



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

ANNOUNCEMENT

ACQUISITIONS OF AN AGGREGATE OF 40 PERCENT OF THE ISSUED SHARE CAPITAL OF (1) EAST AUSTRALIA TRADING COMPANY (S) PTE LTD; AND (2) EAST AUSTRALIA TRADING COMPANY LIMITED

The Board of Directors of Ascott Residence Trust Management Limited (“**ARTML**”), as manager of Ascott Residence Trust (“**ART**”), wishes to announce that DBS Trustee Limited, as trustee of ART (“**DBS Trustee**”), has today entered into conditional sale and purchase agreements (the “**Agreements**”) with each of (a) Coral Holdings Limited, a company incorporated in Hong Kong SAR (“**Coral**”), and (b) Sparkle Limited, a company incorporated in the British Virgin Islands (“**Sparkle**”), to (i) acquire from each of Coral and Sparkle, 20 percent of the total issued share capital of East Australia Trading Company (S) Pte Ltd (“**EATCS**”) and East Australia Trading Company Limited (“**EATCHK**”) respectively; and (ii) acquire the rights, title, interest and benefits of the shareholder’s loan owing by EATCHK to Sparkle (collectively, the “**Acquisitions**”). The remaining 60-percent interest in each of EATCS and EATCHK are presently held by The Ascott Holdings Limited, a wholly owned subsidiary of The Ascott Group Limited (“**TAGL**”)

EATCS presently holds 67 percent of the total registered capital of Saigon Office and Serviced Apartment Company Limited (“**SOSA**”), a joint venture enterprise registered in the Socialist Republic of Vietnam. The remaining 33 percent of the total registered capital of SOSA is held by Import-Export And Service Company District 1, a Vietnamese local enterprise.

In relation to the preferential offering by The Ascott Group Limited of units in Ascott Residence Trust, J.P. Morgan (S.E.A.) Limited acted as the Joint Financial Advisor, Sole Global Coordinator and Sole Lead Underwriter.
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SOSA is the legal and beneficial owner of the serviced residence, Somerset Chancellor Court, located in Ho Chi Minh City, Socialist Republic of Vietnam. Somerset Chancellor Court is managed by Ascott International Management (2001) Pte Ltd, an indirectly wholly owned subsidiary of TAGL.

EATCHK is presently an inactive investment holding company.

Pursuant to the Agreements, ART will acquire (a) Coral's 20-percent interest in each of EATCS and EATCHK at an aggregate purchase consideration of about US\$1.19 million (or S\$1.85 million) and US\$1.00 (or S\$1.54) respectively ("**Coral Purchase Consideration**"); and (b) Sparkle's 20-percent interest in each of EATCS and EATCHK at an aggregate purchase consideration of about US\$1.19 million (or S\$1.85 million) and US\$1.00 (or S\$1.54) respectively, and assignment of the shareholder's loan of about US\$2.80 million (or S\$4.31 million), ("**Sparkle Purchase Consideration**").

The Coral Purchase Consideration and the Sparkle Purchase Consideration ("**Total Purchase Consideration**"), will be payable in cash as follows:

- (i) 10 percent of each of the Coral Purchase Consideration and Sparkle Purchase Consideration to Coral and Sparkle respectively on the date of execution of the Agreements; and
- (ii) Balance of 90 percent of each of the Coral Purchase Consideration and Sparkle Purchase Consideration to Coral and Sparkle respectively at completion of the Acquisitions.

Somerset Chancellor Court was valued at US\$45.00 million (or S\$69.30 million) in a valuation report dated 1 December 2006 by HVS International in accordance with the instructions issued by DBS Trustee Ltd as trustee of ART. The valuation was prepared in accordance with International Valuation Standards Committee definition of Market Value and on the basis of the existing use of Somerset Chancellor Court with appropriate approvals and licences in place.

The Total Purchase Consideration will be funded by equity and/or debt. Details of equity fund raising will be disclosed at a later date.

The completion of the Acquisitions is subject to the fulfilment of certain conditions precedent set out in the Agreements and the completion of the Acquisitions is expected to take place on or about 12 January 2007. Following the completion of the Acquisitions, ART will have an effective interest of 26.8 percent in SOSA.

The Acquisitions, representing less than 3 percent of the consolidated net tangible assets of ART as at 30 September 2006, are not expected to have any material impact on the net tangible assets or earnings per unit of ART for the financial year ending 31 December 2006.

Upon the completion of the Acquisitions, an acquisition fee of 1 percent of the enterprise value of the Acquisitions will be payable to ARTML. (**“Acquisition Fee”**) as disclosed in the prospectus of ART dated 6 March 2006.

The Acquisitions are in line with the ART’s on-going strategy of investing in quality yield accretive assets with growth potential in the Pan Asian Region.

TAGL is a substantial unitholder of ART holding about 27 percent of the total issued units of ART.

None of the Directors of ARTML has any interest, direct or indirect, in the Acquisitions. Save for the Acquisition Fee payable to ARTML as referred to paragraph above, the Directors are not aware of any controlling unitholder of ART having any interest, direct or indirect, in the Acquisitions and have not received any notification of interest in the Acquisitions from any controlling unitholders of ART.

By Order of the Board

Doreen Nah
Company Secretary

Singapore, 14 December 2006

Note: The exchange rate used in this Announcement is US\$1= S\$1.54.