

This Announcement is not an offer of securities for sale in the United States. The units in Ascott Residence Trust will not be registered under the US Securities Act of 1933, as amended, and securities may not be offered or sold in the United States absent registration or an exemption from registration. Any offering of securities to be made in the United States will be made by means of an offering memorandum that may be obtained from Ascott Residence Trust Management Limited and that will contain detailed information about Ascott REIT and management, as well as financial statements.



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

ANNOUNCEMENT

ISSUE OF 67,858,000 PREFERENTIAL OFFERING NEW UNITS IN ASCOTT RESIDENCE TRUST

USE OF PROCEEDS

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Offer Information Statement dated 13 September 2010.

Issue of 67,858,000 Preferential Offering New Units

Further to the earlier announcement on 4 October 2010 on the results of the Preferential Offering, the Manager wishes to announce that 67,858,000 Preferential Offering New Units were allotted and issued today. The total number of Units in issue of Ascott REIT as of 7 October 2010 (including the Preferential Offering New Units) was 1,107,098,074.

The Preferential Offering New Units issued will rank *pari passu* in all respects with the existing Units, including the right to Ascott REIT's distributions for the period from 22 September 2010, being the date on which New Units were issued pursuant to the Private Placement, to 31 December 2010 as well as distributions thereafter.

The 67,858,000 Preferential Offering New Units allotted and issued today will be listed for quotation on the Main Board of the SGX-ST at 9.00 a.m. on 8 October 2010.

Use of Proceeds

The Board of Directors of the Manager is pleased to announce that the entire amount of the proceeds of the Preferential Offering of approximately \$72.6 million has been utilised and set aside as follows:

- (a) \$56.3 million has been utilised to part fund the Target Acquisitions;
- (b) \$8.5 million has been utilised and set aside for payment of underwriting expenses and professional and other fees and expenses; and
- (c) \$7.8 million has been set aside for other general corporate and working capital purposes.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company Registration No: 200516209Z)
As Manager of Ascott Residence Trust

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries
Singapore, 7 October 2010

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.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Ascott REIT is not necessarily indicative of the future performance of Ascott REIT.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Please refer to the section "Forward-looking Statements" of the Offer Information Statement for more information. 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 are based on a specified range of issue prices per Unit and on the Manager's assumptions as explained in **Appendix E** of the Offer Information Statement. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the issue price range specified in the Offer Information Statement. 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 the Offer Information Statement. The forecast financial performance of Ascott REIT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of the Offer Information Statement for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of Ascott REIT.