



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

DIVESTMENT OF SOMERSET GORDON HEIGHTS MELBOURNE

Ascott Residence Trust Management Limited (“**ARTML**”), as manager of Ascott Residence Trust (“**Ascott Reit**”), wishes to announce the divestment (the “**Divestment**”) of the property known as “Somerset Gordon Heights Melbourne” in Australia (the “**Property**”) for a cash consideration of A\$11.7 million (approximately S\$15.6 million¹) (the “**Consideration**”). The Divestment is in line with Ascott Reit’s strategy to actively manage its portfolio.

Ascott Reit’s wholly-owned subsidiary, Somerset Gordon Heights (Melbourne) Pty Ltd, has entered into a conditional sale and purchase agreement (the “**Agreement**”) after a closed tender conducted by an independent marketing agent.

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, inter alia, the independent valuation of the Property at A\$11.0 million (approximately S\$14.7 million¹) as at 31 December 2011. The valuation, commissioned by DBS Trustee Ltd (as trustee of Ascott Reit) in its year-end portfolio valuation exercise, was conducted by HVS using the discounted cash flow approach.

The book value of the Property is A\$11.0 million (approximately S\$14.7 million¹). The estimated net gain from the Divestment is approximately A\$0.2 million (or S\$0.3 million¹). The sale proceeds of A\$11.7 million will primarily be used to repay existing loans.

The first 10% of the Consideration has been paid on signing of the Agreement and the balance 90% will be paid on completion (“**Completion**”) of the Divestment. Completion is expected to take place in the second quarter of 2012 after all the conditions set out in the Agreement have been satisfied or waived (as applicable) or such other date as the parties may agree in writing.

The Divestment is not expected to have any material impact on the net tangible assets or earnings per unit of Ascott Reit for the financial year ending 31 December 2012.

None of the directors of ARTML or the controlling unitholders of Ascott Reit has any interest, direct or indirect, in the Divestment.

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

Kang Siew Fong
Company Secretary
27 January 2012

¹ Based on exchange rate of A\$1 = S\$1.3359.

Important Notice

The value of units in Ascott Reit ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, ARMTL or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request ARTML to redeem their Units while the Units are listed. It is intended that holders of Units 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. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.