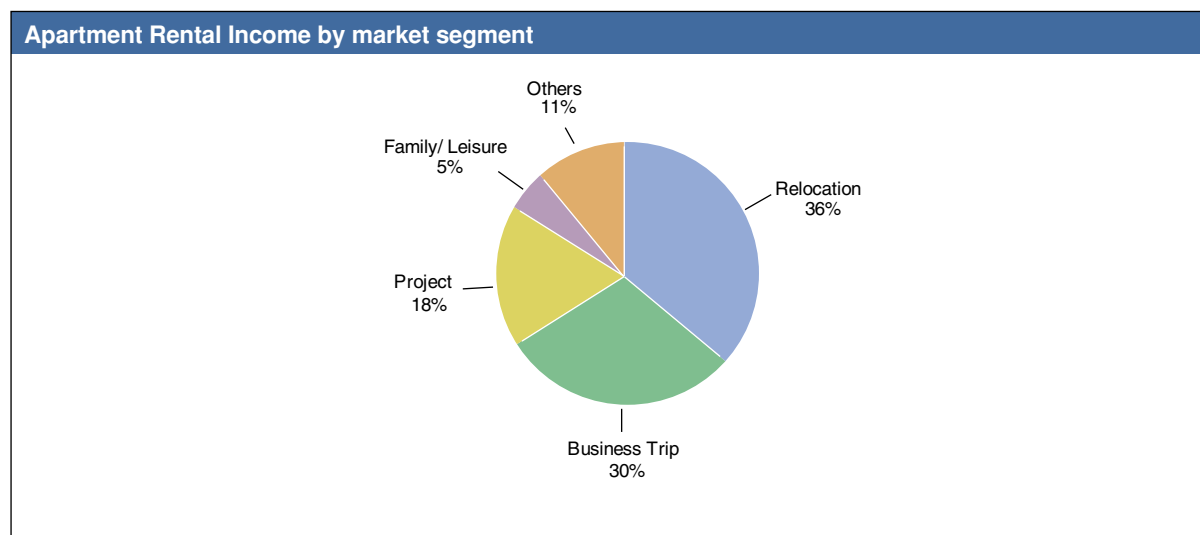
Average Occupancy Rates for the Forecast Period 2007



The following chart shows the length of stay profile of the Enlarged Portfolio generated for the year ended 31 December 2006.



The following charts show the guest profile for the Enlarged Portfolio generated for the year ended 31 December 2006 by market segment and by industry.



VALUATIONS OF TARGET PROPERTIES

The following table sets out the Independent Valuer, the date of valuation, the appraised value and purchase price (excluding acquisition costs) of each Target Property:

Property	Independent Valuer(s)	Date of valuation	Appraised value ⁽¹⁾ (foreign currency)/(S\$)	Purchase price (foreign currency)/(S\$)
Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne)	CB Richard Ellis (V) Pty Ltd	5 December 2006	A\$11.6 million/ S\$13.9 million	A\$11.6 million/ S\$13.9 million
Somerset Azabu East, Tokyo	Jones Lang LaSalle Property Consultants Pte Ltd	3 January 2007	¥5.7 billion/ S\$79.8 million	¥5.7 billion/ S\$79.8 million
Somerset Roppongi, Tokyo ⁽²⁾	Jones Lang LaSalle Property Consultants Pte Ltd	3 January 2007	¥4.3 billion/ S\$60.2 million	¥1.2 billion/ S\$17.0 million ⁽³⁾ (for 60.0 percent beneficiary interest)
Oakwood Premier Ayala Center (to be re-branded Ascott Makati)		1 November 2006	PHP 2.8 billion/ S\$87.9 million	PHP 2.7 billion/ S\$84.8 million
Somerset Chancellor Court, Ho Chi Minh City	HVS International	1 December 2006	US\$45.0 million/ S\$72.0 million	S\$23.1 million ⁽³⁾ (for 40.2 percent effective interest)
	CB Richard Ellis (Vietnam) Ltd.	31 December 2006	US\$45.0 million/ S\$72.0 million	

Notes:

- (1) Refers to 100.0 percent of the Target Property.
- (2) ART currently holds 40.0 percent beneficiary interest in Somerset Roppongi, Tokyo. ART will acquire the remaining 60.0 percent beneficiary interest in Somerset Roppongi, Tokyo.
- (3) After adjustments for consolidated net assets and liabilities.
- (4) In January 2007, ART acquired 40.0 percent of the shares in EATC(S) from unrelated parties, which represents 26.8 percent effective interest in the Vietnam Target Property. ART is proposing to acquire the remaining 60.0 percent shares in EATC(S), which represents 40.2 percent effective interest in the Vietnam Target Property.

STRUCTURE OF AND DETAILS IN RELATION TO THE ACQUISITIONS

Structure of the Australia Target Acquisition

The Australia Target Property will be acquired through a special purpose unit trust known as “Somerset Gordon Heights (Melbourne) Unit Trust” (the “**Unit Trust**”) constituted in Victoria, Australia. Pursuant to the Unit Trust deed, Somerset Gordon Heights (Melbourne) Pty. Ltd., a special purpose limited liability company incorporated in Victoria, Australia and an indirect wholly owned subsidiary of ART, has been appointed as the trustee of the Unit Trust which will be the registered owner of the Australia Target Property. Somerset Gordon Heights (S) Pte. Ltd., a limited liability company has been incorporated in Singapore and is a wholly-owned subsidiary of ART owning 100.0 percent of the issued share capital of the trustee of the Unit Trust and 100.0 percent of the issued units in the Unit Trust. The Unit Trust will own 100.0 percent beneficiary interest in the Australia Target Property and the trustee of the Unit Trust will own 100.0 percent legal interest in the Australia Target Property.

Structure of the Japan Target Acquisitions

Somerset Azabu East, Tokyo

ART will acquire Somerset Azabu East, Tokyo from Mitsubishi Estate Co., Ltd. To effect the acquisition, ART has set up two wholly owned companies incorporated in Singapore, namely Somerset Azabu East Investment (S) Pte. Ltd. and Somerset Azabu East (S) Pte. Ltd.. Somerset Azabu East Investment (S) Pte. Ltd. has registered a Japanese branch in Tokyo, which will in turn own 51.0 percent of the preferred shares in a new *tokutei mokuteki kaisha*, Somerset Azabu East TMK, to be set up under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended). Somerset Azabu East (S) Pte. Ltd. will directly own 49.0 percent of the preferred shares and 100.0 percent of the common shares in SAE TMK. SAE TMK will own 100.0 percent effective interest in Somerset Azabu East, Tokyo.

As a result, ART will through SAE TMK own 100.0 percent effective interest in Somerset Azabu East, Tokyo. Post-completion, Somerset Azabu East, Tokyo will continue to be managed by Ascott International Management Japan Company Limited which is 60.0 percent owned by TAG and 40.0 percent owned by Mitsubishi Estate Co., Ltd.

Somerset Roppongi, Tokyo

ART, through its wholly owned subsidiary, Somerset Roppongi (Japan) Pte. Ltd., currently holds 40.0 percent beneficiary interest in Somerset Roppongi, Tokyo through its ownership of 40.0 percent of the preferred shares and 25.0 percent of the common shares in MEC Roppongi Tokutei Mokuteki Kaisha, a Japan *tokutei mokuteki kaisha* incorporated under the Japan Law Regarding Securitization of Assets (No. 105 of 1998, as amended).

ART will acquire the remaining 60.0 percent beneficiary interest in Somerset Roppongi, Tokyo from Mitsubishi Estate Co., Ltd and MEC Roppongi Funding Corporation. To effect the acquisition, ART has set up a wholly owned company incorporated in Singapore, named Somerset Roppongi (S) Pte. Ltd.. Somerset Roppongi (S) Pte. Ltd. has registered a Japanese branch in Tokyo, which will in turn own 60.0 percent of the preferred shares in MEC TMK (to be renamed as Somerset Roppongi TMK). The remaining 75.0 percent of the common shares in Somerset Roppongi TMK will be acquired by Somerset Roppongi (Japan) Pte. Ltd.

Post-completion, Somerset Roppongi TMK's trust arrangement in Japan will be terminated and Somerset Roppongi TMK will be the registered owner of Somerset Roppongi, Tokyo. As a result, ART will own an effective 100.0 percent interest in the property via Somerset Roppongi TMK. The property will continue to be managed by Ascott International Management Japan Company Limited which is 60.0 percent owned by TAG and 40.0 percent owned by Mitsubishi Estate Co., Ltd.

Structure of the Philippines Target Acquisition

ART is proposing to acquire 100.0 percent interest in the Philippines Target Property through the acquisition of 100.0 percent of the issued shares in Makati Property Ventures Inc. from Ayala Hotels Inc. and Ocmador Philippines, B.V.. ART has set up a Singapore special purpose vehicle, Ascott Manila Pte. Ltd., for the purpose of owning MPVI through another holding company in the Philippines, Ascott Makati, Inc.. MPVI, a special purpose vehicle incorporated in the Philippines with limited liability, has entered into a Contract of Lease with Ayala Land Inc., the registered and legal owner of the land on which the Philippines Target Property sits. Upon completion of the Philippines Target Acquisition, MPVI and Ayala Land Inc. will enter into an amended Contract of Lease which will expire on 6 January 2044. Upon mutual agreement of both parties, the term of the Contract of Lease may be extended for another 25 years.

Structure of the Vietnam Target Acquisition

In January 2007, ART acquired 40.0 percent of the shares in a special purpose vehicle, EATC(S). ART is acquiring the remaining 60.0 percent of the shares in EATC(S) from The Ascott Holdings Limited (a wholly owned subsidiary of TAG). EATC(S) owns 67.0 percent of another special purpose vehicle, Saigon Office and Serviced Apartment Company Limited, which owns the Vietnam Target Property. The remaining 33.0 percent is owned by Ben Thanh Corporation, a state-owned enterprise in Vietnam. The Ascott Holdings Limited is considered to be an “interested party” under the Property Funds Guidelines and an “interested person” under the Listing Manual, and the acquisition of the remaining 60.0 percent of the shares in EATC(S) is accordingly an interested party transaction under the Property Funds Guidelines and an interested person transaction under Chapter 9 of the Listing Manual. Paragraph 5 of the Property Funds Guidelines requires, *inter alia*, approval of Unitholders for an interested party transaction whose value exceeds 5.0 percent of ART’s latest audited NAV. Chapter 9 of the Listing Manual imposes a similar requirement for an interested person transaction if the value thereof exceeds 5.0 percent of ART’s latest audited NTA. 5.0 percent of ART’s latest audited NAV and NTA as at 31 December 2006 is approximately S\$33.1 million. The purchase consideration for the 60.0 percent of the shares in EATC(S) of S\$23.1 million does not exceed 5.0 percent of ART’s latest audited NTA or NAV. Accordingly, Unitholders’ approval for the abovementioned acquisition is not required. The Audit Committee of the Manager has reviewed and approved the Vietnam Target Acquisition. Upon completion of the acquisition of the remaining 60.0 percent of the shares in EATC(S), ART will own 100.0 percent of the shares in EATC(S) and 67.0 percent effective interest in the Vietnam Target Property.

Pursuant to the joint venture documentation in relation to Saigon Office and Serviced Apartment Company Limited, it is provided that the profits of Saigon Office and Serviced Apartment Company Limited, after payment of such liabilities (including tax liabilities) that are determined to be appropriate for payment by its directors, including the discharge and payment of any management fees, service fees, technical fees and other payments that may be due and owing by Saigon Office and Serviced Apartment Company Limited to EATC(S) (the “**Vietnam Distributable Profits**”), shall be available for distribution. The distribution to the joint venture parties shall be in accordance with such profit distribution plans as approved by its directors and shall be distributed in the following proportions to the joint venture parties:

- (a) During the period of repayment of the bank loan (which amounts to an aggregate of about US\$14.3 million as at the Latest Practicable Date) (the “**Loan**”) incurred by Saigon Office and Serviced Apartment Company Limited, Ben Thanh Corporation is entitled to 33.0 percent and EATC(S) is entitled to 67.0 percent of the Vietnam Distributable Profits.
- (b) After repayment of the Loan, Ben Thanh Corporation is entitled to 40.0 percent and EATC(S) is entitled to 60.0 percent of the Vietnam Distributable Profits.

Under the joint venture documentation, any repayment of the Loan is subject to the unanimous approval of the board of directors of Saigon Office and Serviced Apartment Company Limited. Based on current projections, the Manager is of the view that the repayment of the Loan and thus the above distribution proportion under paragraph (b) is unlikely to apply prior to the 31st year (year 2024) of the joint venture.

- (c) From the 31st to 48th year of the joint venture, which was set up in October 1993, namely between October 2024 and October 2041, Ben Thanh Corporation is entitled to 60.0 percent and EATC(S) is entitled to 40.0 percent of the Vietnam Distributable Profits.

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TAX CONSIDERATIONS

The following summary of certain Singapore income tax considerations to Unitholders in respect of the Target Acquisitions is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary is not a tax advice and does not purport to be a comprehensive description of all the considerations that may be relevant to Unitholders. Unitholders should consult their own tax advisors on the tax implications that may apply to their own individual circumstances.

Singapore Income Tax

Income derived from the Target Properties

The rental income and other related income earned from the Target Properties will be received in Singapore by the relevant Singapore subsidiaries of ART in a combination of some of the following forms:

- (a) dividend income;
- (b) interest income;
- (c) branch profits;
- (d) trust distributions; and
- (e) proceeds from repayment of shareholders' loans.

The dividend income received in Singapore by the relevant Singapore tax-resident subsidiaries of ART in respect of the Japan Target Properties, the Philippines Target Property and the Vietnam Target Property will be exempt from tax under Section 13(8) of the Income Tax Act provided:

- (a) in the year the dividend income is received in Singapore, the headline corporate tax rate of the jurisdiction from which it is received is at least 15.0 percent;
- (b) the dividend has been subjected to tax in the jurisdiction from which it is received; and
- (c) the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the relevant Singapore subsidiary.

The relevant Singapore tax-resident subsidiaries of ART will be able to claim a credit for the tax paid in Japan on the branch profits remitted to Singapore, but only to the extent that the credit does not exceed the amount of Singapore tax payable on the branch profits.

ART has obtained approval from the IRAS to exempt from Singapore income tax the interest income and trust distributions received in Singapore by the relevant Singapore subsidiaries in respect of the Target Properties, as the case may be. This exemption is given under Section 13(12) of the Income Tax Act. This exemption is subject to stipulated conditions, including the condition that the relevant Singapore subsidiary is a tax resident of Singapore.

The proceeds from the repayment of shareholders' loans are capital receipts and hence are not liable to Singapore income tax.

Distributions to Unitholders

Distributions made by ART out of the income derived in respect of the Target Properties will comprise either or both of the following two components:

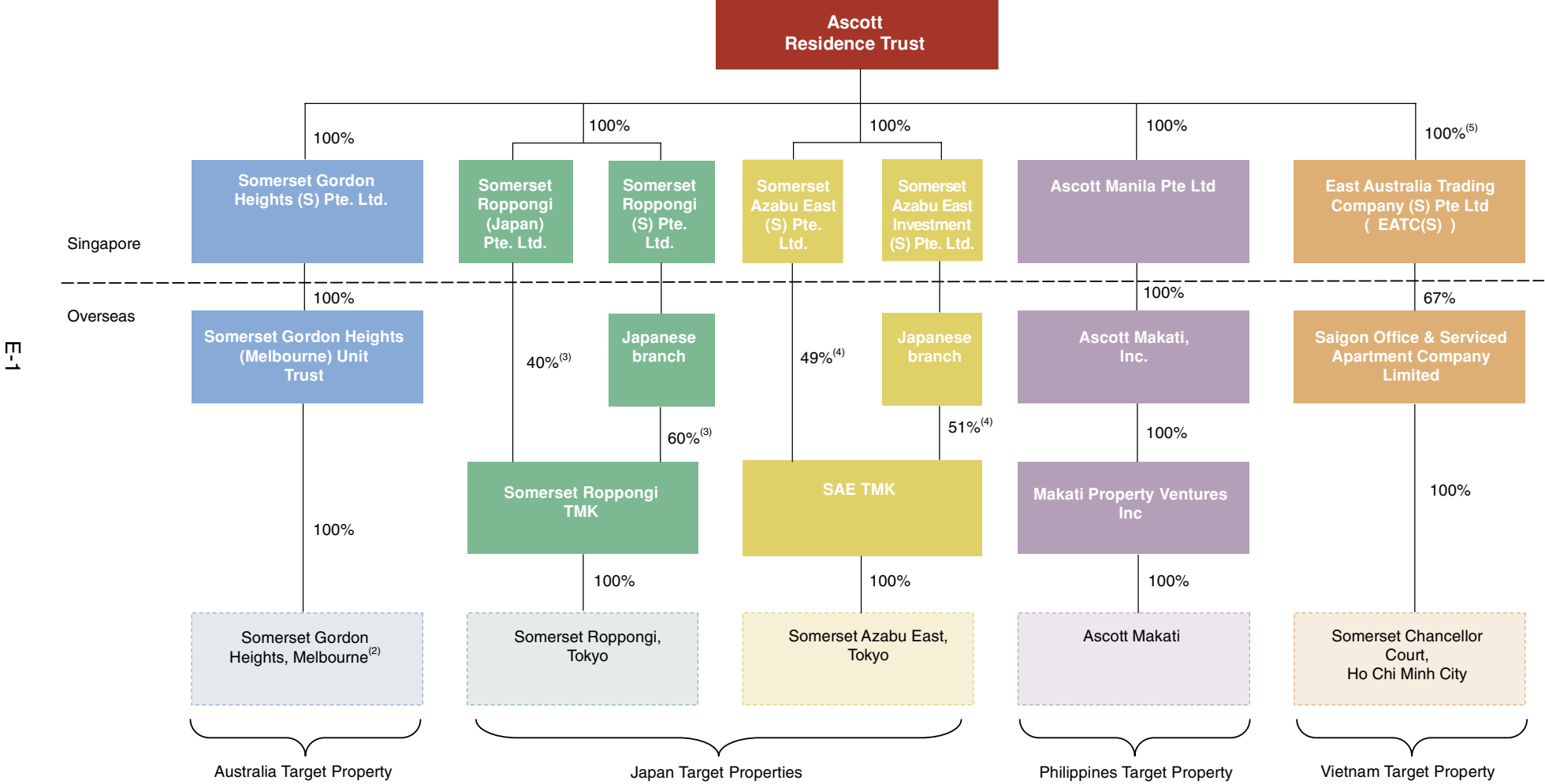
- (a) tax-exempt income component ("**Tax-Exempt Income Distributions**"); and
- (b) capital component ("**Capital Distributions**").

Tax-Exempt Income Distributions refer to distributions made by ART out of its tax-exempt income. Such distributions are exempt from Singapore income tax in the hands of Unitholders. No tax will be deducted at source on such distributions.

For this purpose, ART has obtained from the IRAS a ruling to allow it to distribute the foreign-sourced dividend income, interest income, branch profits and trust distributions that it expects to receive within nine months from the end of the relevant accounting year as Tax-Exempt Income Distributions. This ruling is subject to a rollover adjustment mechanism. In the event that the actual amount of foreign-sourced income finally received is lower than the amount expected to be received and on which the distribution is based, the difference will be deducted from the amount of Tax-Exempt Income Distribution made immediately following the receipt of the foreign-sourced income.

Capital Distributions refer to distributions made by ART out of Unitholders' contributions and representing such part of the income derived from the Target Properties that is not/cannot be repatriated back to Singapore in the form of dividends. Unitholders will not be subject to Singapore income tax on such distributions. These distributions will be treated as a return of capital for Singapore income tax purposes. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from the disposal of the Units, the amount of Capital Distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gains when the Units are disposed of. If the amount of Capital Distributions exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.

PROPOSED OWNERSHIP STRUCTURE OF THE TARGET PROPERTIES⁽¹⁾



Notes:

- (1) Simplified ownership structure for the Target Properties to illustrate ART's effective interest in the Target Properties. "Effective interest" refers to the proportion of interest owned by ART, whether directly, indirectly or beneficially, in each of the Target Properties via interests in property holding companies and/or property companies.
- (2) The registered owner of the Australia Target Property will be the trustee of Somerset Gordon Heights (Melbourne) Unit Trust, namely Somerset Gordon Heights (Melbourne) Pty. Ltd. which is wholly owned by Somerset Gordon Heights (S) Pte. Ltd..
- (3) ART, through its wholly owned subsidiary, Somerset Roppongi (Japan) Pte. Ltd. ("**SRJPL**"), currently holds 40.0 percent of the preferred shares and 25.0 percent of the common shares in the capital of MEC TMK, representing a beneficiary interest of approximately 40.0 percent in the capital of MEC TMK. ART will acquire the remaining 60.0 percent of the preferred shares and 75.0 percent of the common shares in the capital of MEC TMK, representing a beneficiary interest of approximately 60.0 percent in the capital of MEC TMK, via a Japanese branch which has been set up in Japan and SRJPL, respectively.
- (4) ART will acquire 100.0 percent of the preferred shares in SAE TMK via a Japanese branch which has been set up (which will own 51.0 percent of the preferred shares) and Somerset Azabu East (S) Pte. Ltd. (which will own 49.0 percent of the preferred shares).
- (5) In January 2007, ART acquired 40.0 percent of the shares in EATC(S). ART is acquiring the remaining 60.0 percent of the shares in EATC(S).

PROFIT FORECAST

Statements contained in this Profit Forecast section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person, nor that these results will be achieved or are likely to be achieved. See "Forward-looking Statements" and "Risk Factors". Recipients of this Document and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this Document.

The Profit Forecast should be read together with the "Independent Accountants' Report on the Profit Forecast" contained in **Appendix G** of this Circular as well as the assumptions and sensitivity analysis set out below.

The table below sets forth Ascott Residence Trust's ("ART") forecast Consolidated Statements of Total Return for the Forecast Period 2007 (being the period from 1 April 2007 to 31 December 2007). The profit forecast is based on the assumptions set out below. The assumptions have been reviewed and the computations checked by KPMG. The profit forecast should be read together with the reports set out in **Appendix G**, "Independent Accountants' Report on the Profit Forecast" as well as the assumptions and the sensitivity analysis set out below.

Forecast Consolidated Statements of Total Return

	Existing Properties 9-month Forecast Period 2007	Target Acquisitions ^{(1), (2), (4)} 9-month Forecast Period 2007	Enlarged Portfolio 9-month Forecast Period 2007
	(S\$'000)	(S\$'000)	(S\$'000)
Revenue	87,006	29,926	116,932
Direct expenses	(46,487)	(16,442)	(62,929)
Gross Profit	40,519	13,484	54,003
Other operating income	388		388
Interest expense	(10,249)		(12,899)
Manager's management fees	(3,472)		(4,593)
Trustee fees	(111)		(242)
Professional fees	(373)		(515)
Audit fees	(258)		(382)
Other operating expenses	(386)		(736)
Share of results of associated company	348		
Net profit	26,406		35,024
Income tax	(4,290)		(5,409)
Total return for the period after income tax	22,116		29,615
Minority interest	(2,697)		(3,366)
Total return for the period attributable to unitholders before distribution	19,419		26,249

	Existing Properties 9-month Forecast Period 2007	Target Acquisitions ^{(1), (2), (4)} 9-month Forecast Period 2007	Enlarged Portfolio 9-month Forecast Period 2007
	(S\$'000)	(S\$'000)	(S\$'000)
Attributable to:			
— Unitholders	19,419		26,249
— Minority interest	2,697		3,366
Total return for the period after income tax	22,116		29,615

Reconciliation from Total return for the period attributable to unitholders to Total unitholders' distribution:

Total return for the period attributable to unitholders from Consolidated Statements of Total Return	19,419	26,249
Net effect of non-tax deductible/chargeable items and other adjustments ⁽³⁾	5,049	6,781
Total unitholders' distribution	24,468	33,030
Unitholders' distribution:		
— from operations	9,365	13,705
— from unitholders' contributions ⁽⁵⁾	15,103	19,325
Total unitholders' distribution	24,468	33,030
Units in issue ('000)	499,401	606,067
Distribution per units (cents)	4.90	5.45
Distribution per units (cents) — annualised	6.53	7.27

Notes:

- (1) Pursuant to its announcement on 3 October 2006, ART acquired an initial 40.0 percent interest in MEC TMK, and hence 40.0 percent interest in Somerset Roppongi, Tokyo through an acquisition of the entire share capital of Somerset Roppongi (Japan) Pte. Ltd. The results from this interest is presented under "Existing Properties" as "Share of results of associated company". ART is proposing to acquire the remaining 60.0 percent effective interest in MEC TMK as part of the "Target Acquisitions". Consequently 100.0 percent of the revenue and direct expenses of MEC TMK is presented under the "Target Acquisitions".
- (2) Pursuant to its announcement on 14 December 2006, ART acquired an initial interest of 40.0 percent in EATC (S) and hence 26.8 percent effective interest in Somerset Chancellor Court, Ho Chi Minh City. ART is proposing to acquire the remaining 60.0 percent in EATC (S) and consequently an additional 40.2 percent effective interest in Somerset Chancellor Court, Ho Chi Minh City as part of the Vietnam Target Acquisition. For presentation in the Profit Forecast, the acquisition of 100.0 percent interest in EATC (S) or an effective interest of 67.0 percent effective interest in Somerset Chancellor Court is included under the "Target Acquisitions".
- (3) These include non-tax deductible expenses relating to the portion of the Manager's management fees which are payable in the form of Units, other expenses which are non-deductible for tax purposes and adjustments for certain non-cash items including depreciation of plant and equipment.
- (4) Apart from Revenue and Direct Expenses, other operating income and expenses have not been allocated to the Target Acquisitions as such allocation would be arbitrary and may not be meaningful.
- (5) Distributions from Unitholders' contributions pertain to adjustment for depreciation expense of the overseas Existing Properties and Target Properties and adjustment for trust expense relating to overseas Existing Properties and Target Properties that are paid in Units.

Illustrative Market Price Range of the Units

The Manager has prepared the Profit Forecast for the Forecast Period 2007 (being the period from 1 April 2007 to 31 December 2007) based on an Illustrative Weighted Issue Price of S\$1.866 and the assumptions set out below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Circular. However, investors should consider these assumptions as well as the Profit Forecast and make their own assessment of the future performance of ART.

Additionally, based on the annualised forecast DPU of 7.27 cents for the Forecast Period 2007 for the Enlarged Portfolio, the table below sets out the distribution yields for investors at an illustrative market price range of S\$1.65 to S\$1.95 per Unit.

Distribution yield based on payout of 100.0% of Taxable Income and Net Overseas Income

	Forecast Period 2007 (%)
Illustrative price per Unit	
S\$1.65	4.41
1.67	4.35
1.69	4.30
1.71	4.25
1.73	4.20
1.75	4.15
1.77	4.11
1.79	4.06
1.81	4.02
1.83	3.97
1.85	3.93
1.87	3.89
1.89	3.85
1.91	3.81
1.93	3.77
1.95	3.73

None of ART, the Manager, the Trustee or Ascott guarantees the performance of ART or the payment of any distributions, or any particular return on the Units.

The forecast yields stated in the table above are calculated based on the illustrative market price range of S\$1.65 to S\$1.95 per Unit. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price that differ from the illustrative price range of S\$1.65 to S\$1.95 per Unit. In no circumstances should the inclusion of such an illustrative market price range be regarded as a representation, warranty or prediction with respect to the market trading price of the Units on the SGX-ST.

Revenue and Gross Profit Forecast of Individual Properties

The underlying forecast Revenue and Gross Profit of each of the Existing Properties and the Target Properties are as follows:

	Country	Effective interest held by ART in the Existing Property or Target Property ⁽¹⁾	Revenue (S\$'000)	Gross Profit (S\$'000)
The Existing Properties				
Somerset Grand Cairnhill, Singapore	Singapore	100.0%	10,849	6,280
Somerset Liang Court Property, Singapore	Singapore	100.0%	8,108	3,461
Ascott Beijing	China	100.0%	14,492	5,911
Somerset Grand Fortune Garden Property, Beijing	China	100.0%	4,102	2,281
Somerset Xu Hui, Shanghai	China	100.0%	5,743	1,945
Somerset Olympic Tower Property, Tianjin	China	100.0%	7,808	3,978
Ascott Jakarta	Indonesia	100.0%	5,921	1,589
Somerset Grand Citra, Jakarta	Indonesia	57.4%	6,894	3,008
Country Woods, Jakarta	Indonesia	100.0%	3,116	541
Somerset Millennium, Makati	The Philippines	100.0%	3,742	1,005
Somerset Salcedo Property, Makati	The Philippines	100.0%	633	517
Somerset Grand Hanoi	Vietnam	76.0%	9,750	6,016
Somerset Ho Chi Minh City	Vietnam	69.0%	5,848	3,987
Subtotal			87,006	40,519
The Target Acquisitions				
Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne)	Australia	100.0%	1,574	598
Somerset Azabu East, Tokyo	Japan	100.0%	3,935	2,393
Somerset Roppongi, Tokyo	Japan	100.0%	3,349	1,892
Oakwood Premier Ayala Center (to be re-branded Ascott Makati)	The Philippines	100.0%	14,566	4,974
Somerset Chancellor Court, Ho Chi Minh City	Vietnam	67.0%	6,502	3,627
Subtotal			29,926	13,484
Total			116,932	54,003

Note:

- (1) Effective interest refers to the proportion of interest owned by ART, whether directly or indirectly and beneficially, in each of the Existing Properties and the Target Properties or through Property Companies, as the case may be.

Assumptions

The Manager has prepared the profit forecast for the Forecast Period 2007 based on the assumptions listed below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Document. However, recipients of this Document and all prospective investors in the Units should consider these assumptions as well as the profit forecast and make their own assessment of the future performance of ART.

Foreign exchange rates

The profit forecast for the Forecast Period 2007 is prepared based on the expected exchange rates of the United States Dollar, the Renminbi, the Philippine Peso, Japanese Yen and the Australian Dollar to the Singapore Dollar as set out below:

Foreign Currency	Exchange rate (Singapore Dollar to 1 Foreign currency) Forecast Period 2007
United States Dollar ("US\$")	1.5150
Renminbi	0.1976
Philippine Peso	0.0299
Japanese Yen	0.0140
Australian Dollar	1.2000

The Manager has applied the above foreign exchange rates in its preparation of the Forecast Consolidated Statements of Total Return for 2007. The exchange rate estimates are sourced from an independent financial institution database. The Manager wishes to highlight that the exchange rates applied are current estimates and actual exchange rates in the Forecast Period 2007 are likely to be different from these estimates.

(I) Revenue

Revenue comprises (a) rental revenue, (b) car park income, (c) hospitality income and (d) other income earned from the Existing Properties and the Target Properties, including food and beverages income and service charges.

	Existing Properties Forecast Period 2007	Enlarged Portfolio Forecast Period 2007
	S\$'000	S\$'000
(a) Rental revenue	80,562	107,470
(b) Car park income	1,815	1,944
(c) Hospitality income	4,128	4,908
(d) Other income	501	2,610
Total revenue	87,006	116,932

A summary of the assumptions which have been used in calculating the Revenue is set out below:

(a) **Rental revenue**

Rental revenue consists of (i) apartment rental income and (ii) retail and office rental income.

(i) *Apartment rental income*

Apartment rental income comprises income from the rental of serviced residence Apartment Units under ART's portfolio.

Rents paid under ART's licence agreements are generally fixed for the tenure of the licence period which could vary from one day to two years.

Somerset Salcedo Property, Makati

On 11 October 2005, Ascott Hospitality Holdings Philippines, Inc ("**AHHPI**"), a wholly owned subsidiary of ART, Beccomax Property and Development Corporation ("**Beccomax**"), an unrelated third party and Somerset Salcedo Makati, Inc ("**SSM Inc.**"), entered into a contract of lease (the "**Salcedo Contract of Lease**"). Pursuant to the Salcedo Contract of Lease, AHHPI and Beccomax leased Somerset Salcedo Makati to SSM Inc. for a period of five years from 1 January 2005 for an aggregate rental income of approximately PHP 5.9 million per month in respect of the 150 Apartment Units¹ in Somerset Salcedo Makati. Of the aggregate monthly rental income of approximately PHP 5.9 million, approximately PHP 2.4 million is attributable and payable to AHHPI as rental income in respect of the 71 Apartment Units and 71 parking lots in Somerset Salcedo Makati in which AHHPI owns. The Manager has forecast the Apartment Rental Income derived from Somerset Salcedo Property, Makati for the Forecast Period 2007 based on the Salcedo Contract of Lease.

The forecast apartment rental income is based on the following assumptions:

- The Manager has assessed occupancies and the average daily rates to arrive at the revenue per available unit ("**REVPAU**") for each of ART's 18 Existing Properties and the Target Properties, save for Somerset Salcedo Property, located in the seven jurisdictions as at 31 December 2006. Forecast occupancies are derived after taking into account historical and current operating performance of each Property and the expected achievable levels based on underlying forecast economic conditions in each of the seven jurisdictions. Forecast average daily rate considers economic outlook in each of the seven jurisdictions. The REVPAU is the apartment rental income which the Manager believes each Property could continue to achieve for each available apartment unit and is used to forecast the apartment rental income for the Forecast Period 2007.
- The Manager has analysed various forecast economic indicators such as Gross Domestic Product ("**GDP**") growth and Foreign Direct Investment ("**FDI**") growth for each of the seven jurisdictions and has also taken into consideration major events that will take place in each of the seven jurisdictions to make the following assumptions on the weighted average REVPAU annual growth rates (based on apartment rental revenue contribution of each Property) in each of the seven jurisdictions.

¹ AHHPI owns 71 Apartment Units within Somerset Salcedo, Makati ("Somerset Salcedo Property, Makati"). The remaining 79 units in Somerset Salcedo, Makati are owned by unrelated third parties.

	Weighted average REVPAU annual growth for Forecast Period 2007
Singapore	3%
Australia	2%
China	9%
Indonesia	1%
Japan	2%
The Philippines	2%
Vietnam	5%
Portfolio	5%

The Manager believes that these assumptions are appropriate for the following reasons:

- The weighted average REVPAU annual growth rates for the portfolio during the years ended 31 December 2005 and 2006 were in the range of approximately about 4.0 percent to 6.0 percent per annum for both years which are in line with the forecast figures.
- The Manager intends to undertake targeted marketing and promotional activities, in addition to continuing maintenance and refurbishment of soft furnishings at the Existing Properties and the Target Properties, in order to achieve sustainable growth at the Existing Properties and the Target Properties in the Forecast Period 2007.

(ii) *Retail and office rental income*

Retail and office rental income comprises rental income accruing from or resulting from leasing retail and office spaces in the Existing Properties and the Target Properties.

Retail and office rental income is expected to grow in line with expected annual inflation for each of the seven jurisdictions. The Manager has forecast the total retail and office rental income for the Existing Properties and the Target Properties to be approximately S\$7.3 million for the Forecast Period 2007.

(b) **Car park income**

Car park income includes income accruing from or resulting from the operation of the car parking facilities in the Existing Properties and the Target Properties. More than 90.0 percent of ART's car park income is derived from Somerset Grand Cairnhill's car park which is managed by an external operator. Somerset Grand Cairnhill's car park income comprises both fixed and variable components. The Manager has estimated the variable component to vary proportionately with apartment rental revenue for the Forecast Period 2007.

Other than Somerset Grand Cairnhill, the forecast car park income earned from the Existing Properties and the Target Properties for the Forecast Period 2007 has been estimated to increase at an annual growth rate which approximates the inflation rate of each of the relevant jurisdictions.

The Manager has forecast total car park income for the Existing Properties and the Target Properties to be approximately S\$1.9 million for the Forecast Period 2007.

(c) **Hospitality income and other income**

Hospitality income includes fees from usage of the business centre and laundry facilities, recoveries from guests for utilities including telephone charges, service and maintenance fees and fees for managing public areas as well as other miscellaneous income.

Other income comprises mainly income earned from the sale of food and beverages. Contribution from other income is not significant and is forecast to contribute approximately 2.0 percent of revenue for Forecast Period 2007.

In general, the Manager has forecast hospitality income and other income to vary proportionately with apartment rental revenue for the Forecast Period 2007.

The forecast amount of hospitality income for the Forecast Period 2007 is S\$4.9 million.

The forecast amount of other income for the Forecast Period 2007 is approximately S\$2.6 million.

(II) **Direct expenses**

Direct expenses consist primarily of:

	Existing Properties Forecast Period 2007	Enlarged Portfolio Forecast Period 2007
	S\$'000	S\$'000
(a) Staff costs	(11,490)	(13,867)
(b) Operation and maintenance expenses	(10,959)	(16,497)
(c) Marketing and selling expenses	(1,610)	(2,188)
(d) Property tax	(2,916)	(3,923)
(e) Serviced residence management fees	(6,458)	(8,256)
(f) Depreciation	(3,884)	(5,789)
(g) Other direct expenses	(9,170)	(12,409)
Total direct expenses	(46,487)	(62,929)

A summary of the assumptions which have been used in calculating direct expenses is set out below:

(a) **Staff costs**

Staff costs relate to wages and salaries, staff benefits and other expenses relating to the hiring of staff to carry out day-to-day operations at the Existing Properties and the Target Properties, including housekeeping services, reception services, security services and other services. Staff costs have been forecast as a function of average cost per headcount and the expected number of staff employed at the Existing Properties and the Target Properties. The Manager has forecast average cost per headcount to move in line with the employment market in each of the seven jurisdictions.

For the Forecast Period 2007, the Manager has estimated an increase in average cost per headcount based on an annual growth rate in each country (which approximates the inflation rate of each of the seven jurisdictions). In addition, the Manager has also considered staff strength requirements at the Existing Properties and the Target Properties by taking into account the forecast performance of the Existing Properties and the Target Properties (in particular, occupancy levels and operating efficiencies).

(b) **Operation and maintenance expenses**

Operation and maintenance expenses relate to costs incurred for the provision of services and upkeep of the Existing Properties and the Target Properties, including housekeeping, security, cleaning, electricity and utility expenses and minor repairs of soft furnishings at the Existing Properties and the Target Properties. In general, the Manager has forecast variable components of operation and maintenance expenses to vary in proportion to revenue for the Forecast Period 2007. Fixed components of operation and maintenance expenses are forecast by applying an annual growth rate (which approximates the inflation rate of each of the seven jurisdictions) to the expenses incurred in the previous year. The Manager also took into consideration cost efficiencies and regular repair and maintenance expenses at the Existing Properties and the Target Properties in arriving at the estimates for the Forecast Period 2007.

(c) **Marketing and selling expenses**

Marketing and selling expenses relate to costs incurred in advertising and promotional activities of the Existing Properties and the Target Properties. The Manager has generally forecast such marketing and selling expenses to vary in proportion to revenue for the Forecast Period 2007. Where the Manager intends to increase marketing efforts at certain of the Existing Properties and the Target Properties, consideration has been made for additional expenses in the forecast.

(d) **Property tax**

It has been assumed that the basis of assessment for property tax by the tax authorities in each of the seven jurisdictions will remain the same as the latest year of assessment and that no property tax rebate will be given by the tax authorities.

(e) **Serviced residence management fees**

Under the Serviced Residence Management Agreements, the Serviced Residence Management Companies are each entitled to a basic management fee and/or an incentive management fee for each of the Existing Properties and the Target Properties. In relation to each Property, the basic management fee ranges between 2.0 percent and 3.0 percent per annum of revenue of each of the Property. In relation to each Property, the incentive management fee ranges between 5.0 percent and 10.0 percent per annum of gross operating profit of each of the Property.

(f) **Depreciation**

Depreciation has been assumed to be provided on the Group's plant and equipment on a straight-line basis so as to write off items of plant and equipment over their estimated useful lives. The Manager has forecast depreciation of the plant and equipment owned by the Group to amount to S\$5.8 million for the Forecast Period 2007.

(g) Other direct expenses

Other direct expenses include business tax, bank charges and general and administrative expenses. Variable components (including business tax, bank charges and certain of the general and administrative expenses) are forecast to vary in proportion to revenue for the Forecast Period 2007. Fixed components of other direct expenses have been arrived at by applying an annual growth rate (which approximates the inflation rate of each of the seven jurisdictions) to the expenses incurred in the previous year.

(III) Interest expense

The Manager has forecast the Group's interest-bearing loans to amount to S\$397.2 million for the Forecast Period 2007. Of this amount, S\$287.3 million is part of the existing loans which have been drawn down, S\$47.9 million is the additional loans to be raised to partially finance the Japan Target Acquisitions, and the remaining amount of S\$62.0 million is the estimated loans to be assumed by ART upon completion of the Target Acquisitions. These loans are principally denominated in the Singapore Dollars, Japanese Yen and the United States Dollars.

ART currently has multi-currency revolving credit facilities amounting to S\$240.0 million from Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited. As at 31 December 2006, S\$214.2 million had been drawn from these facilities on a fixed rate basis.

The Manager has forecast to raise additional loan amounting to ¥3.42 billion (or approximately S\$47.9 million) to finance part of acquisition costs relating to one of the Japan Target Acquisitions. In addition, the Manager has forecast to assume additional loans amounting to US\$17.1 million (approximately S\$25.9 million) and ¥2.58 billion (or approximately S\$36.1 million) upon completion of the Vietnam Target Acquisition and the other Japan Target Acquisition respectively.

The existing loans have been forecast to bear interest rates ranging from 4.0 percent to 6.3 percent per annum for the Forecast Period 2007. For the additional loans, the Manager has assumed interest at rates ranging from 2.1 percent to 6.2 percent per annum.

(IV) Manager's Management Fees

Under the Trust Deed, the Manager is entitled to Management Fees comprising the Base Fee and the Performance Fee as follows:

- (a) a Base Fee of 0.3 percent per annum of the Property Values; and
- (b) a Performance Fee that comprises Base Performance Fee and Additional Outperformance Fee. Base Performance Fee shall be 4.0 percent per annum of ART's share of Gross Profit for each financial year. In the event ART's share of Gross Profit increases by more than 6.0 percent annually, the Manager will be entitled to an Additional Outperformance Fee of 1.0 percent of the difference between ART's share of that financial year's Gross Profit and 106.0 percent of ART's share of the preceding year's Gross Profit.

(Please refer to the following table for ART's share of the Property Values and ART's share of Gross Profit of the Deposited Property)

	Effective Interest held by ART in the Property or the relevant Property Company ⁽¹⁾	Asset Value during the Forecast Period 2007		Gross Profit forecast for the Forecast Period 2007	
		100.0% of Property Values	ART's share of Value of Property Values	100.0% of Gross Profit	ART's share of Gross Profit
Property		(S\$'mil)	(S\$'mil)	(S\$'mil)	(S\$'mil)
Somerset Grand Cairnhill, Singapore	100.0%	160.0	160.0	6.3	6.3
Somerset Liang Court Property, Singapore	100.0%	132.0	132.0	3.5	3.5
Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne)	100.0%	13.9	13.9	0.6	0.6
Ascott Jakarta	100.0%	39.4	39.4	1.6	1.6
Somerset Grand Citra, Jakarta	57.4%	51.5	29.6	3.0	1.7
Country Woods, Jakarta	100.0%	22.9	22.9	0.5	0.5
Somerset Azabu East, Tokyo	100.0%	79.8	79.8	2.4	2.4
Somerset Roppongi, Tokyo	100.0%	60.2	60.2	1.9	1.9
Oakwood Premier Ayala Center (to be re-branded Ascott Makati)	100.0%	83.7	83.7	5.0	5.0
Somerset Millennium, Makati	100.0%	13.1	13.1	1.0	1.0
Somerset Salcedo Property, Makati	100.0%	12.9	12.9	0.5	0.5
Ascott Beijing	100.0%	201.6	201.6	5.9	5.9
Somerset Grand Fortune Garden Property, Beijing	100.0%	49.4	49.4	2.3	2.3
Somerset Olympic Tower Property, Tianjin	100.0%	72.7	72.7	4.0	4.0
Somerset Xu Hui, Shanghai	100.0%	45.8	45.8	1.9	1.9
Somerset Grand Hanoi	76.0%	98.5	74.8	6.0	4.6
Somerset Chancellor Court, Ho Chi Minh City	67.0%	68.2	45.7	3.6	2.4
Somerset Ho Chi Minh City	69.0%	63.6	43.9	4.0	2.8
Total		1,269.2	1,181.4	54.0	48.9

Note:

- (1) "Effective Interest" refers to the proportion of interest owned by ART, whether directly or indirectly and beneficiary, in a Property or a Property Company, as the case may be.

The Manager has opted to receive, for the Forecast Period 2007, 50.0 percent of the Manager's management fees in the form of ART Units and the balance in cash.

The Base Fee for the Forecast Period 2007 is S\$3.5 million. It is assumed that no Additional Outperformance Fee will be paid or is payable in the Forecast Period 2007.

Where the Management Fee is payable in Units, the Manager has assumed that such Units are issued at the illustrative Issue Price of S\$1.866 per Unit.

The Manager may opt to receive the Management Fees in cash or Units or a combination of cash and units (as it may determine) after the Forecast Period 2007.

(V) Trustee's fees

Under the Trust Deed, the Trustee's fee is charged on a scaled basis of up to 0.021 percent per annum of the Deposited Property, subject to a minimum of S\$10,000 per month and a maximum of 0.1 percent per annum of the Deposited Property, excluding out-of-pocket expenses and GST. The Trustee's fee will be subject to review annually.

The Trustee's fee for the Forecast Period 2007 is expected to be S\$0.3 million.

(VI) Professional fees, audit fees and other operating expenses

Professional fees include legal fees, secretarial fees and tax consultancy fees. The Manager has forecast an annual growth of 3.0 percent over the previous financial year.

Other operating expenses comprise primarily trust expenses which include recurring operating expenses such as annual listing fees, registry fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and miscellaneous expenses. For the Forecast Period 2007 estimates, the Manager has projected an annual growth of 3.0 percent over the previous financial year.

(VII) Tax Expense

The following taxes have been factored into the Profit Forecast:

- Australia, Indonesia, Japan, the Philippines, the PRC and Singapore corporate income tax;
- Vietnam preferential corporate income tax;
- Indonesia, Japan and the Philippines withholding tax on interest payments;
- Japan and the Philippines withholding tax on dividend income

Income tax

It has been assumed that income tax will remain at the same tax rates prevailing in each of the seven jurisdictions for the year ended 31 December 2006. For the Existing Properties and the Target Properties in Vietnam, preferential tax rates have been granted by the local tax authorities as below:

Properties	Preferential tax rates	Expiry year
Somerset Chancellor Court, Ho Chi Minh City	15%	2007
	25%	2041
Somerset Grand Hanoi	20%	2038
Somerset Ho Chi Minh City	15%	2009
	25%	2039

Withholding tax

It has been assumed that the withholding tax on interest income and dividend income derived from overseas Existing Properties and the Target Properties will remain at the same rates prevailing in each of the seven jurisdictions for the year ended 31 December 2006.

(VIII) Unitholders' distribution

Unitholders' distribution comprises:–

(a) Distribution from operations:

- Taxable profits from operations arising from Singapore Properties, net of attributable expenses;
- Profits from operations arising from overseas Properties, received by ART during the financial year as tax-exempt dividend income from Property Holding Companies, net of attributable expenses;
- Interest income earned by Property Holding Companies on shareholders' loans extended to overseas Property Companies, received by ART during the financial year as tax-exempt dividend income from Property Holding Companies, net of attributable expenses; and
- Adjustment for trust expenses, relating to Singapore Properties, that are paid in Units.

(b) Distribution from unitholders' contributions:–

- Profits from operations arising from overseas Properties that are expected to be declared as dividend income to Property Holding Companies after the financial year, net of attributable expenses;
- Profits from operations arising from overseas Properties that cannot be declared as dividend income to Property Holding Companies;
- Adjustment for depreciation expense of the overseas Properties; and
- Adjustment for trust expenses, relating to overseas Properties, that are paid in Units.

The Manager has assumed that 100.0 percent of Taxable Income and Net Overseas Income will be distributed to Unitholders for the Forecast Period 2007.

(IX) Capital expenditure

The Manager has forecast capital expenditure for improvement works which include plans to upgrade facilities such as the gymnasium, to reconfigure larger Apartment Units into smaller Apartment Units and to refurbish the interiors of the Existing Properties and the Target Properties such as the fittings as well as the Apartment Units. It has been assumed that the capital expenditure will be funded primarily through cash flow from operations and/or further borrowings. Capital expenditure incurred is capitalised as part of the value of the relevant Property and has no impact on the forecast Consolidated Statements of Total Return or distributions other than the depreciation expense and capital allowances claimed, if any.

The capital expenditure for improvement works at the Existing Properties and the Target Properties is forecast as follows:

Improvement works

8.7

The Manager has assessed and projected the capital expenditure for the Forecast Period 2007 to range between 3.0 percent to 4.0 percent per annum of revenue. The Manager has taken into consideration renovation works in relation to Oakwood Premier Ayala Center (to be re-branded Ascott Makati), (refurbishment of apartments, lobby and public areas refurbishment and replacement of internal and external signage) and Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) (soft refurbishment of apartments, lobby and public areas refurbishment) in 2007 in arriving at the capital expenditure for the Forecast Period 2007. The Manager has set aside approximately S\$2.4 million and S\$1.0 million for Oakwood Premier Ayala Center (to be re-branded Ascott Makati) and Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) respectively.

(X) Distribution Reinvestment Arrangement

The Trust Deed gives the Manager, where appropriate, the option of activating an arrangement whereby Unitholders may elect to re-invest all or part of their distribution entitlement in return for an issue of additional Units in ART. It has been assumed that the Manager will not activate the distribution reinvestment arrangement before 31 December 2007. This assumption does not, however, preclude the Manager from exploring the implementation of such a distribution reinvestment arrangement before 31 December 2007.

(XI) Capital Raising

The Profit Forecast has been prepared based on an Issue Price of S\$1.866 per New Unit and that the net proceeds from the Equity Fund Raising will be used to part finance the Target Acquisitions. Acquisition fees of S\$2.6 million is payable to the Manager in relation to the Target Acquisitions, with S\$0.3 million payable in units and the remainder in cash.

(XII) Unit Issue Expenses

The costs associated with the issue of the Units will be paid for by ART. These costs are charged against net assets attributable to Unitholders in the balance sheet and have no impact on the distributions.

(XIII) Properties

Each of the Target Properties was or will be acquired at or below its appraised value¹. It is assumed that the Existing Properties and the Target Properties will be revalued annually, effective 31 December each year, and the next valuation will be carried out on 31 December 2007. For purposes of the profit forecast for Forecast Period 2007, the Manager has assumed an increase in the value of the Existing Properties and the Target Properties only to the extent of the assumed capital expenditure described in paragraph (IX) above.

The Manager has made a hypothetical assumption that the values of the Existing Properties and the Target Properties (except for the effect of the assumed capital expenditure) will, until 31 December 2007, remain at the amounts at which they were valued as at the respective dates as disclosed in **Appendix A** of this Circular.

¹ Under Clause 5.1(d) of Appendix 2 of the Code on Collective Investment Schemes issued by the MAS, ART may acquire assets from interested parties if each of the assets is acquired at a price not more than the higher of the two assessed values by two independent valuers, one of which is commissioned independently by the Trustee.

Any subsequent write-down of the values of the Existing Properties and the Target Properties will not affect the forecast distributions per Unit for the Forecast Period 2007 because ART's distributions are based on Taxable Income and Net Overseas Income, which excludes appreciation and depreciation upon revaluation of the Existing Properties and the Target Properties.

(XIV) Accounting Standards

The Manager has assumed that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast Total Return.

Significant accounting policies adopted by the Manager in the preparation of the profit forecast are set out in **Appendix F** of this Circular.

Other Assumptions

The Manager has made the following additional assumptions in preparing the profit forecast for the Forecast Period 2007:

- that ART's portfolio remains unchanged throughout the periods;
- that there will be no change in taxation legislation or other applicable legislation;
- that there will be no change to the Tax Ruling;
- that all leases and licences are enforceable and will be performed in accordance with their terms;
- that 100.0 percent of the Taxable income and Net Overseas Income will be distributed; and
- that there is no change in fair value of any financial derivatives entered into by ART throughout the Forecast Period 2007.

Sensitivity Analysis

The forecast distribution included in this document is based on a number of assumptions that have been outlined above. The forecast distribution is also subject to a number of risks as outlined in "Risk Factors".

Recipients of this document and all prospective investors in the Units should be aware that future events cannot be predicted with any certainty and deviation from the figures forecast in this Document are to be expected. To assist recipients of this Document and all prospective investors in the Units in assessing the impact of these assumptions on the profit forecast, a series of tables demonstrating the sensitivity of the DPU to changes in the principal assumptions are set out below. For example, the sensitivity analysis below assumes that the Manager's management fees will be paid in a certain combination of cash (50.0 percent) and Units (50.0 percent) for the Forecast Period 2007 (see "- (IV) Manager's Management Fees"). **As the Manager has agreed to receive such proportion of its management fees in respect of the Forecast Period 2007 as would be required to support, to the extent possible, the forecast distribution during the said period, in the form of Units (rather than cash), such support provided by the Manager may lessen or offset the impact of a decrease in REVPAU and/or an increase in direct expenses.**

The sensitivity analysis is intended to provide a guide only and variation in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

REVPAU

Changes in the REVPAU will impact the Gross Profit of ART and, consequently, the distribution yield. The assumptions for REVPAU have been set out earlier in this section. The effect of variations in the REVPAU on the distribution yield is set out below:

Impact on Annualised DPU pursuant to changes in REVPAU⁽¹⁾

REVPAU ⁽¹⁾	Forecast Period 2007		
	Increase/ (Decrease)	DPU	Change
	(cents)	(cents)	(%)
5.0% above base case ⁽²⁾	0.86	8.13	11.83
Base case ⁽³⁾	—	7.27	—
5.0% below base case ⁽⁴⁾	(0.92)	6.35	(12.65)
5.0% below base case, with up to 100.0% of Manager's management fees paid in Units	(0.42)	6.85	(5.78)

Notes:

- (1) Sensitivity analysis on REVPAU is carried out on the individual REVPAU figures for each of the 18 Existing Properties and Target Properties, save for Somerset Salcedo Property, Makati for the Forecast Period 2007.
- (2) Implies an increase of 5.0 percent in the REVPAU of each of the 18 Existing Properties and Target Properties, save for Somerset Salcedo Property, Makati.
- (3) DPU as shown in the forecast Consolidated Statements of Total Return.
- (4) Implies a decrease of 5.0 percent in the REVPAU of each of the 18 Existing Properties and Target Properties, save for Somerset Salcedo Property, Makati.

Direct expenses

Changes in direct expenses will impact the Gross Profit of ART and, consequently, the distribution yield. The assumptions for direct expenses have been set out earlier in this section. The effect of variations in direct expenses on the distribution yield is set out below:

Impact on Annualised DPU pursuant to changes in Direct Expenses

Direct Expenses	Forecast Period 2007		
	Increase/ (Decrease)	DPU	Change
	(cents)	(cents)	(%)
5.0% below base case ⁽¹⁾	0.53	7.80	7.29
Base case ⁽²⁾	—	7.27	—
5.0% above base case ⁽³⁾	(0.57)	6.70	(7.84)
5.0% above base case, with up to 100.0% of Manager's management fees paid in Units	(0.07)	7.20	(0.96)

Notes:

- (1) Implies a decrease of 5.0 percent in Direct Expenses.
- (2) DPU as shown in the forecast Consolidated Statements of Total Return.
- (3) Implies an increase of 5.0 percent in Direct Expenses.

Interest Expenses

Changes in borrowing costs will affect the Net Profit of ART and, consequently, the distribution yield. The effect of variations in interest rates on the distribution yield is set out below:

Impact on DPU pursuant to changes in Interest Expenses			
Interest Expenses	Forecast Period 2007		
	Increase/ (Decrease)	DPU	Change
	(cents)	(cents)	(%)
50 basis points decrease in the applicable interest rates ⁽¹⁾	0.11	7.38	1.51
Base case ⁽²⁾	—	7.27	—
50 basis points increase in the applicable interest rates ⁽¹⁾	(0.12)	7.15	(1.65)
50 basis points increase in the applicable interest rates, with up to 61.6% of Manager's management fees paid in Units	—	7.27	—

Notes:

- (1) Sensitivity analysis of changes in interest rates are applied to the variable portion of the loans.
- (2) DPU as shown in the forecast Consolidated Statements of Total Return.

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INDEPENDENT ACCOUNTANTS' REPORT ON PROFIT FORECAST

The Board of Directors
 Ascott Residence Trust Management Limited
 (in its capacity as Manager of Ascott Residence Trust)
 No. 8 Shenton Way
 #13-01 Temasek Tower
 Singapore 068811

DBS Trustee Ltd
 (in its capacity as Trustee of Ascott Residence Trust)
 6 Shenton Way
 #36-02
 DBS Building Tower One
 Singapore 068809

12 March 2007

Dear Sirs

Letter from the Reporting Accountants on the Profit Forecast for the nine-month period ending 31 December 2007

This letter has been prepared for inclusion in the Offer Information Statement (the "OIS") to be issued in connection with the proposed issue of new units in Ascott Residence Trust ("ART"), and the associated acquisitions of the following five properties:

- (i) Oakwood Premier Ayala Center, the Philippines;
- (ii) Somerset Roppongi, Tokyo, Japan⁽¹⁾;
- (iii) Somerset Azabu East, Tokyo, Japan;
- (iv) Somerset Chancellor Court, Ho Chi Minh City, Vietnam; and
- (v) Shoan Heights Serviced Apartment, Melbourne, Australia.

The directors of Ascott Residence Trust Management Limited (the "Directors") are responsible for the preparation and presentation of the forecast consolidated statements of total return of ART and its subsidiaries (collectively, the "Group") for the period from 1 April 2007 to 31 December 2007 (the "Profit Forecast") as set out on pages F-1 and F-2 of the OIS, which have been prepared on the basis of the assumptions set out on pages F-5 to F-15 of the OIS.

We have examined the Profit Forecast as set out on pages F-1 and F-2 of the OIS in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3400: *The Examination of Prospective Financial Information*. The Directors are solely responsible for the Profit Forecast including the assumptions set out on pages F-5 to F-15 of the OIS on which it is based.

⁽¹⁾ Pursuant to its announcement on 3 October 2006, ART acquired an initial 40.0 percent interest in MEC TMK, and hence 40.0 percent of Somerset Roppongi. ART is proposing to acquire the remaining 60.0 percent interest in MEC TMK as part of the "Target Acquisitions".

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies normally adopted by the Group and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* (but not all the required disclosures for the purposes of this letter) issued by the Institute of Certified Public Accountants of Singapore, which is the framework adopted by the Group in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions described above occur, actual results are still likely to be different from the Profit Forecast since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecast. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

Attention is drawn, in particular, to the risk factors set out on pages A-1 to A-7 of the OIS which describe the principal risks associated with the Equity Fund Raising, to which the Profit Forecast relate and the sensitivity analysis of the Profit Forecast as set out on pages F-15 to F-17 of the OIS.

Yours faithfully

KPMG
Certified Public Accountants
(Partner-in-charge: Leong Kok Keong)

Singapore

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice (RAP) 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore, and the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed.

The financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are stated at fair value.

The financial statements are presented in Singapore dollars which is the Trust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are valuation of serviced residence properties and valuation of financial instruments.

The accounting policies set out below have been applied consistently by the Trust and its subsidiaries (the “Group”). The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2. Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the “functional currency”). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust.

3. Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group’s acquisition of subsidiaries are primarily accounted for as acquisitions of assets as the subsidiaries are special purpose vehicles established for the sole purpose of holding assets.

Associates

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associates by the Trust

Investments in subsidiaries and associates are stated in the Trust's balance sheet at cost less accumulated impairment losses.

4. Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation and financial liabilities designated as hedges of the net investment in a foreign operation (see note 7).

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to net assets attributable to Unitholders in the consolidated financial statements. When the net investment is disposed of, the cumulative amount in net assets attributable to unitholders is transferred to the statement of total return as an adjustment to total return arising on disposal.

Foreign operations

Assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. Income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair

value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in net assets attributable to unitholders, when a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

5. Serviced residence properties

Serviced residence properties are accounted for as non-current assets and are stated at initial cost on acquisition which includes expenditure that is directly attributable to the acquisition of the properties, and at valuation thereafter. Valuation is determined in accordance with the Trust Deed, which requires the serviced residence properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under the CIS Code issued by MAS; and
- at least once in each period of 12 months following the acquisition of each parcel of real estate property.

Acquisition of serviced residence properties are accounted for by the Group and ART as acquisition of assets.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in the value of the serviced residence properties.

Subsequent expenditure relating to serviced residence properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When a serviced residence property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Serviced residence properties are not depreciated. The properties are subject to continual maintenance and regularly revalued on the basis set out above.

6. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

Assets under construction are not depreciated. Depreciation on other plant and equipment is recognised in the statement of total return on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of plant and equipment.

The estimated useful lives are as follows:

Renovation	—	8 to 10 years
Motor vehicles	—	5 years
Office, equipment, computer and furniture	—	3 to 8 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

7. Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through total return, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, ie, the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the statement of total return.

Hedge of net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the Trust's statement of total return. On consolidation, such differences are recognised directly in net assets attributable to unitholders, as foreign currency translation attributable to Unitholders, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in net assets attributable to unitholders arising from foreign currency translation attributable to that investment is transferred to the statement of total return as an adjustment to total return on disposal.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of total return.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the statement of total return.

Intra-group financial guarantees

Financial guarantees are classified as financial liabilities.

Financial guarantees are recognised initially at fair value. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the statement of total return.

Net assets attributable to unitholders

Net assets attributable to unitholders represent the unitholders' residual interest in the Group's net assets upon termination.

Expenses incurred in the issuance and placement of units in the Group are deducted directly against net assets attributable to unitholders.

8. Impairment — non-financial assets

The carrying amounts of the Group's non-financial assets, other than serviced residence property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of total return unless it reverses a previous revaluation, credited to net assets attributable to unitholders, in which case it is charged to net assets attributable to unitholders. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

9. Inventories

Inventories comprise principally food and beverage and other serviced residence and rental property related consumable stocks. Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

10. Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

11. Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received.

Hospitality income

Revenue from hotel operations is recognised on an accrual basis, upon rendering of the relevant services. Services rendered include provision of business centres and laundry facilities, and sale of food and beverages.

Interest income

Interest income from bank deposits is recognised on a time-apportioned basis.

12. Income tax expense

Taxation on the returns for the period comprises current and deferred tax. Income tax is recognised in the statement of total return except to the extent that it relates to items directly related to net assets attributable to unitholders, in which case it is recognised in net assets attributable to unitholders.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore (the “IRAS”) has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling, the Trustee is not subject to tax on the taxable income of the Trust. Instead, the distributions made by the Trust out of such taxable income are distributed free of tax deducted at source to individual Unitholders and qualifying Unitholders. Qualifying Unitholders are companies incorporated and tax resident in Singapore, Singapore branches of foreign companies that have obtained waiver from the IRAS from tax deducted at source in respect of the distributions from the Trust, and bodies of persons registered or constituted in Singapore. This treatment is known as the tax transparency treatment.

The Trustee will deduct tax at the reduced rate of 10% from distributions made out of the Trust’s taxable income during the period from establishment to 17 February 2010, that is not taxed at the Trust’s level to beneficial Unitholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes, and does not have a permanent establishment in Singapore. Where the non-individual investor carries on any operation in Singapore through a permanent establishment in Singapore, the funds used by that person to acquire the Units cannot be obtained from that operation to qualify for the reduced tax rate.

For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source by the Trustee.

Distribution policy

The Trust has a distribution policy where it is required to distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains, and net overseas income. However, the Trust will distribute 100% of its taxable income and net overseas income for the period from 31 March 2006 to 31 December 2006 and for the financial year ending 31 December 2007. Thereafter, the Trust will distribute at least 90% of its taxable income and net overseas income, with the actual level of distribution to be determined at the Manager's discretion.

Net overseas income refers to the net profits (excluding any gains from the sale of property or shares, as the case may be) after applicable taxes and adjustment for non-cash items, for example depreciation, derived by ART from its properties located outside Singapore.

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 60 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

13. Expenses

Direct expenses

Direct expenses consist of serviced residence management fees, property taxes and other property outgoings in relation to serviced residence properties where such expenses are the responsibility of the Group.

Manager's management fees

Manager's management fees are recognised on an accrual basis using the applicable formula.

Trustee's fees

The Trustee's fees are recognised on an accrual basis using the applicable formula.

14. Finance costs

Interest expenses are recognised in the period in which they are incurred, on an accrual basis. Expenses incurred in connection with the arrangement of debt securities are recognised in the statement of total return on an effective interest basis over the period for which the debt securities are granted.

EXTRACTS OF AUDITED RESULTS OF ART FOR THE PERIOD ENDED 31 DECEMBER 2006

Statement of Total Return

For the financial period from 19 January 2006 (date of establishment) to 31 December 2006

	Group \$'000
Gross revenue	89,811
Direct expenses	(47,181)
Gross profit	42,630
Finance income	422
Other income	1,042
Manager's management fees	(3,714)
Audit fees	(294)
Finance costs	(10,610)
Professional fees	(333)
Trustee's fees	(127)
Foreign exchange gain/(loss) — realised	21
Foreign exchange loss — unrealised	(1,539)
Other operating expenses	(319)
Net income before share of profit of associate	27,179
Share of profit of associate (net of tax)	152
Net income	27,331
Net change in value of serviced residence properties	17,552
Net change in fair value of financial derivative	(5,408)
Net gains on value of serviced residence properties and financial derivative	12,144
Total return for the period before tax	39,475
Income tax expense	(6,114)
Total return for the period after tax	33,361
Minority interests	(6,281)
Total return for the period attributable to unitholders before distribution	27,080
Distribution to unitholders from operations	(929)
Total return for the period attributable to unitholders after distribution	26,151

Reconciliation from Total Return for the Period Attributable to Unitholders to Total Unitholders' Distribution

For the financial period from 19 January 2006 (date of establishment) to 31 December 2006

	Group \$'000
Total return for the period attributable to unitholders from statement of total return	27,080
Net effect of non-tax deductible/(non-taxable) items and other adjustments	<u>(2,503)</u>
Total unitholders' distribution	<u>24,577</u>
Unitholders' distribution:	
— from operations	9,879
— from unitholders' contributions	<u>14,698</u>
Total unitholders' distribution	<u>24,577</u>

Balance Sheet
As at 31 December 2006

	Group \$'000
Non-current assets	
Serviced residence properties	982,567
Plant and equipment	13,069
Subsidiaries	—
Associate	9,558
Deferred tax assets	4,284
	<hr/> 1,009,478 <hr/>
Current assets	
Inventories	231
Trade and other receivables	31,682
Cash and cash equivalents	36,267
	<hr/> 68,180 <hr/>
Total assets	<hr/> 1,077,658 <hr/>
Non-current liabilities	
Financial liabilities	291,548
Deferred tax liabilities	3,474
Minority interests	53,175
Net assets attributable to unitholders	661,812
	<hr/> 1,010,009 <hr/>
Current liabilities	
Financial liabilities	7,342
Trade and other payables	58,839
Provision for taxation	1,468
	<hr/> 67,649 <hr/>
Total liabilities	<hr/> 1,077,658 <hr/>

Consolidated Cash Flow Statement**For the financial period from 19 January 2006 (date of establishment) to 31 December 2006**

	Group \$'000
Operating activities	
Total return for the period before tax	39,475
Adjustments for:	
Depreciation of plant and equipment	2,989
Gain on disposal of plant and equipment	(5)
Finance costs	10,610
Foreign exchange loss — unrealised	1,539
Net change in fair value of financial derivative	5,408
Finance income	(422)
Net change in value of serviced residence properties	(17,552)
Share of profit of associate	(152)
	<hr/>
Operating income before working capital changes	41,890
Changes in working capital:	
Inventories	26
Trade and other payables	(11,167)
Trade and other receivables	(15,100)
	<hr/>
Cash generated from operations	15,649
Income tax paid	(5,470)
	<hr/>
Cash flows from operating activities	10,179
	<hr/>
Investing activities	
Acquisition of subsidiaries, net of cash acquired	(22,377)
Acquisition of serviced residence properties, net of cash acquired	(63,152)
Capital expenditure on serviced residence properties	(8,986)
Interest received	2,822
Proceeds from sale of plant and equipment	23
Purchase of plant and equipment	(2,607)
	<hr/>
Cash flows from investing activities	(94,277)
	<hr/>
Financing activities	
Distribution to unitholders	(9,680)
Dividend paid to minority shareholders	(1,395)
Interest paid	(9,622)
Payment of issue expenses	(6,082)
Proceeds from borrowings	119,235
Proceeds from issue of new Units	49,127
Repayment of borrowings	(21,218)
	<hr/>
Cash flows from financing activities	120,365
	<hr/>
Net increase in cash and cash equivalents	36,267
Cash and cash equivalents at beginning of the period	—
	<hr/>
Cash and cash equivalents at end of the period	36,267
	<hr/> <hr/>

SELLING RESTRICTIONS

Distribution and Selling Restrictions

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Units or the possession, circulation or distribution of this Offer Information Statement or any other offering or publicity material relating to ART or the New Units in any country or jurisdiction (other than Singapore, where action for the purpose is required). Accordingly, the New Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material, circular, form of application or advertisement in connection with the New Units may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations of any such country or jurisdiction.

Australia

This Offer Information Statement has not been lodged with the Australian Securities and Investments Commission (**ASIC**), and is not a disclosure document or product disclosure statement for the purposes of Australian law. Providing this Offer Information Statement to any person in Australia is not an offer of New Units to that person or an invitation to that person to apply for the issue of New Units.

New Units may only be offered in Australia by the holder of an Australian financial services licence issued under the Corporations Act 2001 (Cwlth) ("**Corporations Act**") unless a licensing exemption applies. Neither the Manager nor the Trustee holds an Australian financial services licence under the Corporations Act and is therefore not licensed to provide financial product advice in Australia in relation to ART.

New Units may only be issued in Australia to wholesale clients who are persons to whom an offer of units may be made in Australia without the need for a product disclosure statement under Part 7.9 of the Corporations Act. Because none of the potential investors in New Units will be retail clients, as defined in section 761G of the Corporations Act, there will be no cooling-off period in relation to investments in New Units.

This Offer Information Statement is not, and under no circumstances is to be construed as, an advertisement or a public offering of New Units in Australia. ART is not registered as a managed investment scheme in Australia. ASIC has not reviewed this document or commented on the merits of investing in New Units nor has any other Australian regulator. New Units may not be resold in Australia within a period of 12 months after the date of issue otherwise than on a basis excluded from disclosure in accordance with sections 1012D or 1012DA of the Corporations Act.

This is not a securities recommendation or investment advice. A potential investor should seek their own financial advice. The Manager and the Trustee each recommend that potential investors read and review the material contained in this Offer Information Statement before making a decision to acquire New Units.

This Offer Information Statement has been prepared without taking account of any investor's objectives, financial situation or needs, and before acting on it, investors should consider the appropriateness of the information in this Offer Information Statement, having regard to their own objectives, financial situation and needs.

European Economic Area

In relation to each member state of the European Union which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date of issue of the New Units, no offer of New Units to the public in that Relevant Member State shall be made at any time except:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual turnover of more than €50,000,000 as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the consent of each of the Underwriters; or
- (d) in any other circumstances which do not require the publication by the Manager of a prospectus pursuant to Articles 3 and 4 of the Prospectus Directive;

provided, however, that the application of the Prospectus Directive to the ART and the consequential implications in offering New Units may vary in different member states and investors should therefore note any additional or alternative country specific restrictions.

For the purposes of this provision, the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

France

This Offer Information Statement has not been prepared in the context of a public offer of securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Articles 211-1 *et seq.* of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“**AMF**”) and has therefore not been and will not be submitted to the clearance procedures of the AMF in France or notified to the AMF after clearance of the competent supervisory authority.

The New Units have not been offered, sold or otherwise transferred and will not be offered, sold or otherwise transferred, directly or indirectly, to the public in France. This Offer Information Statement has not been and will not be (i) released, issued, distributed or caused to be released, issued or distributed to the public in France or (ii) used in connection with any offer for subscription or sale of the New Units to the public in France.

Any offers, sales or other transfers of the New Units in France will be made in accordance with Article L.411-2 of the French *Code monétaire et financier* only (i) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d’investisseurs*), in each case, and except as otherwise stated under French laws and regulations, investing for their own account, all as defined in and in accordance with Articles L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* and/or (ii) to investment services providers authorized to engage in portfolio management on a discretionary basis on behalf of third parties, or (iii) in a transaction that, in accordance with Article L.411-2-II-1° or 2° or 3° of the French *Code monétaire et financier* and Article 211-2 of the General Regulations (*Règlement Général*) of the AMF, does not constitute a public offer (*appel public à l’épargne*), in each case in compliance with Articles L.341-1 to L.341-17 of the French *Code monétaire et financier*. Such New Units may be resold directly or indirectly only in compliance with Articles L.411-1, L.411-2, L.412-1, L.621-8 through L.621-8-3 and L.341-1 to L.341-17 of the French *Code monétaire et financier*.

Germany

The New Units are neither registered for public distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* — “**BaFin**”) according to the German Investment Act nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act has been filed with the BaFin. Consequently, the New Units in the ART must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this Offer Information Statement and any other document relating to the New Units in the ART, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of New Units in the ART to the public in Germany or any other means of public marketing. Any resale of the New Units in Germany may only be made in accordance with applicable laws in the Federal Republic of Germany governing the sale and offering of the New Units. No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from an investment in the New Units.

Hong Kong

The ART has not been authorised by the Hong Kong Securities and Futures Commission. Accordingly, no person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, this Offer Information Statement or any other advertisement, invitation or document relating to the New Units which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to New Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made thereunder.

Malaysia

No approval from the Securities Commission of Malaysia or any other Malaysian authority is or will be obtained nor will any prospectus be filed or registered for the offering of the Units and the New Units in Malaysia. Therefore, no person should make available, offer for subscription or purchase, or issue any invitation to subscribe or purchase, the Units and/or the New Units in Malaysia, nor should any offering or advertisement document or material relating to the Units and/or the New Units be issued, distributed or published in Malaysia.

The Netherlands

The New Units will not be offered or sold, directly or indirectly, in the Netherlands, other than

- (i) New Units with a minimum denomination of € 50,000 or the equivalent in another currency per investor;
- (ii) for a minimum consideration of € 50,000 or the equivalent in another currency per investor;
- (iii) to fewer than 100 individuals or legal entities other than qualified investors; or
- (iv) solely to qualified investors,

all within the meaning of article 4 of the Financial Supervision Act Exemption Regulation (*Vrijstellingsregeling Wet op het financieel toezicht*).

If the New Units will be offered or sold in reliance on the exemptions referred to in (i) or (ii) above, the following additional requirements apply:

- (a) the first drawdown amount per investor must be at least € 50,000 or the equivalent in another currency (exclusive of any costs), payable as a lump sum;

- (b) subsequent drawdowns may be in amounts less than € 50,000 or the equivalent in another currency;
- (c) the amount invested by each investor may never be less than € 50,000 or the equivalent in another currency (exclusive of a decrease of the value of the amount invested),

all in accordance with the interpretation of the Netherlands Authority of the Financial Markets (Stichting Autoriteit Financiële Markten) dated 11 January 2007 on the denomination and package exceptions/exemptions (Coupure en pakket uitzonderingen/vrijstellingen aanbieden effecten aan het publiek en aanbieden deelnemingsrechten in beleggingsinstellingen).

In respect of the offering of the New Units, the ART is not required to obtain a license as a collective investment scheme pursuant to the Netherlands Financial Supervision Act (Wet op het financiële toezicht) and is not subject to market conduct supervision of the Netherlands Authority for the Financial Markets and prudential supervision of the Dutch Central Bank (De Nederlandsche Bank N.V.).

United Arab Emirates

For Persons located in United Arab Emirates outside the Dubai International Financial Centre

Each Joint Lead Manager and Underwriter has represented and agreed that the New Units have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates otherwise than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and/or sale of securities. Further, the information contained in this Offer Information Statement is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

For Persons located in United Arab Emirates inside the Dubai International Financial Centre

This Offer Information Statement relates to a Collective Investment Fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“**DFSA**”). This Offer Information Statement is intended for distribution only to Persons (as defined in the DFSA Rulebook) of a type specified in the DFSA’s rules (i.e. “**Qualified Investors**”) and must not, therefore, be delivered to, or relied on by, any other type of Person. The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this Collective Investment Fund. Accordingly, the DFSA has not approved this Offer Information Statement or any other associated documents nor taken any steps to verify the information set out in this Offer Information Statement, and has no responsibility for it.

The New Units to which this Offer Information Statement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Units offered should conduct their own due diligence on the New Units.

If you do not understand the contents of this document you should consult an authorised financial adviser.

United Kingdom

This Offer Information Statement, when distributed in, from or into the United Kingdom is only intended for investment professionals, high net worth companies, partnerships, associations or trusts and investment personnel of any of the foregoing (each within the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), persons outside the European Economic Area receiving it electronically, persons outside the United Kingdom receiving it non-electronically and any other persons to whom it may be communicated lawfully. No other person should act or rely on it. Persons distributing this Offer Information Statement in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

United States of America

The New Units have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The New Units are being offered and sold outside of the United States to non-U.S. persons, in reliance on Regulation S. In addition, until 40 days after the commencement of the offering, an offer or sale of New Units within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Terms used in this subsection have the meanings given to them by Regulation S.

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PROCEDURES FOR ACCEPTANCE OF AND PAYMENT FOR NEW UNITS UNDER THE PREFERENTIAL OFFERING BY SINGAPORE REGISTERED UNITHOLDERS

Unitholders with Units standing to the credit of their Securities Accounts as at 5.00 p.m. on 8 March 2007 and whose registered addresses with CDP were in Singapore as at 8 March 2007, who had a rights mailing address or who had prior to 1 March 2007 provided to CDP addresses in Singapore for the service of notices and documents (“**Singapore Registered Unitholders**”) are entitled to receive this Offer Information Statement and the Acceptance Form which forms part of this Offer Information Statement.

The Preferential Offering is governed by the terms and conditions of this Offer Information Statement and instructions in the Acceptance Form. The Acceptance Form is not renounceable or transferable and is for use only by Singapore Registered Unitholders. The Acceptance Form and this Offer Information Statement may not be used for the purpose of, and do not constitute, an offer or invitation or solicitation in any jurisdiction or in any circumstances in which such an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such an offer or invitation or solicitation.

The Acceptance Form and this Offer Information Statement have not been registered under the applicable securities laws of any overseas jurisdiction and the New Units under the Preferential Offering are not offered to any person who is not a Singapore Registered Unitholder. The Manager or on its behalf reserves the right to reject any acceptance of the New Units under the Preferential Offering where they believe, or have reason to believe, that such acceptance may violate the applicable laws of any jurisdiction.

An applicant accepting his provisional allocation of New Units under the Preferential Offering (the “**Applicant**”) should consider the implications of the provisions of the Acceptance Form and this Offer Information Statement before he accepts all or part of his provisional allocation.

By completing and delivering the Acceptance Form and in consideration of the Manager or on its behalf issuing and distributing the Acceptance Form to the Applicant, he agrees that:

- (a) his acceptance is irrevocable;
- (b) his remittance will be honoured on first presentation and that any moneys returnable may be held pending clearance of his payment and will not bear interest or enjoy any share of revenue or other benefit arising therefrom;
- (c) the contract arising from his acceptance pursuant to the Acceptance Form shall be governed by and construed in accordance with Singapore law and that he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
- (d) the Manager or on its behalf shall be under no obligation to account to him or any other person for any interest or share of revenue or other benefit accruing on or arising from or in connection with any subscription moneys; and
- (e) in the event his acceptance is invalid, presentation of his remittance for payment by or on behalf of the Manager shall not constitute, or be construed as, an affirmation of such invalid acceptance.

The number of New Units provisionally allocated for offer to Singapore Registered Unitholders under the Preferential Offering (based on the ratio of one New Unit for every 10 Existing Units) is indicated in the Acceptance Form (fractions of a New Unit having been disregarded) and includes additional New Units allocated to Singapore Registered Unitholders (where applicable) to enable them to obtain aggregate unitholdings in integral multiples of 1,000 Units after subscription for the whole of their provisional allocations of New Units under the Preferential Offering.

For the avoidance of doubt, such additional Units are included in the provisional allocations of investors who have purchased Units under the Central Provident Fund Investment Scheme or the Supplementary Retirement Scheme (where applicable). The provisional allocations of investors who hold Units through nominee companies include such additional New Units allocated to enable the level of the aggregate Units held in the securities accounts of such nominee companies with CDP to be in integral multiples of 1,000 Units after subscription for the whole of their provisional allocations of New Units under the Preferential Offering. As such, investors whose Units are held through such nominee companies may not enjoy the benefit of such additional New Units on an individual level. Singapore Registered Unitholders may accept their provisional allocations of New Units under the Preferential Offering in whole or in part. The Securities Accounts of Singapore Registered Unitholders have been credited by CDP with the provisional allocations of New Units as indicated in their Acceptance Form. Instructions for the acceptance of and payment for the New Units under the Preferential Offering are set out in this Offer Information Statement and the Acceptance Form.

Approval has been obtained from Central Provident Fund (“CPF”) Board for those of its members participating in its investment scheme (collectively, “IS Members”), who have utilised moneys standing to the credit of their respective CPF Investment Accounts to purchase Existing Units, to use up to 35.0 percent. of their CPF Investible Savings (“CPF Funds”), to pay for the New Units under the Preferential Offering. IS Members who wish to accept their provisional allocations of New Units under the Preferential Offering will need to:

- (a) instruct the relevant approved banks where such IS Members hold their CPF Investment Account to subscribe for the New Units on their behalf in accordance with this Offer Information Statement; and
- (b) **make sure that they have sufficient funds in their CPF Investment Accounts or CPF Ordinary Account to pay for the number of New Units which they intend to subscribe.** IS Members need not instruct CPF Board to transfer their CPF Funds from their CPF Ordinary Account to their CPF Investment Account. If the balance in the IS Members’ CPF Investment Account is insufficient and they have sufficient investible CPF Funds in their CPF Ordinary Account, your Agent Bank will automatically request for the balance of the required amount from their CPF Ordinary Account to their CPF Investment Account. If he does not have sufficient investible funds in his CPF Investment Account and CPF Ordinary Account to pay for the number of New Units which he intends to subscribe, his subscription will be rejected.

SRS account holders who wish to accept their provisional allocations of New Units under the Preferential Offering will need to:

- (a) instruct the relevant approved banks where such SRS account holder holds their SRS accounts to subscribe for New Units on their behalf in accordance with this Offer Information Statement; and
- (b) **make sure that they have sufficient funds in their SRS accounts to pay for the number of New Units for which they intend to subscribe.** If an SRS account holder instructs the relevant bank where he holds his SRS account to subscribe for New Units on his behalf and he does not have sufficient funds in his SRS account to pay for the number of New Units which he intends to subscribe, his acceptance will be rejected.

If a Singapore Registered Unitholder wishes to accept his provisional allocation of New Units specified in his Acceptance Form in full or in part, he may do so through CDP by completing and submitting the relevant portion of the Acceptance Form or by way of an electronic acceptance through any ATM of the Participating Banks (“**Electronic Acceptance**”). A Singapore Registered Unitholder should ensure that the Acceptance Form is accurately and correctly completed, failing which the acceptance of his provisional allocation under the Preferential Offering may be rejected. Acceptances accompanied by remittances improperly drawn may also be rejected.

Singapore Registered Unitholders (including the Directors and their immediate family (*i.e.* the spouse, children, adopted children, step-children, siblings and parents of the Directors), but not the Substantial

Unitholders) may apply for additional New Units under the ATM Offering. The offer of New Units under the ATM Offering is made on a “first-come, first-served” basis and is subject to availability of New Units under the ATM Offering. Instructions for the application of New Units under the ATM Offering are set out in **Appendix L** of this Offer Information Statement.

(i) Acceptance through CDP

To accept the provisional allocation of New Units specified in the Acceptance Form through CDP, the duly completed Acceptance Form must be accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of New Units accepted, and submitted by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY, #02-01 SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, at the Singapore Registered Unitholder’s own risk, to **THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 4.45 p.m. on 20 March 2007**. The payment must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**CDP-ART Preferential Offer Account**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and Securities Account number of the Singapore Registered Unitholder clearly written on the reverse side of the Cashier’s Order or Banker’s Draft. **No combined cashier’s order or banker’s draft for different Securities Accounts or other form of payment (including the use of a postal order or money order issued by a post office in Singapore) will be accepted.**

(ii) Acceptance by way of Electronic Acceptance through any ATM of the Participating Banks

Instructions for Electronic Acceptances of provisional allocations of New Units under the Preferential Offering will appear on the ATM screens of the Participating Banks.

THE FINAL TIME AND DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOCATIONS OF NEW UNITS UNDER THE PREFERENTIAL OFFERING IS:

- (A) 4.45 P.M. ON 20 MARCH 2007 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH CDP; OR**
- (B) 9.30 P.M. ON 20 MARCH 2007 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH ANY ATM OF THE PARTICIPATING BANKS.**

If acceptance and payment in the prescribed manner as set out in the Acceptance Form and this Offer Information Statement is not received through CDP by **4.45 p.m. on 20 March 2007** or through any ATM of the Participating Banks by **9.30 p.m. on 20 March 2007** from any Singapore Registered Unitholder, the provisional allocation of New Units to the Singapore Registered Unitholder shall be deemed to have been declined and shall forthwith lapse and become void. To the extent to which the provisional allocation is taken up in part only, the balance will be deemed to have been declined. Any subscription moneys to be returned will be returned to the Singapore Registered Unitholders without interest or share of revenue or other benefit arising therefrom, **BY ORDINARY POST** (where acceptance is through CDP) or by crediting their accounts with the relevant Participating Bank (where acceptance is by way of an Electronic Acceptance), and at the Singapore Registered Unitholders’ own risk within 14 Market Days after the close of the Preferential Offering on 20 March 2007. To the extent that the New Units offered under the Preferential Offering are not fully subscribed for, the Joint Lead Managers, Bookrunners and Underwriters (in consultation with the Manager) may, at their discretion, apply such unsubscribed New Units to satisfy any excess demand for New Units under the Private Placement.

In the event that the Applicant accepts his provisional allocation of New Units under the Preferential Offering, the allocation of New Units will be effected in such manner as the Manager or on its behalf or CDP may, in their absolute discretion deem fit, in accordance with the terms of this Offer Information Statement. However, if the New Units are not issued due to approval not being obtained from the

SGX-ST (or due to any other reason), all subscription moneys will be refunded (without interest or any share of revenue or other benefit arising therefrom) within 14 Market Days after the close of the Preferential Offering on 20 March 2007 by any or a combination of the following:

- (a) by means of a crossed cheque sent **BY ORDINARY POST** at the Applicant's own risk if he accepts through CDP; and
- (b) crediting the Applicant's bank account with the relevant Participating Bank at his own risk if he accepts through an ATM of the Participating Banks.

If any Singapore Registered Unitholder is in any doubt as to the action he should take, he should consult his legal, financial, tax or other professional adviser immediately.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC ACCEPTANCES OF NEW UNITS UNDER THE PREFERENTIAL OFFERING THROUGH AN ATM OF A PARTICIPATING BANK

The procedures for Electronic Acceptances of New Units under the Preferential Offering at the ATMs of the Participating Banks are set out on the ATM screens of the Participating Banks (the **"Electronic Acceptance Steps"**). For illustration purposes, the procedures for Electronic Acceptances of the New Units through the ATMs of DBS Bank (including POSB ATMs) are set out in the section entitled "Steps for Electronic Acceptance of New Units under the Preferential Offering through ATMs of DBS Bank (including POSB)" on pages K-7 and K-8 of this Offer Information Statement. Please read carefully the terms of this Offer Information Statement, the instructions set out on the ATM screens of the Participating Banks and the terms and conditions set out below before making an Electronic Acceptance through an ATM of the Participating Banks. Any Electronic Acceptance of New Units under the Preferential Offering which does not strictly conform to the instructions set out on the screens of the ATM of the relevant Participating Bank through which the Electronic Acceptance is effected will be rejected.

All references to "Rights Issue" and "Rights Application" on the ATM screens of the Participating Banks shall mean the offer of New Units under the Preferential Offering and the acceptance of such New Units, respectively. All references to "Document" on the ATM screens of the Participating Banks shall mean this Offer Information Statement.

Any references to the "Applicant" in the terms and conditions set out below and the Electronic Acceptance Steps shall mean the Relevant Singapore Registered Unitholder who accepts his provisional allocation of New Units under the Preferential Offering through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of a Participating Bank before he can effect an Electronic Acceptance at an ATM of the relevant Participating Bank. Upon the completion of his Electronic Acceptance transaction, the Applicant will receive an ATM transaction slip (**"Transaction Record"**) confirming the details of his Electronic Acceptance. The Transaction Record is for retention by the Applicant and should not be submitted with any Acceptance Form.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance liable to be rejected.

Electronic Acceptances shall be made on, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below:

1. In connection with his Electronic Acceptance, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Acceptance:
 - (a) that he has read, understood and agreed to all the terms and conditions of acceptance of New Units prior to effecting the Electronic Acceptance and agrees to be bound by the same; and

- (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and acceptance details (the “**Relevant Particulars**”) from his account with the relevant Participating Bank to the Unit Registrar, CDP, CPF Board, the SGX-ST, the Manager and the Joint Lead Managers, Bookrunners and Underwriters (the “**Relevant Parties**”).

His acceptance will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by the relevant Participating Bank of the Relevant Particulars of his account to the Relevant Parties.

2. An Applicant may effect an Electronic Acceptance at an ATM of a Participating Bank using cash only by authorising the relevant Participating Bank to deduct the full amount payable from his account with the relevant Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the number of New Units allocated as stated on the Transaction Record or the number of New Units standing to the credit of his Securities Account as at the close of the Preferential Offering.
4. If the Applicant’s Electronic Acceptance is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM) of the number of New Units accepted shall signify and shall be treated as his acceptance of the number of New Units that may be allotted to him.
5. In the event that the Applicant accepts his provisional allocation of New Units under the Preferential Offering both by way of an Acceptance Form and by way of an Electronic Acceptance, CDP shall be authorised and entitled to accept the Applicant’s instruction in whichever mode or a combination thereof as it may in its absolute discretion deem fit. In determining the number of New Units which the Applicant has validly given instruction to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of New Units not exceeding the number of New Units provisionally allocated which are standing to the credit of his Securities Account as at the close of the Preferential Offering, and CDP, in determining the number of New Units which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptances.
6. The Applicant irrevocably requests and authorises the Manager to:
 - (a) register or procure the registration of the New Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the subscription moneys, should the number of New Units as indicated in his Electronic Acceptance not be allotted or, as the case may be, fully allotted by or on its behalf the Manager for any reason, by automatically crediting the Applicant’s bank account with the relevant Participating Bank with the relevant amount within 14 Market Days after the close of the Preferential Offering.
7. **BY EFFECTING AN ELECTRONIC ACCEPTANCE, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE NEW UNITS AS THE NOMINEE OF ANY OTHER PERSON.**
8. The Applicant irrevocably agrees and acknowledges that his Electronic Acceptance is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Manager, the Joint Lead Managers, Bookrunners and Underwriters, the Participating Banks, the CPF Board and/or the Unit Registrar, and other events beyond the control of CDP, the Manager, CPF Board, the Joint Lead Managers, Bookrunners and Underwriters, the Participating Banks

and/or the Unit Registrar and if, in any such event, CDP and/or the Manager and/or the Joint Lead Managers, Bookrunners and Underwriters, the Participating Banks, the CPF Board and/or the Unit Registrar do not record or receive the Applicant's Electronic Acceptance, or data relating to the Applicant's Electronic Acceptance or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Acceptance and the Applicant shall have no claim whatsoever against CDP, the Manager, the Joint Lead Managers, Bookrunners and Underwriters, the Participating Banks, the CPF Board and/or the Unit Registrar for the purported acceptance of the New Units or for any compensation, loss or damage in connection therewith or in relation thereto.

9. Electronic Acceptances may be effected at the ATMs of the Participating Banks between 9.00 a.m. to 9.30 p.m. on 14 March 2007 and between 7.00 a.m. to 9.30 p.m. (Mondays to Saturdays only) for the remaining period of the Preferential Offering. This service will not be available on Sundays. Electronic Acceptances shall close at 9.30 p.m. on 20 March 2007 or such other times as the Manager may, in their absolute discretion deem fit.
10. All particulars of the Applicant in the records of the relevant Participating Bank at the time he effects his Electronic Acceptance for the New Units under the Preferential Offering shall be deemed to be true and correct, and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the effecting of his Electronic Acceptance, the Applicant shall promptly notify the relevant Participating Bank.
11. The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he effects his Electronic Acceptance of his provisional allocation of New Units under the Preferential Offering, failing which his Electronic Acceptance will not be completed. Any Electronic Acceptance made at the ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of the Participating Banks will be rejected.
12. Where an Electronic Acceptance is not accepted, it is expected that the full amount of subscription moneys will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 Market Days of the close of the Preferential Offering. An Electronic Acceptance may also be accepted in part, in which case the balance amount of subscription moneys will be refunded.
13. In consideration of the Joint Lead Managers, Bookrunners and Underwriters arranging for the Electronic Acceptance facility through the ATMs of the Participating Banks and agreeing to close the Preferential Offering at 9.30 p.m. on 20 March 2007 or such other time or date as the Manager may (in consultation with the Joint Lead Managers, Bookrunners and Underwriters) in its absolute discretion decide, and by making and completing an Electronic Acceptance, the Applicant agrees that:
 - (a) his Electronic Acceptance for the New Units under the Preferential Offering is irrevocable;
 - (b) his Electronic Acceptance for the New Units under the Preferential Offering, the acceptance thereof by the relevant Participating Bank and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (c) the Manager, the Joint Lead Managers, Bookrunners and Underwriters and the relevant Participating Bank shall not be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to his Electronic Acceptance or on its behalf to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or to any cause beyond their respective controls;
 - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his provisional allocation of New Units under the Preferential Offering; and

- (e) in respect of the New Units for which his Electronic Acceptance has been successfully completed and not rejected, acceptance of the Applicant's Electronic Acceptance shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager.
14. The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Acceptance may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment will be sent to his address last registered with CDP.
15. The existence of a trust will not be recognised. Any Electronic Acceptance by a trustee must be made in his own name and without qualification. The Manager or on its behalf will reject any acceptance by any person acting as nominee.
16. The Applicant hereby acknowledges that, in determining the total number of New Units which he can validly accept under the Preferential Offering, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:
- (a) the total number of New Units which the Applicant has accepted, whether by way of an Acceptance Form or by way of an Electronic Acceptance; and
 - (b) the total number of New Units comprised in the provisional allocation standing to the credit of his Securities Account and which are available for acceptance.

The Applicant hereby acknowledges that the determination of CDP and the Manager or on its behalf shall be conclusive and binding on him.

17. The Applicant irrevocably requests and authorises CDP to accept instructions from or on its behalf the Manager in respect of the number of New Units accepted by the Applicant by way of an Electronic Acceptance through the ATMs of the Participating Banks, and such instructions shall be binding and conclusive on the Applicant.

Steps for Electronic Acceptance of New Units under the Preferential Offering through ATMs of DBS Bank Ltd (including POSB)

For illustration purposes, the steps for making an Electronic Acceptance through a DBS or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form ("A/c", "amt", "appln", "&", "I/C" and "No." refer to "Account", "amount", "application", "and", "NRIC" and "Number" respectively.) Any reference of "you" or the "Applicant" in this section refers to an individual accepting his provisional allocation of New Units under the Preferential Offering, whether in full or in part, by way of an Electronic Acceptance. Instructions for making an Electronic Acceptance on the ATM screens of the Participating Banks (other than DBS Bank ATMs (including POSB)), may differ slightly from those represented below.

Step

1. Insert your personal DBS Bank or POSB ATM Card.
2. Enter your Personal Identification Number.
3. Select "MORE SERVICES".
4. Select "ESA-IPO SHARE/INVESTMENTS".
5. Select "RIGHTS APPLN".
6. Read and understand the following statements which will appear on the screen:–
 - THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE OFFER INFORMATION STATEMENT/DOCUMENT. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES)

SHOULD READ THE OFFER INFORMATION STATEMENT/DOCUMENT BEFORE SUBMITTING HIS APPLICATION AND WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE OFFER INFORMATION/DOCUMENT.

7. Select the DBS Bank account (AutoSave/Current/Savings/Savings Plus) or the POSB account (current/savings) from which to debit your application moneys.
8. Select “**ASCOTTREIT_NRO**”.
9. Read and understand the following statements which will appear on the screen:–
 - A COPY OF THE OFFER INFORMATION STATEMENT/DOCUMENT HAS BEEN LODGED WITH THE MONETARY AUTHORITY OF SINGAPORE WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS. FOR RIGHTS APPLN, A COPY OF THE OFFER INFORMATION STATEMENT HAS BEEN SENT TO SHAREHOLDERS AND IS ALSO AVAILABLE FOR COLLECTION FROM, WHERE APPLICABLE, THE CDP AND THE SHARE REGISTRAR OF THE ISSUER DURING NORMAL OFFICE HOURS.
 - Press the “ENTER” key to confirm that you have read and understood.
10. Press the “ENTER” key to acknowledge:
 - YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS & CONDITIONS GOVERNING THIS ACCEPTANCE/APPLICATION, INCLUDING CDP’S TERMS & CONDITIONS GOVERNING ELECTRONIC APPLN FOR RIGHTS ISSUES THROUGH THE ATM.
 - YOU CONSENT TO DISCLOSE YOUR NAME, ADDRESS, NATIONALITY, NRIC/PASSPORT NO., CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO., APPLN DETAILS TO THE SHARE REGISTRARS, CDP, SCCS, CPF, SGX, ISSUER & LEAD MANAGER.
11. Enter the number of New Units you wish to accept. **(Note: You may only accept up to the number of New Units that has been provisionally allocated to you, which is printed on the Acceptance Form. If you choose to accept a number of New Units in excess of what has been provisionally allocated to you, the excess number of New Units will not be accepted and the excess subscription moneys will be refunded to you within 14 Market Days of the close of the Preferential Offering.)**
12. Confirm (if your CDP Securities Account number has already been stored in DBS Bank’s records) or enter your own 12-digit CDP Securities Account number.
13. Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the “ENTER” key to confirm your application. (Note: If you see a message “You do not have rights entitlements in your CDP Sec A/C or your entitlement has not been credited yet. Do you wish to proceed with this application?”, this means that you do not have New Units provisionally allocated to you under the Preferential Offering and you should select “Cancel”.)
14. Remove the Transaction Record for your reference retention only.

TERMS AND CONDITIONS FOR ATM ELECTRONIC APPLICATIONS UNDER THE ATM OFFERING

Applications are invited for the subscription of the New Units under the ATM Offering at the ATM and Placement Issue Price, subject to the following terms and conditions:

1. **THE OFFER OF NEW UNITS UNDER THE ATM OFFERING IS MADE ON A “FIRST-COME, FIRST-SERVED” BASIS AND IS SUBJECT TO THE AVAILABILITY OF NEW UNITS OFFERED UNDER THE ATM OFFERING.**

YOUR APPLICATION UNDER THE ATM OFFERING MUST BE MADE IN LOTS OF 1,000 NEW UNITS OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NEW UNITS WILL BE REJECTED. AN APPLICATION FOR NEW UNITS UNDER THE ATM OFFERING IS SUBJECT TO A MINIMUM OF 1,000 NEW UNITS AND A MAXIMUM OF 50,000 NEW UNITS PER APPLICANT.

2. Your application for the New Units under the ATM Offering can only be made through ATMs belonging to DBS Bank (including POSB) (“**ATM Electronic Application**”).

You may use your CPF Investible Savings (“CPF Funds”) to apply for the New Units offered under the ATM Offering.

3. **You may use up to 35.0 percent of your CPF Funds to apply for the New Units under the ATM Offering. Approval has been obtained from the Central Provident Fund (“CPF”) Board for the use of such CPF Funds pursuant to the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time, for the purchase of the New Units under the ATM Offering . You may also use up to 35.0 percent of your CPF Funds for the purchase of Units in the secondary market.**

If you are using CPF Funds to apply for the New Units under the ATM Offering, you must have a CPF Investment Account maintained with DBS Bank. You do not need to instruct CPF Board to transfer CPF Funds from your Ordinary Account to your CPF Investment Account.

The use of CPF Funds to apply for the New Units under the ATM Offering is further subject to terms and conditions set out in the section below entitled “**Terms and Conditions for the Use of CPF Funds under the ATM Offering**”.

4. **Only one application may be made for the benefit of one person for the New Units under the ATM Offering in his own name. Multiple applications will not be accepted for the New Units under the ATM Offering. A person who is submitting an application for New Units under the ATM Offering in his own name should not submit any other applications for the New Units under the ATM Offering for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.**

Joint or multiple applications for the New Units under the ATM Offering will be rejected. Persons submitting or procuring submissions of multiple applications for New Units under the ATM Offering may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications will be liable to be rejected at the absolute discretion of the Joint Lead Managers, Bookrunners and Underwriters (in consultation with the Manager).

Multiple applications may be made in the case of applications by any person for New Units under the Private Placement with a single application for New Units under the ATM Offering.

Restricted Placees, save for the directors of the Manager and their immediate family, may not apply for New Units under the ATM Offering.

5. Applications will not be accepted from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and applicants whose addresses contained in the records of DBS Bank bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.
6. The existence of a trust will not be recognised. Any application by a trustee must be made in his own name and without qualification.
7. **YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of application, you will not be able to complete your ATM Electronic Application. If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in your ATM Electronic Application, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars, such as name, National Registration Identity Card ("NRIC") or passport number, nationality and permanent residence status, contained in the records of DBS Bank at the time of your ATM Electronic Application differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
8. If your address contained in the records of DBS Bank is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
9. The Joint Lead Managers, Bookrunners and Underwriters (in consultation with the Manager) reserve the right to reject any ATM Electronic Application which does not conform strictly to the instructions set out in this Offer Information Statement or which does not comply with the terms and conditions of this Offer Information Statement. The Joint Lead Managers, Bookrunners and Underwriters further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions or the terms and conditions of this Offer Information Statement, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.
10. The Joint Lead Managers, Bookrunners and Underwriters (in consultation with the Manager) reserve the right to reject or to accept, in whole or in part any ATM Electronic Application, without assigning any reason therefore and the Manager and the Joint Lead Managers, Bookrunners and Underwriters will not entertain any enquiry and/or correspondence on their decision.
11. It is expected that CDP will send to you, at your own risk, within 15 Market Days after 13 March 2007, subject to the submission of valid applications and payment for the New Units under the ATM Offering and the completion of the ATM Offering, a notification letter stating the number of New Units allotted to you. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Manager or the Joint Lead Managers, Bookrunners and

Underwriters. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the New Units allotted to you.

12. In the event of an under-subscription for the New Units under the ATM Offering as at the close thereof, that number of New Units under-subscribed shall be made available to satisfy excess applications for the New Units under the Private Placement to the extent there is an over-subscription for the New Units offered under the Private Placement.
13. You irrevocably authorise CDP to disclose the outcome of your ATM Electronic Application, including the number of New Units allotted to you pursuant to your application, to the Manager, the Joint Lead Managers, Bookrunners and Underwriters, and any other parties so authorised by CDP, the Manager, the Joint Lead Managers, Bookrunners and Underwriters (the “**Authorised Operators**”).
14. Any reference to “you” or the “Applicant” in this section refers to an individual applying for the New Units under the ATM Offering by way of an ATM Electronic Application.
15. By pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, in accordance with the provisions herein, you:
 - (a) irrevocably offer to subscribe for the number of New Units under the ATM Offering specified in your ATM Electronic Application (or such smaller number for which the application is accepted) at the ATM and Placement Issue Price for each New Unit and agree that you will accept such number of New Units as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Information Statement;
 - (b) agree that in the event of any inconsistency between the terms and conditions for application set out in this Offer Information Statement and those set out in the ATMs of DBS Bank (including POSB), the terms and conditions set out in this Offer Information Statement shall prevail;
 - (c) agree that the aggregate ATM and Placement Issue Price for the New Units applied for under the ATM Offering is due and payable to DBS Bank forthwith; and
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your ATM Electronic Application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager and the Joint Lead Managers, Bookrunners and Underwriters in determining whether to accept your application and/or whether to allot any New Units to you.
16. The acceptance of applications will be conditional upon, among others, the Manager and the Joint Lead Managers, Bookrunners and Underwriters being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in, and for quotation of, all the New Units on the Official List of the SGX-ST; and
 - (b) the Placement Agreement has become unconditional and has not been terminated.
17. The Manager or on its behalf, the Joint Lead Managers, Bookrunners and Underwriters will not hold any application in reserve.
18. Additional terms and conditions relating to ATM Electronic Applications are set out in the following pages.

ADDITIONAL TERMS AND CONDITIONS FOR ATM ELECTRONIC APPLICATIONS

The procedures for applications for the New Units under the ATM Offering through the ATMs of DBS Bank (including POSB) (the “**ATM Electronic Applications**”) are set out on the screens of the ATMs of DBS Bank (including POSB) (the “**ATM Electronic Application Steps**”). For illustration purposes, these procedures are reproduced in the section entitled “ATM Electronic Application Steps” appearing on pages L-7 to L-9 of this Offer Information Statement. Please read carefully the terms of this Offer Information Statement, the ATM Electronic Application Steps and the Additional Terms and Conditions for ATM Electronic Applications set out below before making any ATM Electronic Applications. Any reference to “you” or the “Applicant” in the Additional Terms and Conditions for ATM Electronic Applications and the ATM Electronic Application Steps shall refer to you making an ATM Electronic Application.

The ATM Electronic Application Steps set out the actions that you must take at the ATMs of DBS Bank (including POSB) to complete an ATM Electronic Application.

You must have an existing bank account with and be an ATM cardholder of DBS Bank (including POSB) before you can make an ATM Electronic Application. Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“**ATM Electronic Application Transaction Record**”), confirming the details of your ATM Electronic Application. The ATM Electronic Application Transaction Record is for your retention.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with DBS Bank (including POSB joint bank accounts), you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

Your ATM Electronic Application shall be made on the terms, and be subject to the conditions, of this Offer Information Statement, including but not limited to, the terms and conditions appearing below and those set out under the section entitled “TERMS AND CONDITIONS FOR ATM ELECTRONIC APPLICATIONS UNDER THE ATM OFFERING” on pages L-1 to L-3 of this Offer Information Statement.

1. In connection with your ATM Electronic Application, you are required to confirm statements to the following effect in the course of activating the ATM Electronic Application:
 - (a) **that you have obtained a copy of this Offer Information Statement and have read, understood and agreed to all the terms and conditions of application for the New Units under the ATM Offering and this Offer Information Statement prior to effecting the ATM Electronic Application and agree to be bound by the same;**
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), application details and Unit application amount (the “**Relevant Particulars**”) from your account with DBS Bank (including POSB) to the Unit Registrar, CDP, CPF Board, SGX-ST, Securities Clearing & Computer Services (Pte) Ltd (“**SCCS**”), the Manager, the Joint Lead Managers, Bookrunners and Underwriters (the “**Relevant Parties**”); and
 - (c) that this is your only application for the New Units under the ATM Offering and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM. By doing so, you shall be treated as signifying your confirmation of each of the above

three statements. In respect of statement 1(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by DBS Bank of your account with DBS Bank (including POSB bank accounts) to the Relevant Parties.

2. **By making an ATM Electronic Application, you confirm that you are not applying for New Units under the ATM Offering as a nominee of any other person and that any electronic application that you make for the New Units under the ATM Offering is the only application made by you as the beneficial owner. You shall make only one ATM Electronic Application and shall not make any other application for the New Units under the ATM Offering.**
3. You must have sufficient funds in your bank account with DBS Bank (including POSB) at the time you make your ATM Electronic Application at an ATM of DBS Bank (including POSB), failing which such ATM Electronic Application will not be completed. Any ATM Electronic Application which does not conform strictly to the instructions set out in this Offer Information Statement or on the screens of an ATM of DBS Bank (including POSB) through which your Electronic Application is being made shall be rejected.
4. You may apply and make payment for your application for New Units under the ATM Offering in Singapore currency in the following manner:
 - (a) **Cash only** — You may apply for New Units under the ATM Offering through any ATM of DBS Bank (including POSB) using only cash by authorising DBS Bank to deduct the full amount payable from your bank account with DBS Bank (including POSB) upon application.
 - (b) **CPF Funds only** — You may apply for the New Units under the ATM Offering through any ATM of DBS Bank (including POSB) using CPF Funds by authorising DBS Bank to deduct the full amount payable from your CPF Investment Account with DBS Bank upon application. For additional terms and conditions governing the use of CPF Funds, please refer to the section “**Terms and Conditions for Use of CPF Funds under the ATM Offering**”.
 - (c) **Cash and CPF Funds** — You may apply for the New Units under the ATM Offering through any ATM of DBS Bank (including POSB) using a combination of cash and CPF Funds, PROVIDED THAT the number of New Units applied for under each payment method is in lots of 1,000 New Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that such applications are accepted in part only, the cash portion of the application moneys will be used in respect of such applications before the CPF Funds are used.

An applicant applying for only 1,000 New Units can use either cash or CPF Funds, but not both.

5. You irrevocably agree and undertake to subscribe for and to accept the number of New Units under the ATM Offering applied for as stated on the ATM Electronic Application Transaction Record. In the event that Manager and the Joint Lead Managers, Bookrunners and Underwriters decide not to allot any New Units to you, you agree to accept such decision as final. If your ATM Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM) of the number of New Units applied for shall signify and shall be treated as your acceptance of the number of New Units that may be allotted to you.
6. No application will be kept in reserve. Where your ATM Electronic Application is rejected, the full amount of the application moneys will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with DBS Bank (including POSB) at your own risk.

Responsibility for timely refund of application moneys from rejected ATM Electronic Applications lies solely with DBS Bank. Therefore, you are strongly advised to consult DBS Bank as to the status of your ATM Electronic Application and/or the refund of any money to you from a rejected ATM Electronic Application, to determine the exact number of New Units, if any, allotted to you before trading the New Units on the SGX-ST. None of the SGX-ST, CDP, CPF Board, the SCCS, the Joint Lead Managers, Bookrunners and Underwriters nor the Manager assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

If your ATM Electronic Application is rejected, no notification will be sent to you by the Manager and/or the Joint Lead Managers, Bookrunners and Underwriters.

7. **ATM Electronic Applications shall close at 5.00 p.m. on 13 March 2007 (subject to early closure upon full subscription) or such other time or date as the Joint Lead Managers, Bookrunners and Underwriters may, in consultation with the Manager, decide.**
8. You are deemed to have irrevocably requested and authorised the Manager, the Joint Lead Managers, Bookrunners and Underwriters to:
 - (a) register the New Units allotted to you in the name of CDP for deposit into your Securities Account; and
 - (b) **return or refund (without interest or any share of revenue or other benefit arising therefrom) the application moneys, should your ATM Electronic Application be rejected, by automatically crediting your bank account with DBS Bank (including POSB), at your own risk, within 3 Market Days after the close of the ATM Offering.**
9. You irrevocably agree and acknowledge that your ATM Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the CPF Board, the Joint Lead Managers, Bookrunners and Underwriters and/or the Manager) and other events beyond the control of CDP, the CPF Board, the Joint Lead Managers, Bookrunners and Underwriters and/or the Manager, and in any such event that the Manager and the Joint Lead Managers, Bookrunners and Underwriters do not receive your ATM Electronic Application, or data relating to your ATM Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an ATM Electronic Application and you shall have no claim whatsoever against the Joint Lead Managers, Bookrunners and Underwriters and the Manager for New Units applied for or for any compensation, loss or damage in connection therewith or in relation thereto.
10. The existence of a trust will not be recognised. Any ATM Electronic Application by a trustee must be made in his own name and without qualification. The Joint Lead Managers, Bookrunners and Underwriters (in consultation with the Manager) will reject any application by any person acting as nominee.
11. All your particulars in the records of DBS Bank at the time you make your ATM Electronic Application shall be deemed to be true and correct, and DBS Bank shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your ATM Electronic Application, you shall promptly notify DBS Bank.
12. You should ensure that your personal particulars as recorded by both CDP and DBS Bank are correct and identical; otherwise, your ATM Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

13. In consideration of DBS Bank making available the ATM Electronic Application facility at the ATMs of DBS Bank (including POSB) and agreeing to close the ATM Offering at 5.00 p.m. on 13 March 2007 (subject to early closure upon full subscription) or such other time or date as the Joint Lead Managers, Bookrunners and Underwriters may (in consultation with the Manager) decide, and by making and completing an ATM Electronic Application, you are deemed to have agreed that:
- (a) your ATM Electronic Application is irrevocable;
 - (b) you represent and agree that you are not a U.S. Person (as defined in Regulation S);
 - (c) your ATM Electronic Application, the acceptance by DBS Bank and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) neither CDP, the CPF Board, the Joint Lead Managers, Bookrunners and Underwriters nor the Manager shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your ATM Electronic Application to DBS Bank or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (e) in respect of the New Units for which your ATM Electronic Application has been successfully completed and not rejected, acceptance of your ATM Electronic Application shall be constituted by written notification by or on behalf of Manager and not otherwise, notwithstanding any payment received by or on behalf of Manager;
 - (f) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your ATM Electronic Application; and
 - (g) reliance is placed solely on information contained in this Offer Information Statement and that none of the Joint Lead Managers, Bookrunners and Underwriters, the Manager nor any other person involved in the ATM Offering shall have any liability for any information not so contained.

ATM Electronic Application Steps

For illustration purposes, the steps for making an ATM Electronic Application through the ATMs of DBS Bank (including POSB) are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "amt", "appln", "&", "I/C" and "No." refer to "Account", "amount", "application", "and", "NRIC" and "Number" respectively.) Any reference to "you" or the "Applicant" in this section refers to an individual applying for New Units under the ATM Offering by way of an ATM Electronic Application.

Steps

1. Insert your personal DBS Bank or POSB ATM Card.
2. Enter your Personal Identification Number.
3. Select "MORE SERVICES".
4. Select "ESA-IPO SHARE/INVESTMENTS".
5. Select "ELECTRONIC SECURITY APPLN (IPOS/BOND/STNOTES/SECURITIES)".
6. Read and understand the following statements which will appear on the screen:
 - THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED

FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT /DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
 - Press the “ENTER” key to confirm that you have read and understood.
7. Select “ART”
8. Press the “ENTER” key to acknowledge:
- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT OR PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.
 - YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, CPF INVESTMENT ACCOUNT NUMBER AND SECURITY APPLICATION AMOUNT FROM YOUR BANK ACCOUNT(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE ISSUER/VENDOR(S).
 - FOR FIXED AND MAX PRICE SECURITY APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
 - FOR TENDER SECURITIES APPLICATIONS, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR NAME AND AT YOUR OWN RISK.
 - YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.
 - THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR. SUBJECT TO AVAILABILITY, YOU MAY BE ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOCATED TO EARLIER APPLICANTS.
9. Select your nationality.
10. Select payment by cash, CPF Funds or a combination of cash and CPF Funds.

11. Select the DBS Bank account (AutoSave/Current/Savings/Savings Plus) or the POSB account (current/savings) from which to debit your application moneys.
12. Enter the number of securities you wish to apply for using cash, CPF Funds, or a combination of cash and CPF Funds.
13. Confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) or enter your own 12-digit CDP Securities Account number.
14. Check the details of your securities application, CDP Securities Account number and number of securities on the screen and press the "ENTER" key to confirm your application.
15. Remove the Transaction Record for your reference retention only.

Terms and Conditions for the Use of CPF Funds under the ATM Offering

1. **If you are using CPF Funds to subscribe for New Units under the ATM Offering, you must have a CPF Investment Account maintained with DBS Bank at the time of your application.**
If you are applying for the New Units through an ATM Electronic Application, you must have an ATM card with DBS Bank (including POSB) at the time of your application before you can use an ATM of DBS Bank (including POSB) to apply for the New Units. The CPF Investment Account is governed by the Central Provident Fund (Investment Schemes) Regulations, as amended.
2. CPF Funds may only be withdrawn for applications for the New Units under the ATM Offering in lots of 1,000 New Units or integral multiples thereof.
3. Before you apply for the New Units under the ATM Offering using your CPF Funds, you must first make sure that you have sufficient funds in your CPF Investment Account or CPF Ordinary Account to pay for the New Units. You need not instruct CPF Board to transfer your CPF Funds from your CPF Ordinary Account to your CPF Investment Account. If the balance in your CPF Investment Account is insufficient and you have sufficient investible CPF Funds in your CPF Ordinary Account, DBS Bank will automatically request for the balance of the required amount from your CPF Ordinary Account to your CPF Investment Account immediately for you to use these funds to submit your application in the case of an ATM Electronic Application. The automatic transfer facility is available until the close of the ATM Offering, and the operating hours of the facility are between 10.00 a.m. and 5.00 p.m. on 13 March 2007.

In the event that the Joint Lead Managers, Bookrunners and Underwriters (in consultation with the Manager) decide to close the ATM Offering at such other date or time, the automatic transfer facility shall also cease to be available.

4. The special CPF securities sub-account of the nominee company of DBS Bank (with whom you maintain a CPF Investment Account) maintained with CDP will be credited with the principal amount of the New Units you purchase with CPF Funds.
5. Where you are using CPF Funds, you cannot apply for the New Units under the ATM Offering as nominee for any other person.
6. All instructions or authorisations given by you through an ATM Electronic Application are irrevocable.
7. All information furnished by CPF Board and DBS Bank on your authorisation will be relied on as being true and correct.

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