

NEWS RELEASES - 2006

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Ascott Residence Trust Acquires Prime Serviced Residence In Manila, The Philippines

Third acquisition in six months

Acquisition Of The Entire Issued Share Capital Of Makati Property Ventures Inc

Presentation slides: Acquisition of Ascott Manila, The Philippines

Singapore, 23 November 2006 – Ascott Residence Trust (ART) has entered into a sale and purchase agreement with Ayala Hotels Inc. and Ocmador Philippines BV to purchase their respective 60 percent and 40 percent stakes in Oakwood Premier Ayala Center in Makati City for US\$53.0 million (about S\$84.4 million or PHP 2.7 billion).

The acquisition is highly yield-accretive to ART, providing an annualised property yield of around 11 percent¹ when compared to the annualised portfolio property yield of 4.9 percent², and ART's current trading yield of 4.7 percent³.

In The Philippines, ART currently owns the 138-unit Somerset Millennium, Makati⁴ and 150-unit Somerset Salcedo, Makati⁵ in Makati City, Manila. The two properties enjoyed an average 27 percent year-on-year RevPAU⁶ growth in the third quarter of this year. The newly acquired property is expected to have operating synergies with these two properties in Makati City.

This is ART's third acquisition in six months and its second from a third party owner. With this acquisition, ART's portfolio expands to 15 properties in six countries with a total property value of S\$1.04 billion.

Mr Lim Jit Poh, chairman of Ascott Residence Trust Management Limited (ARTML), said, "ART has again demonstrated its ability to secure yield-accretive properties from third party owners with this acquisition. This complements ART's strong growth from the pipeline of serviced residence assets owned by The Ascott Group Limited (Ascott)."

Mr Lim added, "This investment is timely as the Philippine economy has been recovering steadily, with strong 5.3 percent⁷ growth in real gross domestic product expected in 2006. The strength of the Philippine economy is underpinned by growth of the Philippine mining industry which is estimated to bring in US\$6.5 billion of investments in the medium term⁸, and by its all-time high gross international reserves⁹. The positive economic climate will attract increasing foreign investments and drive the demand for quality short and long term accommodation."

Mr Chong Kee Hiong, ARTML's chief executive officer, said, "Serviced residences will continue to perform well as there is very limited supply of good quality serviced residences in Makati City to meet the growing demand. The Philippines is the top choice for multinational companies such as Dell, IBM, Accenture, Proctor & Gamble amongst others to situate their call centres, and ranks second to India as the choice destination for business process outsourcing companies¹⁰. In addition, with the government backing a "Meetings Make Manila" campaign, we can expect more assignment business and project-based travel as M.I.C.E.¹¹ travel into Manila increases."

Mr. Chong added, "We intend to re-brand the newly acquired serviced residence as Ascott Manila upon completion of the acquisition in March 2007, to be managed by Ascott International Management. With Ascott's international marketing network and the established Ascott brand, its performance will continue to be strong. ART can also expect operating synergies with its two other properties in Makati City and benefit from the resulting economies of scale."

Ascott Manila

Ascott Manila is a 21-storey building with two towers of serviced residences, three basement levels, and 256 carpark lots. The property has been in operation since 1999 and enjoys an occupancy level of above 90 percent.

Located in Glorietta 4 Ayala Center in the heart of Makati City's central business district, Ascott Manila is close to the headquarters of numerous multinational corporations and financial institutions. The 306-unit property has studio and one-bedroom to three-bedroom apartments. It boasts full facilities such as a 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, SM and Landmark, as well as popular tenants like Bread Talk, Marks & Spencer, Guess and Swatch.

Additional Information Attached

Appendix 1 – Pulse Economic Insight Philippines. October 2006. Source: Jones Lang LaSalle.

¹For the forecast year 2007.

²Based on initial portfolio of 12 properties for the forecast year 2006.

³As at 22 November 2006. Based on an annualised distribution of S\$0,0611 for the forecast year 2006 and based on the assumptions as set out in the Prospectus.

⁴ART owns 69 units of the 138 units whilst the remaining 69 units of Somerset Millennium, Makati are leased from unrelated third parties.

⁵ART owns 71 units out of the 150 units within Somerset Salcedo, Makati.

⁶Revenue per available unit.

⁷Source: Economist Intelligence Unit.

⁸The Philippine government has identified 23 mineral development projects in its mining revitalization programme which are anticipated to bring in an estimated US\$6.5 billion investments in the medium term. (Source: Manila Bulletin, September 2006)

⁹As at end September 2006, Philippines' dollar reserves is at an all-time high of US\$21.56-billion, boosted by huge inflows from investments abroad and remittances of Overseas Filipino Workers. (Source: Philippine Government website, <http://www.gov.ph>.)

¹⁰Pulse Economic Insight, Philippines. October 2006. Jones Lang Lasalle.

¹¹Meetings, Incentive Travel, Conventions and Exhibitions.

About Ascott Residence Trust

The Ascott Residence Trust is the first Pan-Asian serviced residence real estate investment trust (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.

Comprising an initial asset portfolio of over 2,000 units in 12 strategically located serviced residences and rental housing property in Singapore, China, Indonesia, The Philippines and Vietnam, ART was listed with an asset size of about S\$856 million.

Launched in March 2006, ART is managed by the Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Group Limited. Listed on the mainboard of the Singapore Exchange, The Ascott Group Limited is a leading international serviced residence company with close to 17,000 serviced residence units in key cities of the Asia-Pacific region, Europe and the Middle East. Ascott boasts a 22-year industry track record and serviced residence brands that enjoy recognition worldwide.

For more information about Ascott Reit, please visit <http://www.ascottreit.com>.

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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 Adviser, Sole Global Coordinator and Sole Lead Underwriter.