ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2006
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In relation to the preferential offering by The Ascott Group Limited of units in Ascott Residence Trust, J.P. Morgan (S.E.A.) Limited acted as the Joint Financial Advisor, Sole Global Coordinator and Sole Lead Underwriter.

ASCOTT RESIDENCE TRUST
2006 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

INTRODUCTION

Ascott Residence Trust ("ART") was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of ART) (the "Manager") and DBS Trustee Limited (as trustee of ART) (the "Trustee").

ART was directly held by The Ascott Group Limited up to and including 30 March 2006 (the "Private Trust"). On 31 March 2006 (the "Listing Date"), it was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal investment strategy of ART is to invest 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. The initial portfolio of ART comprises 12 properties which are located in five different jurisdictions (Singapore, Indonesia, the Philippines, China and Vietnam).

ART's distribution policy is to distribute at least 90% of its taxable income (other than gains on the sale of real properties or shares by ART which are determined to be trading gains) and Net Overseas Income. As disclosed in the prospectus dated 6 March 2006 (the "Prospectus"), ART will distribute 100% of its taxable income and Net Overseas Income for the period from the Listing Date to 31 December 2006 and for the financial year ending 31 December 2007. Thereafter, ART will distribute at least 90% of its taxable income and Net Overseas Income, with the actual level of distribution to be determined at the Manager's discretion. ART will make distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. ART's first distribution after the Listing Date was for the period from the Listing Date to 30 June 2006 and was paid by the Manager on 28 August 2006. Subsequent distributions will take place semi-annually. Distributions, when paid, will be in Singapore dollars.

ART's first financial period is from 19 January 2006, being the date of its establishment, to 31 December 2006. The prior period comparatives are based on the pro forma financial information as stated in the Prospectus.

1(a)(i) CONSOLIDATED STATEMENT OF TOTAL RETURN

	Note	3Q Actual (1/7/06 to 30/9/06) S$'000	3Q Pro Forma (1/7/05 to 30/9/05) S$'000	% +/-	YTD Actual (19/1/06 to 30/9/06) (1) S$'000	YTD Pro Forma (1/3/05 to 30/9/05) (2) S$'000	% +/-
Revenue	A.1	25,812	25,278	2%	60,684	58,982	3%
Direct expenses	A.2	(13,605)	(13,577)	-	(31,338)	(31,679)	-1%
Gross Profit	A.1	12,207	11,701	4%	29,346	27,303	7%
Interest income		165	48	244%	252	113	123%
Interest expense		(3,144)	(3,003)	5%	(7,160)	(7,008)	2%
Other operating income	A.3	107	154	-31%	756	359	111%
Manager's management fees		(1,060)	(1,046)	1%	(2,536)	(2,440)	4%
Trustee's fee		(34)	(34)	-	(94)	(95)	-
Professional fees		(37)	(49)	-24%	(281)	(114)	146%
Audit fees		(88)	(89)	-1%	(213)	(208)	2%
Foreign exchange (loss) / gain – realized		(48)	246	-120%	4	574	-99%
Other operating expenses	A.4	(40)	(150)	-73%	(282)	(350)	-19%
Net Profit before change in fair value of financial instrument and unrealized foreign exchange loss		**8,028**	**7,778**	**3%**	**19,792**	**18,134**	**9%**
Change in fair value of financial instrument	A.5	(3,644)	-	n.m.	(3,644)	-	n.m.
Foreign exchange gain / (loss) - unrealized	A.6	444	-	n.m.	(1,488)	-	n.m.
Net Profit		**4,828**	**7,778**	**-38%**	**14,660**	**18,134**	**-19%**
Taxation	A.7	(1,566)	(1,613)	-3%	(3,850)	(3,764)	2%
Total return for the period after taxation		**3,262**	**6,165**	**-47%**	**10,810**	**14,370**	**-25%**
Minority interests		(1,028)	(896)	15%	(2,336)	(2,091)	12%
Total return for the period attributable to unitholders before distribution		**2,234**	**5,269**	**-58%**	**8,474**	**12,279**	**-31%**
Distribution to Unitholders from operations							
- Period from 31/3/06 to 30/6/06		(773)	n.m(3)		(773)	n.m(3)	
- Period from 19/1/06 to 30/3/06		-	n.m(3)		(156)	n.m(3)	
Total return for the period attributable to Unitholders after distribution		**1,461**	**5,269**		**7,545**	**12,279**	

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	3Q Actual (1/7/06 to 30/9/06) S$'000	3Q Pro Forma (1/7/05 to 30/9/05) S$'000	% +/-	YTD Actual (19/1/06 to 30/9/06)[1] S$'000	YTD Pro Forma (1/3/05 to 30/9/05)[2] S$'000	% +/-
Total return for the period attributable to unitholders		2,234	5,269	-58%	8,474	12,279	-31%
Net effect of non-tax deductible / chargeable items and other adjustments	A.7	4,297	1,442	198%	7,755	3,365	130%
Total amount distributable to Unitholders for the period		**6,531**	**6,711**	**-3%**	**16,229**	**15,644**	**4%**
Comprises :							
- from operations		2,940	n.m [3]		3,869	n.m [3]	
- from unitholders' contributions		3,591	n.m [3]		12,360	n.m [3]	
		6,531	**6,711**	**-3%**	**16,229**	**15,644**	**4%**

Footnotes

(1) ART was established on 19 January 2006 but the acquisition of the real properties was completed on 1 March 2006. Hence the income recorded relates only to the 7 month period from 1 March 2006 to 30 September 2006. ART had no income from 19 January 2006 to 28 February 2006. The entire period relates to both the Private Trust and Public Trust periods and the details are as stated in paragraph (1)(a)(iii) on page 5.

(2) This is the first interim financial period of ART and the comparative numbers for 2005 are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 7 months to correspond to the period from 1 March 2005 to 30 September 2005. Trustee's fee was pro-rated from 19 January 2005 to 30 September 2005.

(3) Not meaningful as pro forma distribution from operations and unitholders' contribution for the financial year ended 31 December 2005 presented in the Prospectus is made on the assumption that ART was incepted on 1 January 2003, under the terms set out in the Prospectus.

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue

Revenue for 3Q 2006 of S$25.8 million increased by 2% over that of the corresponding pro forma period last year. Similarly revenue for YTD Sep 2006 of S$60.7 million increased 3% as compared to the corresponding pro forma period last year. The increase in revenue was due to the increase in revenue per available unit ("REVPAU") of the Group's serviced residences across most regions.

Gross profit

The improved performances from the Group's serviced residences across all the regions, particularly in Singapore, increased the gross profit by 4%, from S$11.7 million in 3Q 2005 to S$12.2 million in 3Q 2006. Gross profit margin improved by 1 percentage point from 46% in 3Q 2005 to 47% in 3Q 2006. The improvement in the gross profit margin was due mainly to the higher overall REVPAU achieved and better operating efficiency.

For the same reasons mentioned above, gross profit for YTD Sep 2006 of S$29.3 million increased 7% over YTD Sep 2005, and gross profit margin increased by 2 percentage points from 46% in YTD Sep 2005 to 48% in YTD Sep 2006.

A.2 Direct expenses include the following items:

	3Q Actual (1/7/06 to 30/9/06) S$'000	3Q Pro Forma (1/7/05 to 30/9/05) S$'000	% +/-	YTD Actual (19/1/06 to 30/9/06) S$'000	YTD Pro Forma (1/3/05 to 30/9/05) S$'000	% +/-
Depreciation and amortisation	(832)	(957)	-13%	(1,928)	(2,234)	-14%
Staff costs	(3,044)	(3,448)	-12%	(7,183)	(8,045)	-11%

A.3 Other operating income

The other operating income for YTD Sep 2006 increased by S$0.4 million. The increase was due mainly to the gain arising from the unwinding of an interest rate swap transaction for one of the subsidiary companies, as the floating rate bank loan was converted into a fixed rate bank loan.

A.4 Other operating expenses

Other operating expenses comprise primarily trust expenses which include recurring operating expenses such as annual listing fee and registry fees, valuation fees, costs associated with the preparation and distribution of reports and communication to unitholders and investors.

A.5. Change in fair value of financial instrument

The $3.6 million relates to unrealized changes in the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ bank loan to a S$ bank loan at the Group level. The corresponding translation effect to the Group arising on the underlying US$ bank loan was an unrealized revaluation gain of S$1.3 million taken to the Statement of Total Return (refer to Para A.6) and a translation gain of S$1.7 million taken to the foreign currency translation reserve. Hence, the net impact of the above on the Group was S$0.6 million.

A.6 Foreign exchange gain / (loss) - unrealized

The foreign exchange gain recognised in 3Q 2006 and foreign exchange loss recognized in YTD Sep 2006 was mainly due to (1) unrealized revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollars ("US$"), extended to the Group's subsidiaries, as a result of the depreciation of the US$ against S$, and (2) unrealized revaluation gain on US$ bank loan in a subsidiary's books, as a result of the depreciation of the US$ against RMB.

A.7 Taxation

Taxation for YTD Sep 2006 was higher by S$0.1 million as compared to the corresponding pro forma period last year. This was mainly due to the tax provided on 100% of taxable income of the Singapore properties for the period when it was a Private Trust (19 January 2006 to 30 March 2006) which does not qualify for tax transparency. Taxation for pro forma 3Q 2005 was prepared on the basis that tax transparency applies throughout.

A.8 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	3Q Actual (1/7/06 to 30/9/06) S$'000	3Q Pro Forma (1/7/05 to 30/9/05) S$'000	% +/-	YTD Actual (19/1/06 to 30/9/06) S$'000	YTD Pro Forma (1/3/05 to 30/9/05) S$'000	% +/-
Trustee's fees*	14	14	-	40	40	-
Depreciation (net of MI)	748	918	-19%	1,728	2,143	-19%
Change in fair value of financial instrument	3,644	-	n.m.	3,644	-	n.m.
Unrealized exchange loss / (gain)	(444)	-	n.m	1,488	-	n.m
Manager's management fee paid in units	530	523	1%	1,268	1,220	4%

* This relates to the Singapore properties only.

1(a)(iii) CONSOLIDATED STATEMENT OF TOTAL RETURN – Breakdown between Private Trust and Public Trust Period

ART was originally a private trust until 30 March 2006 and subsequently converted to a listed property trust upon the successful listing on 31 March 2006. The following sets out the income attributable to the private and public trust unitholders.

	Private Trust (19/1/06 to 30/3/06) S$'000	Public Trust (31/3/06 to 30/9/06) S$'000	Actual (19/1/06 to 30/9/06) S$'000
Revenue	8,417	52,267	60,684
Direct expenses	(4,318)	(27,020)	(31,338)
Gross Profit	4,099	25,247	29,346
Interest income	9	243	252
Interest expense	(1,104)	(6,056)	(7,160)
Other operating income	1	755	756
Manager's management fees	(345)	(2,191)	(2,536)
Trustee's fee	(26)	(68)	(94)
Professional fees	(83)	(198)	(281)
Audit fees	(31)	(182)	(213)
Foreign exchange (loss) / gain - realized	(25)	29	4
Other operating expenses	(75)	(207)	(282)
Net Profit before change in fair value of financial instrument and unrealized exchange loss	**2,420**	**17,372**	**19,792**
Change in fair value of financial instrument	-	(3,644)	(3,644)
Foreign exchange gain / (loss) - unrealized	607	(2,095)	(1,488)
Net Profit	**3,027**	**11,633**	**14,660**
Taxation	(605)	(3,245)	(3,850)
Total return for the period after taxation	**2,422**	**8,388**	**10,810**
Minority interests	(314)	(2,022)	(2,336)
Total return for the period attributable to Unitholders before distribution	**2,108**	**6,366**	**8,474**
Distribution to Unitholders from operations			
- Period from 19/1/06 to 30/3/06	(156)	-	(156)
- Period from 31/3/06 to 30/6/06	-	(773)	(773)
Total return for the period attributable to Unitholders after distribution	**1,952**	**5,593**	**7,545**

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Private Trust (19/1/06 to 30/3/06) S$'000	Public Trust (31/3/06 to 30/9/06) S$'000	Actual (19/1/06 to 30/9/06) S$'000
Total return for the period attributable to Unitholders	2,108	6,366	8,474
Net effect of non-tax deductible / chargeable items and other adjustments	(192)	7,947	7,755
Total Unitholders' distribution	**1,916**	**14,313**	**16,229**
Comprises :			
- from operations	156	3,713	3,869
- from unitholders' contributions	1,760	10,600	12,360
	1,916	**14,313**	**16,229**

1(b)(i) BALANCE SHEET

	Note	GROUP Actual 30/09/06 S$'000	GROUP Pro Forma 31/12/05[1] S$'000	REIT Actual 30/09/06 S$'000	REIT Pro Forma 31/12/05 S$'000
Non-Current Assets					
Property, plant and equipment		14,288	13,884	3,758	4,104
Investment properties	1(b)(ii)	878,970	911,157	278,046	278,046
Interest in subsidiaries		-	-	103,840	106,779
Deferred tax assets		440	1,840	-	-
		893,698	**926,881**	**385,644**	**388,929**
Current Assets					
Inventories		263	289	-	-
Trade receivables		5,239	4,474	1,420	-
Other receivables		17,125	18,965	341,212	454,106
Cash and bank balances	1(b)(iii)	80,784	9,312	54,216	-
		103,411	**33,040**	**396,848**	**454,106**
Total Assets		**997,109**	**959,921**	**782,492**	**843,035**
Current Liabilities					
Bank overdraft (unsecured)		-	(6,260)	-	-
Trade payables		(1,843)	(1,337)	(69)	-
Other payables and liabilities	1(b)(iv)	(45,457)	(39,645)	(37,217)	(22,480)
Interest bearing liabilities	1(b)(v)	(7,951)	(37,647)	-	-
Current tax payable		(1,028)	(651)	(153)	-
		(56,279)	**(85,540)**	**(37,439)**	**(22,480)**
Non-Current Liabilities					
Interest bearing liabilities	1(b)(v)	(252,665)	(229,721)	(117,541)	(226,812)
Deferred income		-	(2)	-	-
Deferred tax liabilities		(85)	(156)	-	-
		(252,750)	**(229,879)**	**(117,541)**	**(226,812)**
Total Liabilities (excluding net assets attributable to Unitholders)		**(309,029)**	**(315,419)**	**(154,980)**	**(249,292)**
Minority Interests		(49,542)	(50,759)	-	-
Net Assets Attributable to Unitholders	1(d)(i)	**638,538**	**593,743**	**627,512**	**593,743**

Footnote

(1) This is the first financial period of ART and the comparative numbers for 2005 are extracted from the pro-forma financial information which was disclosed in the Prospectus.

1(b)(ii) Group investment properties

The decrease in the Group's investment properties as at 30 September 2006 was mainly due to the translation of the Group's foreign investment properties to Singapore dollars at a lower exchange rates as a result of the weakening of the foreign currencies, particularly US Dollars, against Singapore dollars.

1(b)(iii) Group cash and bank balances

The increase in the Group's cash and bank balances as at 30 September 2006 was mainly due to the funds raised, amounting to S$48.4 million, from the recent placement of 44 million new units at an issue price of S$1.10 per new unit, pending payment to vendors upon completion of the acquisition of Somerset Olympic Towers and Somerset Roppongi, Japan.

1(b)(iv) Other payables and liabilities

This includes a derivative liability of S$3.6 million arising from the fair value of a financial instrument.

1(b)(v) Group borrowings

		Actual As at 30/09/06 S$'000	Pro Forma As at 31/12/05 S$'000
Secured borrowings			
- Amount repayable in one year or less or on demand	(1)	7,951	37,647
- Amount repayable after one year	(1)	252,665	229,721
Total		260,616	267,368

(1) The increase in the secured borrowings repayable after one year at 30 September 2006 was mainly due to the refinancing of a subsidiary's bank loan of approximately S$29.5 million. This loan was previously classified as repayable within one year.

(2) The decrease in the Group's borrowings as at 30 September 2006 was mainly due to the translation of the Group's foreign borrowings to Singapore dollars at lower exchange rates as a result of the weakening of the foreign currencies, particularly US Dollars, against Singapore dollars.

Details of collateral

The borrowings of the Group are generally secured by:
- Mortgage on subsidiaries' investment properties and the assignment of the rights, title and interest with respect to the properties
- Assignment of rental proceeds of the properties and insurance policies relating to the properties
- Pledge of shares of some subsidiaries

1(c) CONSOLIDATED CASH FLOW STATEMENT [1]

	Note	3Q Actual (1/7/06 to 30/9/06) S$'000	YTD Actual (19/1/06 to 30/9/06) [2] S$'000
Operating Activities			
Net Profit before taxation, before distribution		4,828	14,660
Adjustments for:			
Depreciation and amortisation		832	1,928
Interest expense		3,144	7,160
Interest income		(165)	(252)
Operating profit before working capital changes		**8,639**	**23,496**
Changes in working capital	3	7,313	(25,125)
Cash generated from operations		**15,952**	**(1,629)**
Income tax paid		(1,509)	(3,931)
Distribution to unitholders from operations		(773)	(929)
Cash flows from operating activities		**13,670**	**(6,489)**
Investing Activities			
Interest received		2,057	2,602
Acquisition of property, plant and equipment		(2,082)	(2,962)
Net cash inflow on acquisition of subsidiary companies		-	23,882
Acquisition of investment properties		(275)	(63,475)
Cash flows from investing activities		**(300)**	**(39,953)**
Financing Activities			
Proceeds from bank borrowings		1,941	120,473
Interest paid		(5,244)	(7,682)
Distribution to unitholders		(6,991)	(8,751)
Repayments of bank borrowings		(3,822)	(19,880)
Transaction costs		(321)	(6,061)
Cash generated from "ART" units issued		49,127	49,127
Cash flows from financing activities		**34,690**	**127,226**
Increase in cash & cash equivalents		**48,060**	**80,784**
Cash and cash equivalents at beginning of the period		**32,724**	**-**
Effect of exchange rate changes on balances held in foreign currencies		-	-
Cash and cash equivalents at end of the period		**80,784**	**80,784**

Footnotes

(1) *There are no comparative prior period figures as this is the first financial period.*
(2) *Although ART was established on 19 January 2006, the acquisition of the properties was completed on 1 March 2006. Consequently, the figures only represent the cash flow for the 7 month period from 1 March 2006 to 30 September 2006 as there was no income from 19 January 2006 to 28 February 2006.*
(3) *The negative changes in working capital were mainly due to repayment of amounts owing to related companies upon completion of the acquisition of real properties.*

1(d)(i) NET ASSETS ATTRIBUTABLE TO UNITHOLDERS [1]

	Note	GROUP Actual (1/7/06 to 30/9/06) S$'000	GROUP Actual 19/1/06 to 30/9/06) [2] S$'000	REIT Actual (1/7/06 to 30/9/06) S$'000	REIT Actual 19/1/06 to 30/9/06) [2] S$'000
Unitholders' Contribution					
Balance as at beginning of period		591,803	-	591,803	-
Issue of new units		49,127	648,430	49,127	648,430
Issue expenses		(321)	(6,061)	(321)	(6,061)
Distribution to Unitholders		(6,991)	(8,751)	(6,991)	(8,751)
Balance as at end of period		**633,618**	**633,618**	**633,618**	**633,618**
Operations					
Balance as at beginning of period		6,084	-	(4,142)	-
Change in net assets attributable to unitholders resulting from operations after distribution		1,461	7,545	(1,964)	(6,106)
Balance as at end of period		**7,545**	**7,545**	**(6,106)**	**(6,106)**
Foreign Currency Translation reserve					
Balance as at beginning of period		**(3,463)**	**-**	**-**	**-**
Translation differences relating to financial statements of foreign subsidiaries		**838**	**(2,625)**	**-**	**-**
Balance as at end of period		**(2,625)**	**(2,625)**	**-**	**-**
Net Assets Attributable to Unitholders	**1(b)(i)**	**638,538**	**638,538**	**627,512**	**627,512**

1(d)(ii) Details of any change in the units [1]

	REIT Actual (1/7/06 to 30/9/06) '000	REIT Actual 19/1/06 to 30/9/06) '000
Balance as at beginning of period	454,000	-
Issue of new units :		
- settlement for the purchase of two Singapore properties	-	165,880
- settlement for the purchase of the property companies shares	-	288,120
- payment of Manager's management fees	639	639
- placement on 25 September 2006	44,000	44,000
Balance as at end of period	**498,639**	**498,639**

Footnotes

(1) There are no comparative prior period figures as this is the first financial period.

(2) Although ART was established on 19 January 2006, the acquisition of the properties was completed on 1 March 2006. Consequently, the figures only represent the income for the 7 month period from 1 March 2006 to 30 September 2006 as there was no income from 19 January 2006 to 28 February 2006.

2. **Whether the figures have been audited, or reviewed and in accordance with the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements)**

The figures have not been audited or reviewed by our auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied**

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the Prospectus.

5. **If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change**

Nil

6. **Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period**

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

Earnings per unit (EPU)(cents)	**3Q Actual (1/7/06 to 30/9/06)**	**<------------------ Private Trust (19/1/06 to 30/3/06)**	**YTD Public Trust (31/3/06 to 30/9/06)**	**------------------> Total Actual (19/1/06 to 30/9/06)**
Number of units on issue at end of period	498,638,579	454,000,000	498,638,579	498,638,579
Weighted average number of units for the period	456,980,622	454,000,000	455,490,311	455,281,389
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	0.49	0.46	1.40	1.86

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

Distribution per unit (DPU)(cents)	**3Q Actual (1/7/06 to 30/9/06)**	**<------------------ Private Trust (19/1/06 to 30/3/06)**	**YTD Public Trust (31/3/06 to 30/9/06)**	**------------------> Total Actual (19/1/06 to 30/9/06)**
Number of units on issue at end of period	498,638,579	454,000,000	498,638,579	n.m.
DPU (cents) – Basic and diluted (based on the number of units as at end of period)	1.43	0.42	3.14	3.56

The diluted DPU is the same as the basic DPU as there are no dilutive instruments in issue during the period.

7. Net asset value ("NAV") backing per unit based on issued units at the end of the period

	Actual 30/9/06	Pro Forma 31/12/05
NAV per units ($)	1.28	1.31

8(i) Group Performance Review

8(i)(a) Revenue and Gross Profit Analysis - 3Q 2006 vs. 3Q 2005

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
		Actual 3Q 2006	Pro Forma 3Q 2005	Variance			Actual 3Q 2006	Pro Forma 3Q 2005	Variance		Actual 3Q 2006	Pro Forma 3Q 2005	+/-
		S$'million		S$M	%		S$'million		S$'M	%	S$/day	S$/day	%
Singapore		6.2	5.1	1.1	*22%*		3.1	2.2	0.9	*41%*	164	135	21%
China		7.0	8.2	(1.2)	*-15%*		2.9	3.6	(0.7)	*-19%*	143	161	-11%
Vietnam		5.6	5.2	0.4	*8%*		3.4	3.1	0.3	*10%*	130	120	8%
Indonesia		5.6	5.6	-	-		2.4	2.4	-	-	82	84	-2%
Philippines		1.4	1.2	0.2	*17%*		0.4	0.4	-	-	70	55	27%
	A.1	**25.8**	**25.3**	**0.5**	***2%***	**A.1**	**12.2**	**11.7**	**0.5**	***4%***	**120**	**115**	**4%**

Revenue for 3Q 2006 grew by 2% from S$25.3 million in 3Q 2005 to S$25.8 million in 3Q 2006. The increase in revenue was due to a 4% growth in the overall revenue per available unit ("REVPAU") from S$115 in 3Q 2005 to S$120 in 3Q 2006, mainly driven by increase in the average daily rates. Serviced residence operations in Singapore and Philippines achieved a double digit REVPAU growth in 3Q 2006.

In line with the increased revenue, gross profit for 3Q 2006 at S$12.2 million increased by 4% as compared to 3Q 2005. This was supported by growth in Singapore and Vietnam. Overall gross profit margin improved from 46.2% to 47.3% as a result of higher average daily rates.

In Singapore, the Group's serviced residence achieved an overall REVPAU of S$164 for 3Q 2006, an increase of 21% from S$135 in 3Q 2005. Tapping on the continuing strong market conditions in Singapore, the Group continued with increases in average daily rates through a combination of right tenant mix and forward-looking sales strategies, while occupancy remained above 90%. As a result, the gross profit of Singapore operations for 3Q 2006 exceeded that of 3Q 2005 by 41%.

For China operations, REVPAU achieved for 3Q 2006 was 11% lower than that in 3Q 2005. This was due to expiry of leases for a few accounts of the Beijing properties and lower demand for bigger apartment units. This resulted in lower average daily rates while occupancy remained around mid 70%. Taking into account cost savings arising from improved cost management, such as energy conservation efforts to reduce utility costs, gross profit decreased by S$0.7 million to S$2.9 million in 3Q 2006.

In Vietnam, the revenue and gross profit of the Group's serviced residence increased by 8% and 10% respectively in 3Q 2006 as compared to 3Q 2005. These increases were achieved with higher rental rates upon renewal of lease of long stay tenants. The rate increases were bolstered by favorable market conditions for serviced residences with strong demand due to Vietnam's steady growth with the much anticipated admission to WTO, and limited supply of internationally managed serviced residences.

In Indonesia, the REVPAU for 3Q 2006 declined from S$84 in 3Q 2005 to S$82 in 3Q 2006. This was attributed mainly to a drop in occupancy for The Ascott Jakarta, resulting from major road closure and massive construction activities around the property. Despite the drop in REVPAU, gross profit for 3Q 2006 remained at the same level as that in 3Q 2005 due to cost savings arising from improved cost management and higher other revenue (comprising mainly fees from usage of the business centre and laundry facilities, and service and maintenance fees).

In Philippines, the REVPAU increased by 27% from S$55 in 3Q 2005 to S$70 in 3Q 2006, with increases in both occupancy rates and average daily rates. This resulted in an improvement in the revenue of the Philippines operations in 3Q 2006 over those of 3Q 2005. However, this increase in revenue was offset by a corresponding increase in direct expenses (mainly operation and maintenance expense and staff costs). Hence, gross profit for 3Q 2006 remained at the same level as that in 3Q 2005.

8(i)(b) Revenue and Gross Profit Analysis - YTD Sep 2006 vs. YTD Sep 2005

	Ref	Revenue: Actual YTD Sep 2006 S$'million	Revenue: Pro Forma YTD Sep 2005 S$'million	Revenue Variance S$'M	Revenue Variance %	Ref	Gross Profit: Actual YTD Sep 2006 S$'million	Gross Profit: Pro Forma YTD Sep 2005 S$'million	Gross Profit Variance S$'M	Gross Profit Variance %	REVPAU Analysis: Actual YTD Sep 2006 S$/day	REVPAU Analysis: Pro Forma YTD Sep 2005 S$/day	REVPAU Analysis: +/- %
Singapore		14.0	11.9	2.1	*18%*		7.0	5.2	1.8	*35%*	157	135	16%
China		17.6	19.2	(1.6)	*-8%*		7.8	8.4	(0.6)	*-7%*	148	161	-8%
Vietnam		12.6	12.1	0.5	*4%*		7.7	7.2	0.5	*7%*	127	120	6%
Indonesia		13.2	13.1	0.1	*1%*		5.8	5.6	0.2	*4%*	82	84	-2%
Philippines		3.3	2.7	0.6	*22%*		1.0	0.9	0.1	*11%*	68	55	24%
	A.1	**60.7**	**59.0**	**1.7**	***3%***	**A.1**	**29.3**	**27.3**	**2.0**	***7%***	**121**	**115**	**5%**

For YTD Sep 2006, the Group achieved S$60.7 million in revenue, which was 3% increase over the revenue of S$59.0 million recorded in the corresponding pro forma period last year. Overall REVPAU improved by S$6 from S$115 in YTD Sep 2005 to S$121 in YTD Sep 2006, mainly driven by an increase in the average daily rates. Hence the higher revenue achieved led to a higher gross profit for YTD Sep 2006, an increase of 7% from S$27.3 million in YTD Sep 2005 to S$29.3 million in YTD Sep 2006. Overall gross profit margin improved by 2 percentage points from 46.3% to 48.3% as a result of higher average daily rates.

8(i)(c) Total Return

Total Return	**Actual 3Q 2006 S$'000**	**Pro Forma 3Q 2005 S$'000**	**+/- %**
Operating net profit	5,482	5,023	9%
Change in fair value of financial instrument	(3,644)	-	n.m.
Foreign exchange gain	396	246	n.m.
Total return attributable to unitholders	**2,234**	**5,269**	**-58%**

The Group achieved a higher operating net profit of S$0.5 million or 9% in 3Q 2006 as a result of higher gross profit achieved. The operating net profit for 3Q 2006 was S$5.5 million vs. S$5.0 million in 3Q 2005 excluding foreign exchange differences (3Q 2006: loss of S$0.4 million; 3Q 2005: gain of S$0.2 million) and change in fair value of financial instrument.

Total Return	**Actual YTD Sep 2006 S$'000**	**Pro Forma YTD Sep 2005 S$'000**	**+/- %**
Operating net profit	13,602	11,705	16%
Change in fair value of financial instrument	(3,644)	-	n.m.
Foreign exchange (loss) / gain	(1,484)	574	n.m.
Total return attributable to unitholders	**8,474**	**12,279**	**-31%**

Similarly, the Group's operating performance in YTD Sep 2006 exceeded that of the comparative period in YTD Sep 2005. Excluding the foreign exchange differences in both YTD Sep 2006 (loss of S$2.2 million) and YTD Sep 2005 (gain of S$0.6 million) and the change in fair value of financial instrument, the operating net profit for YTD Sep 2006 was S$13.6 million vs. S$11.7 million in YTD Sep 2005, an improvement of S$1.9 million or 16%. This was mainly attributable to the strong performance from the Group's serviced residences in most regions.

9. Variance between the forecast as disclosed in the Prospectus and the actual results

9(i) Consolidated Statement of Total Return for the period of 31 March 2006 to 30 September 2006 (Public Trust)

		Actual S$'000	Forecast[(1)] S$'000	% +/-
Revenue	(a)	52,267	52,667	-1%
Direct expenses	(a)	(27,020)	(28,539)	-5%
Gross Profit	(a)	25,247	24,128	5%
Interest income		243	-	n.m
Interest expense		(6,056)	(6,084)	-
Other operating income	(b)	755	254	n.m
Manager's management fees	(c)	(2,191)	(2,151)	2%
Trustee's fee		(68)	(68)	-
Professional fees		(198)	(87)	128%
Audit fees		(182)	(161)	13%
Foreign exchange gain (realized)		29	-	n.m
Other operating expenses		(207)	(355)	-42%
Net Profit before change in fair value of financial instrument and unrealized foreign exchange loss		**17,372**	**15,476**	**12%**
Change in fair value of financial instrument	(d)	(3,644)	-	n.m.
Foreign exchange loss (unrealized)	(e)	(2,095)	-	n.m
Net Profit		**11,633**	**15,476**	**-25%**
Taxation		(3,245)	(3,012)	8%
Total return for the period after taxation		**8,388**	**12,464**	**-33%**
Minority interests		(2,022)	(1,756)	15%
Total return for the period attributable to Unitholders before distribution	(f)	**6,366**	**10,708**	**-41%**

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

		Actual S$'000	Forecast[(1)] S$'000	% +/-
Total return for the period attributable to Unitholders		6,366	10,708	-41%
Net effect of non-tax deductible / chargeable items and other adjustments	(g)	7,947	3,267	143%
Total amount distributable to Unitholders for the period		**14,313**	**13,975**	**2%**
Distribution per unit (in cents) - for the period		3.14	3.08	

Footnote

(1) The forecast is extracted from the Prospectus and is based on the assumptions set out in the Prospectus. As the forecast stated was for 1 January 2006 to 31 December 2006, the Manager has used its best estimate to present the pro-rated forecast for the period 31 March 2006 to 30 September 2006.

9(ii) Revenue and Gross Profit Analysis for the period of 31 March 2006 to 30 September 2006

	Revenue				Gross Profit			
	Actual	Forecast(1)	Variance		Actual	Forecast(1)	Variance	
	S$'million		S$'M	%	S$'million		S$'M	%
Singapore	12.1	10.8	1.3	*12%*	6.0	5.2	0.8	*15%*
China	15.1	17.3	(2.2)	*-13%*	6.7	7.3	(0.6)	*-8%*
Vietnam	10.9	10.6	0.3	*3%*	6.6	6.4	0.2	*3%*
Indonesia	11.3	11.6	(0.3)	*-3%*	5.0	4.5	0.5	*11%*
Philippines	2.9	2.4	0.5	*21%*	0.9	0.7	0.2	*29%*
	52.3	**52.7**	**(0.4)**	***-1%***	**25.2**	**24.1**	**1.1**	***5%***

Footnote

(1) The forecast is extracted from the Prospectus. As the forecast stated was for 1 January 2006 to 31 December 2006, the Manager has used its best estimate to present the pro-rated forecast for the period 31 March 2006 to 30 September 2006.

Review of the Group's performance for the period 31 March 2006 to 30 September 2006

(a) Revenue is lower by S$0.4 million or 1% as compared to the forecast on a portfolio basis. Direct expenses are lower by S$1.5 million or 5% due to lower staff costs, depreciation and marketing expenses. As a result, gross profit is higher by S$1.1 million or 5% on a portfolio basis.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 12% and 15% respectively. This was mainly due to an increase in the average daily rates.

In China, revenue of the Group's serviced residence declined by 13% or S$2.2 million as compared to the forecast due to lower average daily rates achieved as a result of expiry of leases for a few key accounts of the Beijing properties and lower demand for bigger apartment units. This decrease in revenue was partly offset by cost savings arising from improved cost management, resulting gross profit to decline by S$0.6 million or 8%. The Ascott Beijing is currently undergoing reconfiguration (expect to complete around mid 2007) to convert the bigger apartment units to smaller apartment units to meet the growing market demand for such units.

In Vietnam, revenue and gross profit of the Group's serviced residence both increased by 3%.

For the serviced residence in Indonesia, revenue declined by 3% as compared to the forecast due to a lower REVPAU achieved for The Ascott Jakarta (Actual : S$100; Forecast S$113), resulting from major road closure and massive construction activities around the property, which is expected to be completed around mid 2007. However, as a result of cost management, the gross profit was higher by 11%.

For the Group's serviced residence in Philippines, revenue and gross profit were higher by 21% and 29% respectively as a result of increased occupancy rates and average daily rates.

(b) Other operating income was S$0.5 million higher than the forecast due to a gain arising from the unwinding of an interest rate swap transaction for one of the subsidiary companies, as the floating rate bank loan was converted into a fixed rate bank loan.

(c) Manager's management fee is slightly higher by 2% due to higher gross profit achieved.

(d) This relates to unrealized changes in the fair value of the cross currency swap, entered into to convert a subsidiary's US$ bank loan to a S$ bank Loan. Refer to Para A.5.

(e) Foreign exchange loss mainly relates to unrealized revaluation loss on foreign currency shareholder's loan, mainly denominated in US Dollars ("US$"), extended to the Group's subsidiaries, as a result of the depreciation of the US$ against S$.

(f) Total return attributable to unitholders (excluding change in fair value of financial instrument and foreign exchange differences) was S$12.1 million, an increase of S$1.4 million or 13% over the forecast of S$10.7 million. Total unitholders' distribution for the period was S$0.3 million or 2% higher than the forecast.

(g) **Net effect of non-tax deductible / (chargeable) items and other adjustments includes the following items:**

	Actual S$'000	Forecast S$'000	+/-
Trustee's fees *	35	35	-
Depreciation (net of MI)	1,498	2,190	-32%
Change in fair value of financial instrument	3,644	-	n.m.
Unrealized exchange loss	2,095	-	n.m
Manager's management fee paid in units	1,096	1,076	2%

* This relates to Singapore properties only.

10. Prospects

The business environment in Asia remains positive and will continue to attract foreign direct investments from multinational companies. Demand for quality serviced accommodation is expected to continue to be strong. The Group will continue to benefit from this positive business and market conditions in Asia.

For the full year 2006, the manager of ART is confident of delivering the forecast distribution per unit of 6.11 cents (on an annualised basis) for 2006 as disclosed in the Prospectus.

11. Distributions

11(a) **Current financial period**
Any distributions declared for the current financial period? No

11(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding financial period? No

11(c) Book closure date : Not applicable

11(d) Date payable : Not applicable

12. Confirmation pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the balance sheets, consolidated statement of total return, net assets attributable to unitholders and consolidated cash flow statement, together with their accompanying notes as at 30 September 2006 and the results of the business, changes in net assets attributable to unitholders and cash flows of the Group for the seven months ended 30 September 2006), to be false or misleading in any material respect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh
Director

Cameron Ong
Director

This release 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, 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.

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

Doreen Nah
Company Secretary

Singapore
25 October 2006