



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

SOMERSET WEST LAKE YIELD PROTECTION

The **Manager** wishes to announce that further to its announcement made on 5 November 2008 in relation to the **Acquisition**, **Ascott Reit** will be receiving a total of USD 0.3 million (approximately S\$0.5 million) from **TAHL**, being yield protection amount in relation to Somerset West Lake for the **Initial Period**. The Manager is making the announcement pursuant to Rule 1013(3)(a) of the **Listing Manual**.

In connection with the **Acquisition**, a **Deed of Yield Protection** was entered into with **TAHL** under which the latter agreed to provide yield protection to **Ascott Reit** for 70% of a shortfall of a minimum threshold EBITDA per annum for the **JV Company** for five years from Completion. For the **Initial Period**, 70% of the minimum threshold EBITDA was USD 1.0 million (approximately S\$1.5 million).

Based on the unaudited management accounts of the **JV Company** for the **Initial Period**, 70% of the EBITDA of the **JV Company** was less than USD 1.0 million (approximately S\$1.5 million) by USD 0.3 million (approximately S\$0.5 million), resulting in **TAHL** being required to pay the shortfall. The shortfall was due to lower operating performance as a result of global economic slowdown. The amount of yield protection is subject to adjustment (if any) based on the audited accounts of the **JV Company**, and will be fully settled after the issue of the audited accounts of the **JV Company**, in accordance with the **Deed of Yield Protection**.

Definitions:

Acquisition	The acquisition by Ascott Reit of a 70% effective interest in Somerset West Lake
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Ascott Reit	Ascott Residence Trust
Completion	the Completion of the Acquisition
Deed of Yield Protection	Deed of Yield Protection dated 1 April 2009 entered into between DBS Trustee Limited, as trustee of Ascott Reit, and TAHL.
Initial Period	The period from 1 April 2009 (the date of Completion) to 31 December 2009
JV Company	West Lake Development Company Limited, a joint venture enterprise established in the Socialist Republic of Vietnam, holding the leasehold interest to the serviced residence known as “Somerset West Lake”
Listing Manual	Listing Manual of the SGX-ST
Manager	Ascott Residence Trust Management Limited, as manager of Ascott Reit
SGX-ST	Singapore Exchange Securities Trading Limited
TAHL	The Ascott Holdings Limited
Units	Units in Ascott Reit

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As manager of Ascott Residence Trust

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries
Singapore

21 January 2010

Important Notice

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the 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 Singapore Exchange Securities Trading Limited (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.