

NEWS RELEASES - 2007

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Ascott Residence Trust Seeks Approval To Raise S\$199 Million For Latest Acquisitions

Annualised distribution per unit^[1] expected to increase 9.3 percent in 2007

Ascott Residence Trust Circular to Unitholders 30 January 2007

Extraordinary General Meeting of Unitholders of Ascott Residence Trust

Singapore, 30 January 2007 – Ascott Residence Trust Management Limited (ARTML), as manager of Ascott Residence Trust, will seek the approval of unitholders of ART (the “Unitholders”) at an Extraordinary General Meeting (EGM) to raise approximately S\$199.0 million to part finance and re-finance the acquisition of five properties (the “Acquisitions”). The five properties are Shoan Heights Serviced Apartment, Melbourne (to be re-branded Somerset Gordon Heights, Melbourne) in Australia, Somerset Azabu East, Tokyo in Japan, the remaining 60.0 percent stake in Somerset Roppongi, Tokyo in Japan, Oakwood Premier Ayala Center (to be re-branded Ascott Makati) in Manila, the Philippines and an effective 67.0 percent stake in Somerset Chancellor Court, Ho Chi Minh City in Vietnam.

The EGM will be held on 23 February 2007 (Friday) at 3:00 p.m. at 168 Robinson Road, Capital Tower, STI Auditorium (Level 9).

During the EGM, Unitholders’ approval will be sought for, among other resolutions, the proposed issue of new units in ART (the “New Units”) to existing Unitholders and new investors so as to raise gross proceeds of approximately S\$199.0 million (the “Equity Fund Raising”). Unitholders’ approval will also be sought for the proposed placement of New Units to The Ascott Group Limited and its subsidiaries (the “Ascott Group”) to maintain their respective pre-placement unitholdings, in percentage terms.

Upon completion of the Acquisitions and the Equity Fund Raising, Unitholders can expect a higher annualised distribution per unit^[1] (DPU) of 7.14 cents in 2007. This is a 9.3 percent increase over the annualised forecast DPU^[2] of 6.53 cents in 2007 for the 14 properties in ART’s portfolio as at 31 December 2006.

The proposed Equity Fund Raising is expected to commence no later than end March 2007 and will comprise:

- a non-renounceable preferential offering of New Units to Singapore Registered Unitholders^[3] of one New Unit for every 10 Existing Units^[4] held on the Preferential Offering Books Closure Date^[5] (to be announced at a later date) and subject to the rounding mechanism as described in the Circular (the “Preferential Offering”);
- an offering of New Units to retail investors in Singapore through the automated teller machines of DBS Bank Ltd (including POSB) on a “first-come, first-served” basis (the “ATM Offering”); and
- a placement of New Units to institutional and other investors (the “Private Placement”).

The price of the New Units proposed to be issued (the “Issue Price”) and the actual proportion of New Units to be issued under the ATM Offering and the Private Placement will be determined closer to the date of commencement of the Equity Fund Raising. The actual number of New Units to be issued will depend on the Issue Price.

DBS Bank Ltd and J.P. Morgan (S.E.A.) Limited have been appointed as the joint lead managers, bookrunners and underwriters for the Equity Fund Raising.

In conjunction with the Equity Fund Raising, ARTML intends to declare, in lieu of the scheduled distribution for ART’s distributable income for the period 1 January 2007 to 30 June 2007 for the Existing Units, a distribution of ART’s distributable income for the period from 1 January 2007 to and including the day immediately prior to the date on which the New Units are issued (the “Advanced Distribution”). The next distribution following the Advanced Distribution will comprise ART’s distributable income for the period from the day that the New Units are issued to 30 June 2007. Semi-annual distributions will resume thereafter.

ARTML’s Chairman, Mr Lim Jit Poh said, “The latest acquisitions, each of which is yield-accretive to ART, are expected to increase the distribution per unit (DPU) to Unitholders. We are pleased that investors have already demonstrated their confidence in ART to deliver stable and growing distributions through their positive response to ART’s first placement in September 2006 to institutional investors, and as demonstrated by the 156 percent appreciation^[6] in ART’s unit price since listing in March 2006.”

“The proposed Equity Fund Raising will also increase ART’s free float from the current 29.6 percent to an estimated 37.7 percent^[7], and will broaden our investor base to include more retail and institutional investors,” added Mr Lim.

Mr Chong Kee Hiong, ARTML’s Chief Executive Officer said, “ART’s balance of assets in stable as well as emerging markets in the Pan-Asian Region allows us to enjoy diversification across economic

cycles. In addition, the acquisition of a serviced residence in Melbourne marks our entry into an established serviced residence market and creates a platform for us to develop a deeper presence in Australia.”

Mr Chong added, “These acquisitions will allow ART to take advantage of the growing demand for serviced residences, which is underpinned by the strong economic performance and inflows of foreign direct investment into the Pan-Asian Region. By increasing our presence in Ho Chi Minh City, Manila and Tokyo, we will also be able to enjoy cluster synergies with our other properties in those cities and improve operating efficiencies.”

¹Based on the assumptions of an illustrative issue price of S\$1.70 per New Unit and that 117.1 million New Units are issued under the Equity Fund Raising, as well as other assumptions set out in the Circular. Annualised DPU is based on the nine-month period for the financial year ending 31 December 2007.

² Annualised DPU is based on the nine-month period for the financial year ending 31 December 2007.

³“Singapore Registered Unitholders” means Unitholders as at the Preferential Offering Books Closure Date other than those whose registered addresses with The Central Depository (Pte) Limited (the “CDP”) are outside Singapore, and who have not, at least five Market Days prior to the Preferential Offering Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents. “Market Day” means a day on which the SGX-ST is open for trading in securities.

⁴“Existing Units” means the outstanding Units in issue on the day immediately prior to the date on which the New Units are issued.

⁵“Preferential Offering Books Closure Date” means the date on which the Transfer Books and Register of Unitholders will be closed to determine the provisional allocations of Singapore Registered Unitholders under the Preferential Offering.

⁶Based on the Preferential Offering sale price of S\$0.68, and the unit price of S\$1.74 as at 29 January 2007.

⁷Based on the assumptions that the Ascott Group maintains its pre-placement unitholding in percentage terms, an illustrative Issue Price of S\$1.70 per New Unit and that 117.1 million New Units are issued under the Equity Fund Raising, and other assumptions set out in the Circular, including 0.8 million units to be issued to the Manager prior to the commencement of Equity Fund Raising in respect of management fees and acquisition fees payable in units.

About Ascott Residence Trust

Ascott Residence Trust (Ascott Reit) is the first Pan-Asian serviced residence real estate investment trust 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 12 strategically located properties in seven Pan-Asian cities, Ascott Reit was listed with an asset size of about S\$856 million. Ascott Reit's portfolio has since expanded to S\$1.2billion, comprising 18 properties with 2,904 units in ten cities across seven countries.

Launched in March 2006, ART is managed by the Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Group Limited (Ascott). Listed on the Main Board of the Singapore Exchange, Ascott is the largest international serviced residence owner-operator outside the United States, with over 18,000 serviced residence units in key cities of Asia Pacific, Europe and the Gulf region. Ascott boasts a 23-year industry track record and serviced residence brands that enjoy recognition worldwide.

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

Important Notice

This news release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. This news release is qualified in its entirety by, and should be read in conjunction with, the full text of the Circular. Terms not defined in this news release adopt the meanings in the Circular.

An offer information statement in relation to the offer of New Units will be made available when the offer is made, subsequent to approval by the Unitholders for, inter alia, the Equity Fund Raising. The Offer Information Statement is expected to be available and a copy may be obtained on request, subject to availability, from the Joint Lead Managers, Bookrunners and Underwriters as may be appointed for the Equity Fund Raising. A potential investor should read the Offer Information Statement before deciding whether to subscribe for or purchase New Units.

The value of the Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the ART 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 ART is not necessarily indicative of the future performance of ART.

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.

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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.