

**FOR IMMEDIATE RELEASE**

**NEWS RELEASE**

**Ascott Reit Acquires Another Yield Accretive Serviced Residence in Hanoi, Vietnam**

*Singapore, 05 November 2008* – Ascott Residence Trust (Ascott Reit) is acquiring The Ascott Group's (Ascott Group) 70 percent interest in Somerset West Lake, a 90-unit serviced residence in Hanoi, Vietnam, for a net purchase consideration of US\$15.4 million (approximately S\$22.9 million).

Somerset West Lake is located in Hanoi's scenic West Lake area and only a 10-minute drive from the business district, and Central Hanoi.

Mr Lim Jit Poh, chairman of Ascott Residence Trust Management Limited (ARTML), said: "Vietnam's positive economic prospects are supported by a growing economy and a young, educated labour force. With its accession into the World Trade Organisation in 2007, many sectors of the economy have opened up for foreign investment. Foreign investments are a key demand driver for serviced residences, therefore we believe that demand from business travellers and expatriates for quality accommodation in key cities such as Hanoi will continue to grow."

Mr Chong Kee Hiong, ARTML's chief executive officer, said: "This acquisition, which will be fully funded by bank borrowings, is yield accretive for Ascott Reit at a property yield of 10.2 percent<sup>1</sup>. Post-acquisition Ascott Reit's gearing remains low at 35.8 percent."

Mr Chong adds: "Opportunities to acquire quality assets in prime city locations such as Somerset West Lake, Hanoi are hard to come by in Vietnam. Ascott Reit's current properties, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Somerset Chancellor Court, in Ho Chi Minh City are enjoying high occupancies of about 90 percent. The acquisition of Somerset West Lake will increase Ascott Reit's portfolio in Vietnam to 612 units in four properties in Hanoi and Ho Chi Minh City."

**About Somerset West Lake, Hanoi**

Somerset West Lake, Hanoi has been in operation since 1994. The property had recently undergone a major renovation and refurbishment programme which was completed in February 2007.

Centrally located in Hanoi's scenic West Lake area, Somerset West Lake is close to international schools, and the shopping and entertainment districts. The property is also only a short walk to majestic pagodas and palaces such as the One Pillar Pagoda, Ho Chi Minh Museum and Bach Thao Park.

<sup>1</sup> For FY2009



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The property has 90 spacious fully-furnished studios, and one-bedroom to three-bedroom serviced residence apartments, each furnished with a fully-equipped kitchen, broadband access to the internet and home entertainment system amongst other amenities provided to ensure a home-away-from-home experience for the guest. The property also offers facilities such as a business centre, swimming pool, fully-equipped gymnasium, 24-hour reception and security, and a cafe.

Somerset West Lake is currently managed by Ascott Group and will continue to be managed by Ascott Group.

Ascott Reit's three current properties in Vietnam, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Somerset Chancellor Court, in Ho Chi Minh City, and Somerset West Lake received the Guide Award for excellent performance in hospitality for 2007-2008.

### **About the Vietnam economy**

Vietnam recorded a healthy 6.5 percent GDP growth for the first three quarters of 2008 and full year GDP growth is expected to be about 7 percent<sup>2</sup>. Foreign direct investments (FDI) is expected to reach USD11 billion in 2008, 37 percent higher than 2007<sup>3</sup>.

In the first nine months of 2008, Vietnam's international arrivals<sup>4</sup> reached 3.3 million, which was 5.8 percent higher than the same period in 2007. Business visitors numbered more than 660,000, a 37 percent increase over the first nine months of 2007.

### **About the Guide Awards**

The Guide Magazine, a leading travel and hospitality magazine in Vietnam, has conferred awards on the best product and service providers for travellers, diners and shoppers in Vietnam over the past eight years.

Winners of the annual Guide Awards were first nominated by readers of The Guide Magazine and subsequently selected by the executive board of The Guide, in consultation with travel, hotel, restaurant and shopping experts, including representatives from the Ministry of Culture, Sports and Tourism.

### **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 in March 2006.

<sup>2</sup> Vietnam's economic indicators, as at 30 September 2008 (REUTERS, <http://www.reuters.com/article/marketsNews/idINHAN16800320080930?rpc=611>)

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<sup>4</sup> Vietnam Administration of Tourism, Ministry of Culture, Sports and Tourism

Following the completion of the acquisition of Somerset West Lake, Hanoi, Ascott Reit's portfolio will expand to S\$1.54 billion, comprising 38 properties with 3,642 units in 11 cities across seven countries.

Ascott Reit is managed by Ascott Residence Trust Management Limited, an indirect wholly-owned subsidiary of CapitaLand, one of Asia's largest real estate companies.

Properties in Ascott Reit's portfolio which have recently won awards include Somerset Gordon Heights in Melbourne, Australia which was named the winner in the New Tourism Development Accommodation category at the Hotel, Motel & Accommodation Association (HMAA) of Victoria Awards for Excellence. In Vietnam, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Somerset Chancellor Court, Ho Chi Minh City received the Guide Award for excellent performance in hospitality for 2007-2008. In March 2008, Ascott Beijing won the 2007 China Hotel Starlight Awards in 'The Best International Apartment Type Hotel of China'.

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

Important Notice

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit are not obligations of, deposits in, or guaranteed by the Manager or any of its affiliates. An investment in the units in Ascott Reit is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott Reit is not necessarily indicative of its future performance.

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Investors have no right to request the Manager to redeem their units in Ascott Reit while the units in Ascott Reit are listed. It is intended that unitholders may only deal in their units in Ascott Reit through trading on the SGX-ST. Listing of the units in Ascott Reit on the SGX-ST does not guarantee a liquid market for the units in Ascott Reit.

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