



# ASCOTT RESIDENCE TRUST

24 July 2006





# Growth Strategies

Asset enhancement

Growth by acquisition

# Asset Enhancement

- The Ascott Beijing
  - Reconfigure layout of some of the larger units into smaller one-bedroom units
    - Tap on the higher yielding short and medium term business segments
      - Mainly individual professionals/ executives who stay from 1 to 6 months
    - To commence in fourth quarter 2006





# Asset Enhancement

- Somerset Xu Hui
  - Clubhouse layout is being reconfigured
    - Additional 15,000 sqf NLA of commercial space will be completed by Q3 2006





## Acquisition of Somerset Olympic Tower Tianjin, China





# Acquisition Highlights

- Conditional S&P agreement for 100% of the serviced residence portion of Somerset Olympic Tower Tianjin at enterprise value of US\$47.25 million\* (S\$75.6 million) signed on 24 July 2006
- The agreement also includes a long lease for the commercial portion which houses a retail podium and clubhouse
- Annualised property yield<sup>#</sup> of 7 per cent
- To be funded by equity and assumption of bank debt
- Gearing increases from 28.1% to 29.7%

*\* Based on an exchange rate of US\$1 = S\$1.60*

*<sup>#</sup> For the forecast year 2006*



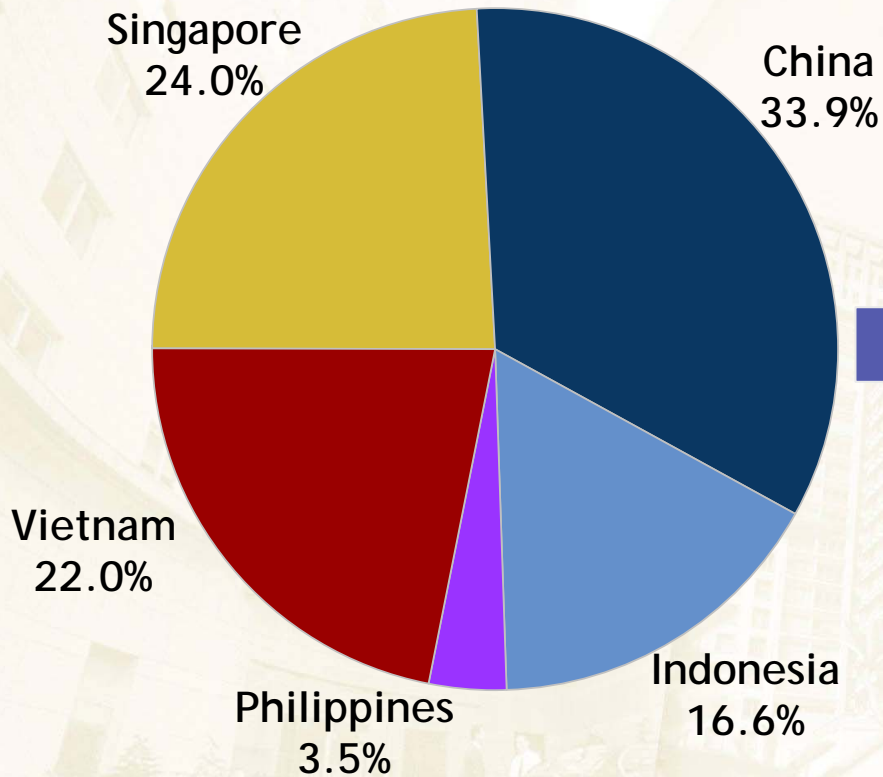
# Positive Contribution to ART's Pan-Asian Portfolio

- **Yield-accretive**
  - Annualised property yield<sup>#</sup> of 7% is accretive compared to the annualised portfolio's property yield<sup>#</sup> of 4.7%
  - Distribution yield exceeds current trading yield of 5.70% as at 21 July 2006
  - Potential for asset enhancement
- **Portfolio geographical diversification**
  - Expands ART's presence to 8 Pan-Asian cities
  - Diversifies China portfolio to 3 cities
  - Expands portfolio size to 13 properties comprising 2,240 apartment units
- **Acquisition increases ART's portfolio value to about S\$931 m**

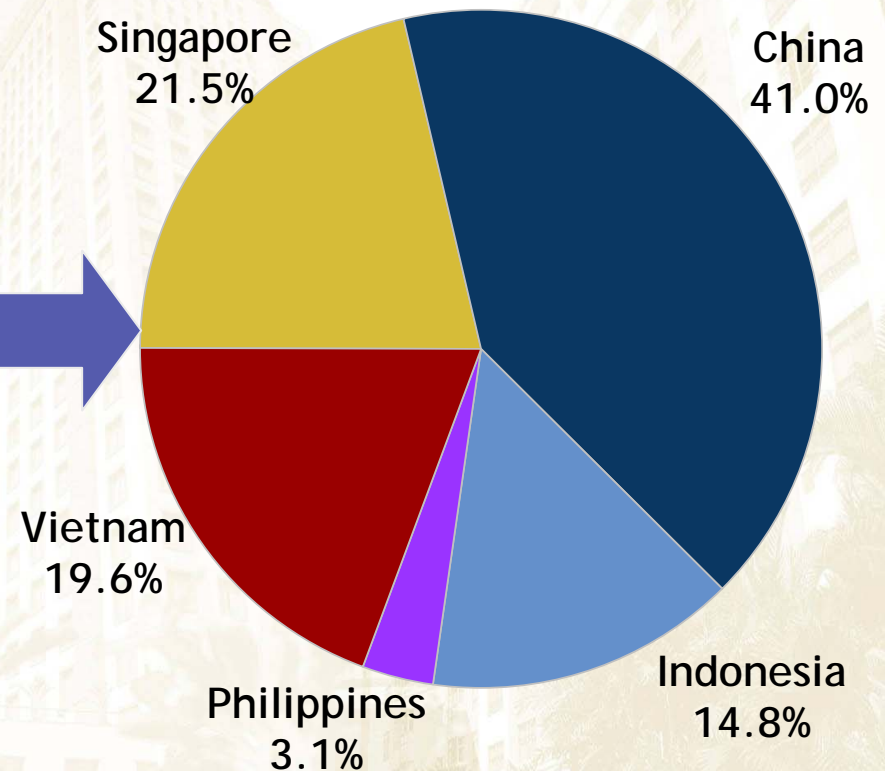


# Geographical Diversification of Portfolio - Gross Profit

Pre-Acquisition



Post-Acquisition\*



Total Gross Profit# Increases by 12% from S\$42.8m to S\$48.0m

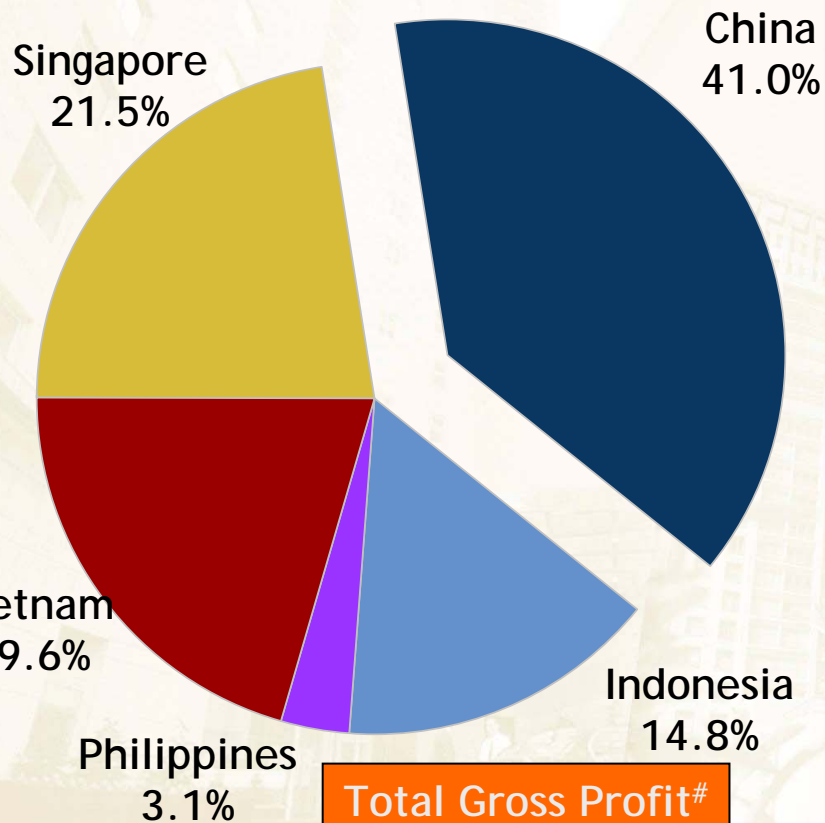
\* Assuming the acquisition took place on 1 January 2006.

# For the forecast year 2006

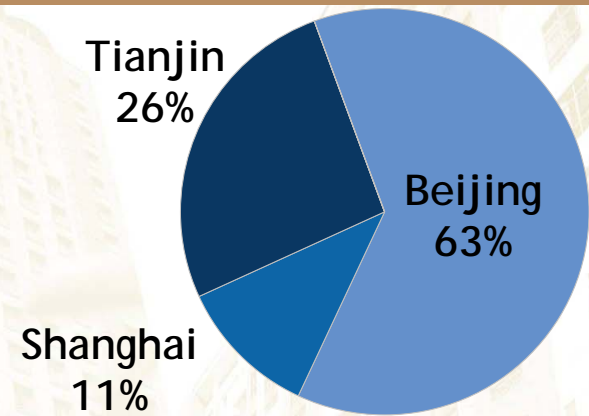


# Diversification Of Gross Profit Within China

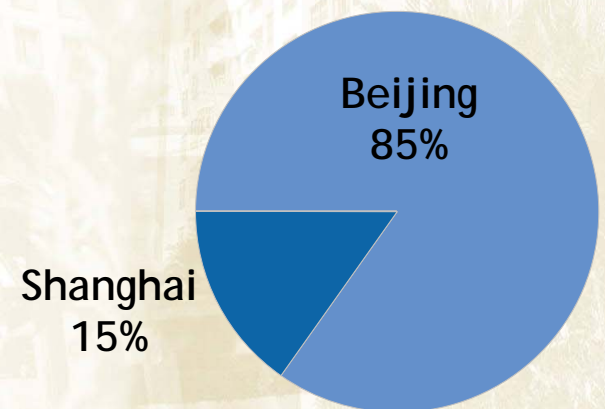
## Post-Acquisition\*



## Post-Acquisition\*



## Pre-Acquisition



\* Assuming the acquisition took place on 1 January 2006.

# For the forecast year 2006

# Attractions of Tianjin

- One of China's fastest growing and high FDI cities
  - Tianjin's actual utilised FDI for the period January to November 2005 was US\$3.02 billion\*, an increase of 32.5%
  - Tianjin's average GDP per capita growth in the last 5 years was 14.3%, comparable to Shanghai (12.5%) and Beijing (14.7%)
- Highly accessible - established airport, seaport, railway & road network
- Location of established international companies, e.g. Airbus assembly plant, Otis manufacturing base, Motorola, Toyota and Samsung factories, etc.

## The Business Times, 18 May 2006

### A presence keenly felt in Tianjin

"Tianjin ... is earmarked as China's next growth engine."

"...its economy posted growth of 15.7 per cent last year, much higher than the national average."

## The Economist, 22 June 2006

### Building the nation

"... turned into a development zone far bigger than either Shanghai's or Shenzhen's."

"The Binhai New Area ... a manufacturing powerhouse for everything from aircraft and cars to microchips and chemicals."

\* Source: DTZ Research Tianjin Property Times 4Q 2005



# Somerset Olympic Tower, Tianjin

## - Property Highlights

Property Description	30-storey mixed development property with 3-storey retail podium, conveniently located in Tianjin's business district and near railway station
Year of Completion	1998
Facilities	Gym, residents' lounge, indoor swimming pool and children's playroom
Title	Residential land use rights for 70 years and commercial land use rights for 50 years, from 20 November 1992
Number of Units	172 serviced residence units
Occupancy	About 90%
Gross Floor Area	Approximately 41,325 sqm, comprising a serviced residence portion with GFA of 32,946 sqm and a commercial podium with a GFA of 8,379 sqm

# Somerset Olympic Tower, Tianjin

## Acquisition Highlights

- ✓ Yield-accretive acquisition
- ✓ Located in one of China's fastest growing and high FDI cities
- ✓ Diversification of China portfolio





# ART's Pan-Asian Portfolio

Somerset Liang  
Court Property



Somerset  
Grand Cairnhill



Somerset  
Grand Hanoi



Somerset  
Ho Chi Minh City



Property Value = S\$931 million  
Total Apartment Units = 2,240  
Number of Properties = 13



The Ascott  
Jakarta



Somerset  
Grand Citra



Country  
Woods



The Ascott Beijing and  
Somerset Grand  
Fortune Garden



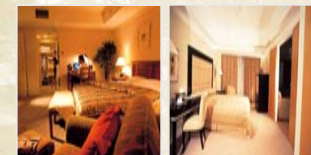
Somerset Olympic  
Tower



Somerset Xu Hui



Somerset Millennium  
& Somerset Salcedo





**Thank You**

**Q&A Session**