



ASCOTT RESIDENCE TRUST

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

ANNOUNCEMENT

OFFER AND PLACEMENT OF 105,334,329 NEW UNITS (THE "NEW UNITS") IN ASCOTT RESIDENCE TRUST ("ART") BY WAY OF:

- (I) A NON-RENOUCEABLE PREFERENTIAL OFFERING OF 56,675,329 NEW UNITS AT AN ISSUE PRICE OF S\$1.88 PER NEW UNIT OF ONE NEW UNIT FOR EVERY 10 EXISTING UNITS (THE "UNITS") HELD AT 5.00 P.M. ON 8 MARCH 2007 (FRACTIONS OF A UNIT TO BE DISREGARDED AND TAKING INTO ACCOUNT THE ROUNDING MECHANISM (AS DEFINED IN THE OFFER INFORMATION STATEMENT LODGED WITH THE MONETARY AUTHORITY OF SINGAPORE ("MAS") ON 12 MARCH 2007 (THE "OIS")) TO SINGAPORE REGISTERED UNITHOLDERS (AS DEFINED IN THE OIS) (THE "PREFERENTIAL OFFERING");**
- (II) AN ATM OFFERING OF 8,000,000 NEW UNITS AT AN ISSUE PRICE OF S\$1.90 PER NEW UNIT (THE "ATM AND PLACEMENT ISSUE PRICE") TO RETAIL INVESTORS IN SINGAPORE THROUGH THE AUTOMATED TELLER MACHINES ("ATMS") OF DBS BANK LTD ("DBS BANK") (INCLUDING POSB) ON A "FIRST-COME, FIRST-SERVED" BASIS (THE "ATM OFFERING"); AND**
- (III) A PLACEMENT OF 40,659,000 NEW UNITS AT THE ATM AND PLACEMENT ISSUE PRICE PER NEW UNIT TO INSTITUTIONAL AND OTHER INVESTORS (THE "PRIVATE PLACEMENT"),**

(COLLECTIVELY, THE "EQUITY FUND RAISING").

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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Results of the Preferential Offering

After taking into account the Rounding Mechanism (as described in the OIS), the final number of New Units offered under the Preferential Offering was 56,675,329, increased from 49,940,088 as announced by Ascott Residence Trust Management Limited, as manager of ART (the "**Manager**") on 12 March 2007.

The Manager is pleased to announce that as at the close of the Preferential Offering on 20 March 2007, valid acceptances for 31,521,873 New Units were received under the Preferential Offering. 21,357,798 New Units under the Preferential Offering were not taken up by Somerset Capital Pte Ltd and pFission Pte Ltd, which are wholly owned subsidiaries of CapitaLand Limited, to allow for greater free float of the Units (as disclosed in the OIS). The remaining 3,795,658 New Units in respect of which invalid applications under the Preferential Offering were received or which were not taken up by minority unitholders were made available to satisfy excess demand for New Units under the Private Placement.

Results of the ATM Offering

All the 8,000,000 New Units under the ATM Offering were fully taken up after the opening of the ATM Offering on 13 March 2007.

Results of the Private Placement

As announced by the Manager on 12 March 2007, the book of orders for the New Units under the Private Placement was closed on the same day that the Private Placement commenced, namely 12 March 2007.

Taking into account the results of the Preferential Offering and the ATM Offering, 65,812,456 New Units were allocated and offered under the Private Placement to raise gross proceeds of approximately S\$199.0 million (being the total gross proceeds from the Equity Fund Raising, comprising the proceeds to be received under the Preferential Offering, ATM Offering and Private Placement). The 65,812,456 New Units allocated and offered under the Private Placement, which comprises the following:

- (i) the 40,659,000 New Units originally available under the Private Placement, of which 15,314,426 New Units were subscribed by The Ascott Group Limited ("TAG") and its subsidiaries (the "Ascott Group") under the Private Placement to maintain the Ascott Group's pre-placement unitholding, in percentage terms, in ART;
- (ii) the 21,357,798 New Units which were not taken up by Somerset Capital Pte Ltd and pFission Pte Ltd, which are wholly owned subsidiaries of CapitaLand Limited, to allow for greater free float of the Units; and

- (iii) the 3,795,658 New Units in respect of which invalid applications under the Preferential Offering were received or which were not taken up by minority unitholders and which were made available to satisfy excess demand for New Units under the Private Placement,

have all been successfully placed out.

Disclosures Pursuant to Waiver of Rule 812 of the Listing Manual

Allocation of New Units to directors of the Manager (the "Directors") and their immediate family members under the ATM Offering

The Manager has obtained a waiver from the Singapore Exchange Securities Trading Limited (the "SGX-ST") from the requirements under Rule 812(1) of the SGX-ST Listing Manual (the "Listing Manual") to allow Directors and their immediate family members to apply for New Units under the ATM Offering. None of the Directors and their immediate family members were allotted New Units under the ATM Offering.

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, being a Substantial Unitholder¹, subject to ART's unitholders' (the "Unitholders") approval being obtained.

At the extraordinary general meeting of Unitholders held on 23 February 2007 (the "EGM"), 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.

The rationale for allowing the placement of New Units to the Ascott Group is that Ascott Group should not be treated differently from any other Unitholder and should be given the opportunity to apply for additional New Units so as to maintain its pre-placement unitholding, since other Unitholders may also apply for additional New Units under the Private Placement.

Pursuant to this waiver, 15,314,426 New Units under the Private Placement have been placed to TAG, which is no more than the number of New Units than is necessary to maintain the Ascott Group's pre-placement unitholding, in percentage terms, in ART, after taking into consideration TAG's and the Manager's subscription of New Units under the Preferential Offering.

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

¹ A person with an interest in Units constituting not less than 5.0 percent of all Units in issue.

The Manager has also obtained a waiver of Rule 812(1) of the Listing Manual from the SGX-ST for the placement of New Units to companies within the Temasek group of companies (the "**Non-Ascott Group/CapitaLand TLCs**"), including companies in which Temasek Holdings (Private) Limited (the "**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), 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 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 the 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.

Pursuant to the aforementioned waiver, 930,000 New Units have been placed to the DBS Bank group of companies, which are Non-Ascott Group / CapitaLand TLC entities, under the Private Placement.

The Manager certifies that, to the best of its knowledge and belief, it is independent of such DBS Bank group of companies which have been allocated 930,000 New Units.

Listing of the New Units

The expected date and time of listing of the New Units on the SGX-ST is at 9.00 a.m. on 26 March 2007.

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

As Manager of Ascott Residence Trust

Doreen Nah
Company Secretary
Singapore, 23 March 2007

This Announcement is for information purposes only and does not, constitute an invitation or offer to acquire, purchase or subscribe for Units. This Announcement is qualified in its entirety by, and should be read in conjunction with the full text of the OIS. Words and expressions not defined in this Announcement have the same meaning as defined in the OIS unless the context requires otherwise.

The OIS is available on the website of ART at <www.ascottreit.com> and may be accessed online at the website of the MAS at <<http://masnet.mas.gov.sg/opera/sdrprosp.nsf>>. The MAS assumes no responsibility for the contents of the OIS. The availability of the OIS on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of ART. A potential investor should read the OIS before deciding whether to subscribe for or purchase the New Units.

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.

This Announcement 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 (including, without limitation, the United States, Canada and Japan). In addition, other than in Singapore, 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 Announcement or any other material relating to ART or the New Units in any jurisdiction where action for that purpose is required. The New Units may not be offered or sold, directly or indirectly and neither this Announcement 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 Announcement should be considered to be business, legal or tax advice regarding an investment in the New Units and/or the Units in ART.

The distribution of this Announcement and the placement of the New Units in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Announcement and/or its accompanying documents are required by the Manager, DBS Bank and J.P. Morgan (S.E.A.) Limited to inform themselves of, and observe, any such prohibitions and restrictions.

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Neither this Announcement, nor any copy or portion of it, may be sent, taken, transmitted or distributed, directly or indirectly, in or into the United States, Japan or Canada, or to any U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended). It is not an offer of securities for sale into the United States. The New Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless they are registered or exempt from registration. The New Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the United States. There will be no public offer of securities in the United States.