

The Ascott Beijing Opens



The Ascott Beijing which opened in July, epitomises the elegant and distinguished lifestyle that appeals to top executives.

Comprising 272 units of luxury serviced residence, The Ascott Beijing is located in the city's main business district, close to the China World Trade Centre.

The Ascott Beijing offers spacious residences ranging from one-bedroom units to penthouses, with chic décor designed by a renowned international interior designer.

Amenities include a spectacular indoor glass-roofed swimming pool with 'floating' flower displays, gym, jacuzzi and sauna, a residents' lounge, multi-purpose function room and children's playroom.

In addition to opening The Ascott Beijing, the group has intensified its foray into the growing Beijing market.



The Ascott Beijing

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Precious Stone



A 280-year-old historical stone graces The Ascott Beijing's lobby. The stone bears an inscription of a "sheng zhi", a prize bestowed by the Qing Emperor Kang Xi, to a widow who brought up her son to academic excellence. The stone was discovered at the construction site of The Ascott Beijing.

The group has increased its stake in **Somerset Fortune Garden**, a 259-unit serviced residence in Beijing's prime Yen Shah central business district, by acquiring an additional 65 units for US\$19.8 million.

Somerset Fortune Garden, which will open in November, will boast facilities such as a swimming pool, spa, sauna, gym and clubhouse.

Growing the China Market

Mr Kee Teck Koon, The Ascott Group's chief executive officer, said: "We have S\$343 million of serviced residence assets in China, which accounts for 25 per cent of our total serviced residence base. We expect to benefit substantially from the country's anticipated economic expansion, arising



Spacious interiors boast lots of natural light from large windows that open to the Beijing skyline

Other Serviced Residences in China



The Ascott Pudong

248 units in the heart of Shanghai's financial and business district



Somerset Grand Shanghai

334 units centrally located at Huai Hai Zhong Lu, Shanghai's shopping and entertainment district

from its entry to the World Trade Organisation, government policies to boost the economy and build infrastructure, and hosting of the 2008 Olympics.

“Our serviced residences in China are already performing strongly. Demand for high-end apartments is vigorous in Beijing and Shanghai, where we have focused our investments.”

Besides Beijing, The Ascott Group operates three serviced residences in Shanghai – The Ascott Pudong (248 units), Somerset Grand Shanghai (334 units) and Somerset Xu Hui (167 units). It also manages the 169-unit Somerset Olympic Tower in Tianjin.



The spacious units feature stylish open kitchens or kitchens with wide sliding doors

Carpet Lines



An exquisite hand-made carpet from Shan Dong province, North China, takes centrestage on the marble floor of the lobby. The carpet bears a poem in Chinese calligraphy, which describes The Ascott Beijing as “a place of lingering charm, comparable to the house of two famous Chinese scholars, Zhu Geliang and Pan Ziyun”. The description is based on a poem by Tang Dynasty poet Liu Yu Xi.



Somerset Xu Hui
167 units in the Xu Hui residential estate of Shanghai



Somerset Olympic Tower
169 units in the heart of Tianjin’s major upmarket shopping area



Somerset Fortune Garden
Opening soon with 259 units in Beijing’s central business district

Vibrant Vietnam



Launching the Somerset brand with Vietnamese 'fanfare'

All the group's 560 serviced residence units in Vietnam now carry the Somerset brand.

This brand rationalisation exercise is part of a larger initiative to reorganise the group's 6,000 serviced residence units under two distinct brands – The Ascott and Somerset. The Ascott brand is targeted at top executives, while the Somerset brand is directed at senior to upper management executives.

In Hanoi, the logos of the 185-unit Somerset Grand Hanoi and 66-unit Somerset West Lake have been revamped. In Ho Chi Minh City, the 165-unit Stamford Court has been rebranded Somerset Ho Chi Minh City, and the logo of the 145-unit Somerset Chancellor Court has been redesigned.

Prime Performers

The Ascott Group's chief operating officer, Mr Cameron Ong, said that the group will leverage its brand strength in Vietnam to grow its portfolio of managed properties in the country.

"Our residences in Vietnam are strong performers, with occupancies and rental rates that consistently exceed

Serviced Residences in Vietnam



Somerset West Lake

66 units with a balcony, terrace or private garden for splendid views of the scenic West Lake, Hanoi



Somerset Grand Hanoi

185 stylish units in the heart of Hanoi's prime business metropolis on Hai Ba Trung Street



The Ascott Group's Country General Manager (Indochina), Mr Alfred Ong (from left) with Mr Nguyen Duong Hieu from Benh Thanh Corporation; Mr Tran Quoc Hung and Mr Le Van Anh from Sunimex

the market. We achieve high operating margins in the country as we have the critical mass to cluster our properties to exploit economies of scale. Our marketing efforts are enhanced with cross-selling from a sales network that spans the Asia Pacific and London."

Mr Ong said that the group has maintained its market dominance in Vietnam since it pioneered the concept of international-standard serviced residences with the launch of Somerset West Lake (formerly Regency West Lake) in 1993.

He added that the group's brand strength is built on its innovative products, quality of customer experience and consistency in product and service standards.

"Hanoi Towers has made my stay more pleasurable than my previous dwellings...The marketing staff periodically phone me just to ensure everything is ok in my apartment, and that I am happy."

*- A G Davidson
Somerset Grand Hanoi*

"We have been enjoying hospitality from your employees, which makes our stay at Somerset Chancellor Court very comfortable."

*- Mr and Mrs T Amacho
Somerset Chancellor Court*



Somerset Chancellor Court
145 units in the heart of Ho Chi Minh City's bustling business and diplomatic district



Somerset Ho Chi Minh City
165 resort-style units in the prestigious District One of Vietnam's capital

Leading Brands

The Ascott and Somerset serviced residence brands are market leaders in the region.

The Ascott Group owns and / or manages over 6,000 serviced residence units in 16 cities in 10 countries.



The Ascott – Successful, Distinguished, Elegant

The Ascott serviced residences epitomise elegant living for the successful and accomplished. Located in the heart of the business districts of gateway cities, The Ascott serviced residences offer luxurious comfort, discreet service, with meticulous attention to detail.



The Ascott Serviced Residences

CITY	PROPERTY/ADDRESS	TEL	FAX
Auckland	The Ascott Metropolis 1 Courthouse Lane, Auckland, New Zealand	(64-9) 300 8800	(64-9) 300 8899
Bangkok	The Ascott Piraya (Opening Q1 2003)		
Beijing	The Ascott Beijing 2 Dong Huan Nan Lu, Jian Guo Men Wai, Beijing 100022, China	(86-10) 6567 8100	(86-10) 6567 8122
Jakarta	The Ascott Jakarta 2 Jalan Kebon Kacang Raya, The Golden Triangle Jakarta 10230, Indonesia	(62-21) 391 6868	(62-21) 391 3368
Kuala Lumpur	The Ascott Kuala Lumpur 9 Jalan Pinang, 50450 Kuala Lumpur, Malaysia	(60-3) 2142 6868	(60-3) 2142 9888
London	The Ascott Mayfair 49 Hill Street, Mayfair, London W1J 5NB, United Kingdom	(44-207) 499 6868	(44-207) 499 0705
Shanghai	The Ascott Pudong 3 Pudong Avenue, Pudong, Shanghai 200120, China	(86-21) 6886 0088	(86-21) 6886 0001
Singapore	The Ascott Singapore 6 Scotts Road, Singapore 228209	(65) 735 6868	(65) 733 7561

The Heritage

The Heritage Singapore
Tel: (65) 736 9717

The Heritage Shanghai
(Opening Q2 2003)

Other Residences

Managed by Ascott International Management

Bangkok

Kallista Residences

Tel: (66-2) 651 0690-7

Omni Tower

Tel: (66-2) 656 8300

Jakarta

Country Woods

Tel: (62-21) 740 1245

Singapore

Char Yong Gardens

Tel: (65) 735 5725

Portofino

Tel: (65) 736 9717

The Ascott Group

Tel: (65) 220 8222

Fax: (65) 227 2220

Website: <http://www.the-ascott.com>

Ascott International Management

Central Reservations

Tel: (65) 272 7272

Fax: (65) 736 9806

Email: marketing@the-ascott.com



Somerset – Contemporary, Stylish, Warm

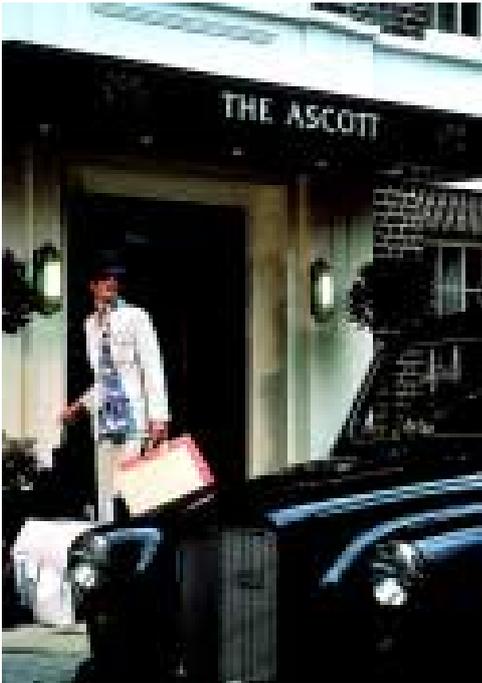
Located in the business hub of major cities, Somerset serviced residences offer a seamless blend of comfort and convenience. Savvy executives and their families enjoy modern business amenities and good living amid stylish décor, charming local culture and the pulsating city excitement.



Somerset Serviced Residences

CITY	PROPERTY/ADDRESS	TEL	FAX
Bangkok	Somerset Lake Point 41 Sukhumvit Soi 16, Sukhumvit Road, Klongtoey Bangkok 10110, Thailand	(66-2) 663 1234	(66-2) 663 1250
	Somerset Riverton (<i>Opening Q2 2003</i>)		
	Somerset Thonglor 23 Soi Chaem Chan (Soi Thonglor 20) Sukhumvit 55 Road Klongton Nua, Wattana, Bangkok 10110, Thailand	(66-2) 714 9200	(66-2) 714 9202
Beijing	Somerset Fortune Garden (<i>Opening Q4 2001</i>) 46 Liang Ma Qiao Road, Chao Yang District, Beijing 100026, China	(86-10) 8451 8888	(86-10) 8451 8866
Hanoi	Somerset Grand Hanoi 49 Hai Ba Trung Street, Hanoi, Vietnam	(84-4) 934 2342	(84-4) 934 9988
	Somerset West Lake 254D Thuy Khue Road, Hanoi, Vietnam	(84-4) 843 0030	(84-4) 845 5519
Ho Chi Minh City	Somerset Chancellor Court 21-23 Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam	(84-8) 822 9197	(84-8) 822 9219
	Somerset Ho Chi Minh City 8A Nguyen Binh Khiem St, District 1, Ho Chi Minh City, Vietnam	(84-8) 822 8899	(84-8) 823 4473
Jakarta	Somerset Grand Citra Jl Prof Dr Satrio Kav 1, Kuningan, Jakarta 12940, Indonesia	(62-21) 522 5225	(62-21) 522 3737
Kuching	Somerset Gateway 9 Jalan Bukit Mata, 93100 Kuching, Sarawak, Malaysia	(60-82) 250 958	(60-82) 259 958
London	Somerset Bishopsgate 196 Bishopsgate, London EC2M 4NR, United Kingdom	(44-207) 621 8788	(44-207) 621 8700
Manila	Somerset Millennium 104 Aguirre Street, Legaspi Village, Makati City 1229, Manila, Philippines	(63-2) 888 0505	(63-2) 812 7721
	Somerset Salcedo Cnr L P Levista & Dela Costa St Salcedo Village, Makati City, Metro Manila, Philippines	(63-2) 888 6668	(63-2) 888 6655
Melbourne	Somerset Melbourne (<i>Myer House project</i>) (<i>Opening Q4 2002</i>)		
Shanghai	Somerset Grand Shanghai 8 Jinan Lu, Shanghai 200021, China	(86-21) 6385 6888	(86-21) 6384 8988
	Somerset Xu Hui 888 Shanxinan Road, Springdale Block 1 Xu Hui District, Shanghai 200031, China	(86-21) 6466 0888	(86-21) 6466 4646
Singapore	Somerset Grand Cairnhill 15 Cairnhill Road, Singapore 229650	(65) 835 2900	(65) 735 5775
	Somerset Compass 2 Mt Elizabeth Link, Singapore 227973	(65) 732 7737	(65) 732 8068
	Somerset Liang Court 177B River Valley Road, Somerset Liang Court, Singapore 179032	(65) 337 0111	(65) 336 0281
	Somerset Orchard 160 Orchard Road, #06-01 Orchard Point, Singapore 238842	(65) 735 0500	(65) 831 1811
	Somerset Singapore (<i>Bencoolen project</i>) (<i>Opening Q4 2003</i>)		
Surabaya	Somerset Puri Darmo 17A Jl Raya Kupang Baru, Surabaya 60189, Indonesia	(62-31) 732 6066	(62-31) 732 6287
Sydney	Somerset Hyde Park 281 Elizabeth Street, Sydney, NSW 2000, Australia	(61-2) 9283 8811	(61-2) 9283 8899
Tianjin	Somerset Olympic Tower 126 Chengdu Dao Heping District, Tianjin 300051, China	(86-22) 2335 5888	(86-22) 2335 3555

Growing The Global Network



The Ascott Mayfair, London
The group plans to expand beyond London to the other gateway cities of Europe

The Ascott Group has entered into an agreement to divest its Funan and Junction 8 shopping centres for S\$486 million. The sale is conditional upon Ascott's receiving its shareholders' approval at an extraordinary general meeting in October.

The sale of Funan and Junction 8 and their management contracts will result in a net gain of S\$85 million for the group.

Divesting Non-core Assets

The retail centres' sale brings the group's total proceeds from non-core assets divested this year to S\$618 million. This includes the sale of The Masters Golf & Country Club in China, the Orchard Point retail podium in Singapore and the retail management contracts.

The group aims to divest all its non-core properties with asset value of S\$1.4 billion by 2003. The proceeds will be used to fund its growth into a major global serviced residence company with a portfolio of 15,000 serviced residence units compared to its current 6,000 units, and reduce its long term gearing to about 0.6.

Focus On Rapid Reinvestment



Leadership Series

Global Leadership

The Ascott Group's chief executive officer, Mr Kee Teck Koon, said: "These divestments pave the way for the next phase of our drive to transform from being the leader in the Asia Pacific serviced residence industry, to a global leader.

"The main driver of our future performance will be our ability to provide a large network of serviced residences in major cities, and operate them with economies of scale.

"We are looking at acquiring serviced residence chains in Europe, US, Australia and prime properties in gateway cities in North Asia where the market yield is higher than the retail sector yield in Singapore," he added.

Stable Markets

"We will acquire operational serviced residence portfolios and leverage their management's local marketing and operational expertise to accelerate our earnings growth in the new regions.

"Going forward, we will increase our investment allocations in the developed countries. The lower volatility of these mature markets will provide a stable replacement for our retail sector earnings, as we divest our non-core retail properties."

Mr Kee added that as the company grows its international network of serviced residences and global brand presence, it will leverage these to secure more serviced residence management contracts.

The group targets to grow its collection of managed and leased properties to one-third of its portfolio by 2005, and to increase its capital productivity and ability to realise value beyond its property assets.

The group recently sponsored the Leadership series of interviews with top business leaders in the Business Times in July and August.

Some of the CEOs featured include Swiss bank UBS AG president, Mr Luqman Arnold; Japanese telecom entrepreneur, Dr Sachio Semmoto; Caltex chairman and CEO, Mr Jock McKenzie; National Science and Technology Board chairman and co-chairman of EDB, Singapore, Mr Philip Yeo; and Creative Technology chairman and CEO, Mr Sim Wong Hoo.

The CEOs participated in the prestigious Forbes Global CEO Conference on "Entrepreneurship, Technology & Business Leadership in the 21st Century" on September 19 and 20 in Singapore. The Business Times leadership series comprised eight weekly articles prior to the Forum event.

The sponsorship of the articles underlines The Ascott Group's commitment to management excellence and best practices. In facilitating the sharing of the insights and vast experience of these top leaders, the group hopes to contribute to the development of world class companies in the region.

The group is sponsoring limited reprints of the compilation of the interviews. Ascott Living readers who wish to have a copy can email their request to: ir&cc@the-ascott.com. Or call Lian Nah at 586 7232 to receive a free copy, while stocks last.

Enriching Experiences

Activities to enrich the living experiences of guests are frequently held at The Ascott and Somerset serviced residences. The management and staff work closely with the residents to help organise social, cultural, adventure and community events to help them integrate with the local community, and enjoy living in the country.



'We girls just want to have fun'.... at the welcome party for new residents at Somerset Olympic Tower, Tianjin

Expatriate Living

Residents at the Somerset serviced residences in Tianjin, China, and Hanoi, Vietnam, enjoy extra help with their family's recreation.

The Expatriate Club at Somerset Olympic Tower in Tianjin, is a hothouse of activities. Members organise welcome and farewell parties for residents and memorable events such as dinner at the Great Wall of China. Residents also enjoy mahjong and bridge sessions, flea markets, figure-sculpting exercises, yoga classes, and fund-raising for orphanages.

In Vietnam, Somerset Grand Hanoi and Somerset West Lake boast an Expatriate Club with a 60-strong membership. The club's activities range from cooking demonstrations, painting, dancing and bowling, to community visits to orphanages and excursions to places of interest.



Treats for the kids at Cuba Hospital in Hanoi from residents of Somerset Grand Hanoi and Somerset West Lake, Hanoi



Monthly coffee tete-a-tete at the Somerset Grand Hanoi and Somerset West Lake, Hanoi



Tea Tour

It was an aromatic delight for some 90 participants, including residents and staff, at the tea plantation tour organised by Somerset Grand Citra, Jakarta.

They learnt about the arduous work of tea processing which made them appreciate that 'cuppa' more. They also enjoyed the 3-km walk amid lush greenery.

Taking in the sights and smells at the tea plantation – Wisata Argo Gn Mas Puncak, in Bogor, Jakarta

A 'Wonton' Treat

Guests from The Ascott and Somerset serviced residences in Singapore were treated to the flavour of the month – 'Miss Wonton', an exclusive movie preview.

Written and directed by Meng Ong, a Singaporean film-maker based in New York City, 'Miss Wonton' has won accolades at the Sundance Film Festival and Switzerland's Locarno International Film Festival.

Starring Amy Ting (daughter of Asian singer Sakura Teng), the movie is a compelling story of a young Chinese immigrant's pursuit of her American dream in New York.

The premiere was organised and presented by The Ascott Group – for its guests to enjoy the fascinating 'fusion' of East-West cultural perspectives.



It was a 'starry' night for the guests with director Meng Ong (fifth from left), Amy Ting and Sakura Teng (third and second from right)

Jungle Walk

Guests at Somerset Gateway, Kuching experienced first-hand the flora and fauna of richly-endowed Sarawak during the Mt Santubong climbing trip and Bako National Park excursion.

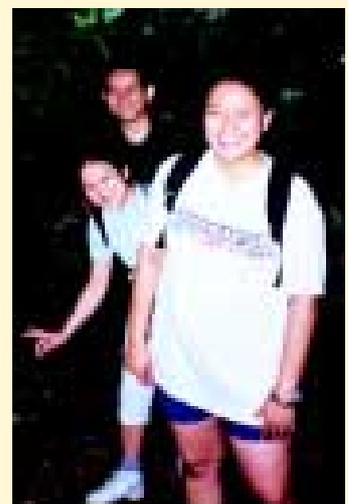
The residents were also impressed with the rich cultural heritage of the Sarawak people when they joined the village tour and local food festival. The events were organised by enthusiastic members of the Somerset Club.



On the Sarawak trail Somerset residents at Mt Santubong



An invigorating experience at Bako National Park for Somerset residents





The Ascott Group is Asia Pacific's largest serviced residence company.

Its *The Ascott* and *Somerset* serviced residence brands are market leaders in the region.

The Ascott Group aims to transform from a regional leader into a global leader in serviced residences, with a presence that spans the Asia Pacific, Europe and the United States.

The group owns and / or manages over 6,000 serviced residence units in 16 cities in 10 countries. Its shares trade as 'Ascott' on the Singapore Exchange.

The group is the serviced residence arm of CapitaLand Limited.

FROM OUR RESIDENTS

"This is really a five-star serviced apartment with six-star staff...from the security, reception to the maids."

- P Lim, Somerset Grand Shanghai, China

"I would like to take this opportunity to thank Mr Soulier and Christine Malcolm for attending to the problem in my apartment and for a job well done to provide comfort to your guests. Thank you for the basket of fruit."

- Brigadier-General B F Othman, The Ascott Mayfair, UK

"I find my stay here very comfortable, with so many of the same staff during my first time here still around. It is like a nice little home away from home."

- Mrs N Becks, The Ascott Singapore

Annual Report

Award



The Ascott Group's Annual Report 2000 has won a bronze award for design and writing at the 15th Annual Report Competition (ARC) 2001 Awards, a prestigious international event which recognises quality annual reports.

The group was the only Asian company to win the award in the Real Estate sector. A total of 1,500 entries from 21 countries were submitted.

The ARC Awards, organised by US-based MerComm Inc, was created to nurture good writing and imaginative design in annual reports. Judging criteria included presentation of corporate and financial information, design, and effectiveness in communicating the company's spirit.

Titled 'Being 1', the cover shows jigsaw pieces being assembled to form the number 1; depicting the company's restructuring its business components to achieve its goal to be a leader in the global serviced residence industry.

As Asia Pacific's largest serviced residence company with market leading brands, the group is today in prime position to realise its larger global goals and to create sustainable shareholder value.

The report also illustrates its people working together as one team focused on growing the serviced residence business through the pursuit of product and service excellence, and customer satisfaction.



1 Focus

Last year, the company's annual report 1999 won a certificate of 'special commendation' in the Singapore 2000 Annual Report Award Competition for its 'high standard of financial reporting'.

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Ascott Living is a newsletter of The Ascott Group

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