



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

NOTICE OF BOOKS CLOSURE AND DISTRIBUTION PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT the Transfer Books and Register of Unitholders of Ascott Residence Trust (“**ART**”) will be closed on **1 February 2007 at 5.00 p.m.** (the “**Books Closure Date**”) for the purpose of determining Unitholders’ entitlements to ART’s distribution. Details of the distribution are as follows:

- (1) Unitholders with units traded under the main ART stock counter, **AscottReit**, will receive a total of 3.17 cents (gross) per unit for the period from 1 July 2006 to 31 December 2006 as follows:
 - (a) taxable income component of 0.983 cents;
 - (b) tax-exempt income component of 0.560 cents;
 - (c) capital component of 1.344 cents; and
 - (d) Singapore franked dividend component of 0.283 cents (gross).
- (2) Unitholders with units traded under the temporary stock counter, **AscottReit A**, will receive a total of 1.739 cents (gross) per unit for the period from 25 September 2006 (when such units were first issued) to 31 December 2006, as follows:
 - (a) taxable income component of 0.468 cents;
 - (b) tax-exempt income component of 0.304 cents;
 - (c) capital component of 0.684 cents; and
 - (d) Singapore franked dividend component of 0.283 cents (gross).

This temporary stock counter was established as a result of the issue of 44,000,000 new units pursuant to an equity fund raising in September 2006.

- (3) The **AscottReit A** stock counter will be merged with the main stock counter, **AscottReit**, once units under both stock counters commenced trading on an ‘ex’ basis at **9.00 a.m. on Tuesday, 30 January 2007**.

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.

Unitholders whose securities accounts with The Central Depository (Pte) Limited are credited with Units as at the Books Closure Date will be entitled to the distribution to be paid on **28 February 2007**.

DECLARATION FOR SINGAPORE TAX PURPOSES

The tax-exempt component of the distribution is exempt from tax in the hands of all Unitholders. No tax will be deducted at source from this component.

The capital component of the distribution is treated as a return of capital for tax purposes.

The Singapore franked dividend component of the distribution refers to distributions made out of dividends derived from Singapore from which tax is deducted under section 44 of the Income Tax Act, Chapter 134 of Singapore. Unitholders are generally liable to Singapore income tax on such distribution and may claim a tax credit for the tax deducted at source on the dividends. The tax deducted at source refers to the corresponding amount of tax deducted from the dividend originally received by ART. No further withholding tax is applicable.

The following section describes the circumstances in which tax will or will not be deducted from the taxable income component of the distribution and the term “distribution” used therein refers to this component.

Individuals

Unitholders who are individuals and who hold Units in their sole names or jointly with other individuals are not required to submit any forms and will receive the taxable income component without tax deduction at source, i.e. a gross distribution. The distribution received by individuals (whether Singapore tax resident or not) is exempt from tax if it is not derived through a partnership in Singapore or from the carrying on of a trade, business or profession.

Qualifying Unitholders

Qualifying Unitholders (which term, for the avoidance of doubt, does not include individuals) will receive a gross distribution, but will have to pay income tax subsequently at their own applicable tax rates. Such Unitholders must complete a prescribed form to declare their Singapore tax residence status - the “Declaration for Singapore Tax Purposes Form” (“**Form A**”). They will receive Form A from ART’s Unit Registrar, Lim Associates (Pte) Ltd, and will have to complete and return Form A to Lim Associates (Pte) Ltd. If a Qualifying Unitholder fails to return Form A or fails to properly complete the Form, ART’s trustee and manager will be obliged to deduct tax at the rate of 20% from the distribution to such Qualifying Unitholder.

Qualifying Unitholders include Singapore incorporated and tax-resident companies. The complete list of Qualifying Unitholders will be shown on Form A.

CPF/SRS Funds

Unitholders who have purchased their Units using moneys from their Central Provident Fund accounts or Supplementary Retirement Scheme accounts will receive a gross distribution which is tax-exempt. There is no need for such Unitholders to fill up any forms.

Foreign (non-individual) Unitholders

Foreign (non-individual) Unitholders who meet certain conditions will receive their Distribution net of 10% tax. Such Unitholders must complete Form A to declare their status in relation to these conditions. They will receive Form A from Lim Associates (Pte) Ltd and will have to complete and return Form A to Lim Associates (Pte) Ltd. ART's trustee and manager will be obliged to deduct tax at the rate of 20% from the distribution if Form A is not returned within the stipulated time limit or is not properly completed.

Nominee Unitholders

Nominees who hold their Units for the benefit of individuals and Qualifying Unitholders will receive a gross distribution. Nominees who hold their Units for the benefit of qualifying foreign (non-individual) investors will receive a distribution net of 10% tax. This is provided the nominees furnish certain particulars of the beneficiaries to the trustee and manager. These particulars are to be provided together with a declaration by the nominees of the status of the beneficiaries.

Nominees will receive the Declaration by Depository Agents for Singapore Tax Purposes Form ("Form B") from Lim Associates (Pte) Ltd and will have to complete and return the Form to Lim Associates (Pte) Ltd. ART's trustee and manager will be obliged to deduct tax at the rate of 20% from the distribution if the Form is not returned within the stipulated time limit or is not properly completed.

Joint Unitholders and All Other Unitholders

Unitholders who hold their Units jointly (other than those held jointly by individuals) as well as Unitholders who do not fall within the categories described above will receive their distribution net of 20% tax. These Unitholders do not need to return any forms.

Last Date and Time for Return of the Forms

Lim Associates (Pte) Ltd will despatch the relevant forms to Unitholders on or around 5 February 2007.

Unitholders must complete and return the applicable form to Lim Associates (Pte) Ltd's office by 13 February 2007 at 5.00 p.m. in order to receive a gross distribution or a distribution net of 10% tax, as the case may be.

DECLARATION IN INCOME TAX RETURN

The distribution, i.e. the taxable income component, and the Singapore franked dividend component are considered as income for the year 2006. Beneficial owners are required to declare the gross amount of the distribution (unless they are exempt from tax on such distribution or are entitled to the reduced tax rate of 10% on the distribution) and the Singapore franked dividend component as taxable income in their income tax return for the year of assessment 2007.

IMPORTANT DATES AND TIMES

Date / Deadline	Event
1 February 2007 at 5.00 p.m.	Closing of the Transfer Books and Register of Unitholders of ART
By 13 February 2007 at 5.00 p.m.	Unitholders including depository agents must complete and return Form A or Form B, as applicable
28 February 2007	Payment of Distribution

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
24 January 2007

Important Notice

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, Ascott Residence Trust Management Limited (the manager of ART) (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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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