



ASCOTT
RESIDENCE
TRUST

ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE PERIOD
ENDED 30 JUNE 2006
TABLE OF CONTENTS

Item No.	Description	Page No.
	Introduction	1
1(a)(i)	Consolidated Statement of Total Return and Reconciliation Statement	2 – 3
1(a)(ii)	Explanatory Notes to Consolidated Statement of Total Return	3 – 4
1 (a)(iii)	Consolidated Statement of Total Return and Reconciliation Statement - Breakdown between private trust and public trust	5 – 6
1(b)(i)	Balance Sheet	7
1(b)(iii)	Group Borrowings	8
1(c)	Consolidated Cash Flow Statement	9
1(d)(i)	Net Assets attributable to Unitholders	10
1(d)(ii)	Details of Any Change in the Units	10
2 & 3	Audit Statement	11
4 & 5	Changes in Accounting Policies	11
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	11
7	Net Asset Value ("NAV") Per Unit	12
8(i)	Group Performance Review	12 – 13
9	Variance from Previous Forecast	14 – 16
10	Prospects	16
11	Distribution	16

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 SECOND 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 will be for the period from the Listing Date to 30 June 2006 and will be paid by the Manager on 28 August 2006. Subsequent distributions will take place semi-annually. Distributions, when paid, will be in Singapore dollars.

ART is presenting the first interim financial results for the period from 19 January 2006, being the date of its establishment, to 30 June 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	Actual (1/4/06 to 30/6/06) S\$'000	Pro Forma (1/4/05 to 30/6/05) S\$'000	% +/-	Actual (19/1/06 to 30/6/06) ⁽¹⁾ S\$'000	Pro Forma (1/3/05 to 30/6/05) ⁽²⁾ S\$'000	% +/-
Revenue	A.1	26,175	25,278	4%	34,872	33,704	3%
Direct expenses	A.2	(13,270)	(13,577)	-2%	(17,732)	(18,102)	-2%
Gross Profit	A.1	12,905	11,701	10%	17,140	15,602	10%
Interest income		78	48	63%	87	65	34%
Interest expense		(2,875)	(3,003)	-4%	(4,016)	(4,005)	217%
Other operating income	A.3	648	154	321%	649	205	-24%
Manager's management fees		(1,119)	(1,046)	7%	(1,476)	(1,394)	6%
Trustee's fee		(34)	(34)	-	(60)	(61)	-2%
Professional fees		(158)	(49)	222%	(244)	(65)	275%
Audit fees		(93)	(69)	35%	(125)	(92)	36%
Foreign exchange gain - realised		97	246	n.m.	52	328	n.m.
Other operating expenses	A.4	(184)	(170)	8%	(242)	(227)	7%
Net Profit before unrealized foreign exchange loss		9,265	7,778	19%	11,765	10,356	14%
Foreign exchange loss - unrealised	A.5	(2,559)	-	n.m.	(1,932)	-	n.m.
Net Profit		6,706	7,778	-14%	9,833	10,356	-5%
Taxation	A.6	(1,664)	(1,613)	3%	(2,284)	(2,151)	6%
Total return for the period after taxation		5,042	6,165	-18%	7,549	8,205	-8%
Minority interests		(984)	(896)	10%	(1,309)	(1,195)	10%
Total return for the period attributable to unitholders before distribution		4,058	5,269	-23%	6,240	7,010	-11%
Distribution to Unitholders from operations - Period from 19/1/06 to 30/3/06		(156)	n.m. ⁽³⁾		(156)	n.m. ⁽³⁾	
Total return for the period attributable to Unitholders after distribution		3,902	5,269		6,084	7,010	

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

	Note	Actual (1/4/06 to 30/6/06) S\$'000	Pro Forma (1/4/05 to 30/6/05) S\$'000	% +/-	Actual (19/1/06 to 30/6/06) ⁽¹⁾ S\$'000	Pro Forma (1/3/05 to 30/6/05) ⁽²⁾ S\$'000	% +/-
Total return for the period attributable to unitholders		4,058	5,269	-23%	6,240	7,010	-11%
Net effect of non-tax deductible / chargeable items and other adjustments	A.7	3,655	1,442	153%	3,458	1,923	80%
Total amount distributable to Unitholders for the period		7,713	6,711	15%	9,698	8,933	9%
Comprises :							
- from operations		763	n.m ⁽³⁾		929	n.m ⁽³⁾	
- from unitholders' contributions		6,950	n.m ⁽³⁾		8,769	n.m ⁽³⁾	
		7,713	6,711	15%	9,698	8,933	9%

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 4 month period from 1 March 2006 to 30 June 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 4 months to correspond to the period from 1 March 2005 to 30 June 2005. Trustee's fee was pro-rated from 19 January 2005 to 30 June 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 2Q 2006 of S\$26.2 million increased by 4% over that of the corresponding pro forma period last year. Similarly revenue for YTD Jun 2006 of S\$34.9 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 10%, from S\$11.7 million in 2Q 2005 to S\$12.9 million in 2Q 2006. Gross profit margin improved by 3 percentage point from 46% in 2Q 2005 to 49% in 2Q 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 Jun 2006 of S\$17.1 million increased 10% over YTD Jun 2005, and gross profit margin increased by 3 percentage point from 46% in YTD Jun 2005 to 49% in YTD Jun 2006.

A.2 Direct expenses include the following items:

	Actual (1/4/06 to 30/6/06) S\$'000	Pro Forma (1/4/05 to 30/6/05) S\$'000	% +/-	Actual (19/1/06 to 30/6/06) S\$'000	Pro Forma (1/3/05 to 30/6/05) S\$'000	% +/-
Depreciation and amortisation	(834)	(957)	-13%	(1,096)	(1,277)	-14%
Staff costs	(3,069)	(3,448)	-11%	(4,138)	(4,597)	-10%

A.3 Other operating income

The other operating income for 2Q 2006 and YTD Jun 2006 increased by S\$0.5 million and S\$0.4 million respectively. 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 Foreign exchange loss - unrealised

The foreign exchange loss recognised in 2Q 2006 and YTD Jun 2006 was mainly due to 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\$.

A.6 Taxation

Taxation for YTD Jun 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 1H 2005 was prepared on the basis that tax transparency applies throughout.

A.7 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	Actual (1/4/06 to 30/6/06) S\$'000	Pro Forma (1/4/05 to 30/6/05) S\$'000	% +/-	Actual (19/1/06 to 30/6/06) S\$'000	Pro Forma (1/3/05 to 30/6/05) S\$'000	% +/-
Trustee's fees	34	34	-	60	61	-2%
Depreciation (net of MI)	742	918	-19%	980	1,225	-20%
Unrealised exchange loss	2,559	-	n.m	1,932	-	n.m
Manager's management fee paid in units	560	523	7%	738	697	6%

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

ART was originally held privately as 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 30/6/06) S\$'000	Actual (19/1/06 to 30/6/06) S\$'000
Revenue	8,417	26,455	34,872
Direct expenses	(4,318)	(13,414)	(17,732)
Gross Profit	4,099	13,041	17,140
Interest income	9	78	87
Interest expense	(1,104)	(2,912)	(4,016)
Other operating income	1	648	649
Manager's management fees	(345)	(1,131)	(1,476)
Trustee's fee	(26)	(34)	(60)
Professional fees	(83)	(161)	(244)
Audit fees	(31)	(94)	(125)
Foreign exchange (loss) / gain - realised	(25)	77	52
Other operating expenses	(75)	(167)	(242)
Net Profit before unrealized exchange loss	2,420	9,345	11,765
Foreign exchange gain / (loss) - unrealised	607	(2,539)	(1,932)
Net Profit	3,027	6,806	9,833
Taxation	(605)	(1,679)	(2,284)
Total return for the period after taxation	2,422	5,127	7,549
Minority interests	(314)	(995)	(1,309)
Total return for the period attributable to Unitholders before distribution	2,108	4,132	6,240
Distribution to Unitholders from operations - Period from 19/1/06 to 30/3/06	(156)	-	(156)
Total return for the period attributable to Unitholders after distribution	1,952	4,132	6,084

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 30/6/06) S\$'000	Actual (19/1/06 to 30/6/06) S\$'000
Total return for the period attributable to Unitholders	2,108	4,132	6,240
Net effect of non-tax deductible / chargeable items and other adjustments	(192)	3,650	3,458
Total Unitholders' distribution	1,916	7,782	9,698
Comprises :			
- from operations	156	773	929
- from unitholders' contributions	1,760	7,009	8,769
	1,916	7,782	9,698

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		Actual 30/06/06 S\$'000	Pro Forma 31/12/05 ⁽¹⁾ S\$'000	Actual 30/06/06 S\$'000	Pro Forma 31/12/05 S\$'000
Non-Current Assets					
Property, plant and equipment		13,005	13,884	3,856	4,104
Investment properties	1(b)(ii)	877,618	911,157	278,046	278,046
Interest in subsidiaries		-	-	103,840	106,779
Deferred tax assets		435	1,840	-	-
		891,058	926,881	385,742	388,929
Current Assets					
Inventories		241	289	-	-
Trade receivables		14,434	4,474	1,967	-
Other receivables		16,902	18,965	337,085	454,106
Cash and bank balances		32,723	9,312	11,552	-
		64,300	33,040	350,604	454,106
Total Assets		955,358	959,921	736,346	843,035
Current Liabilities					
Bank overdraft (unsecured)	1(b)(iii)	-	(6,260)	-	-
Trade payables		(2,530)	(1,337)	(416)	-
Other payables		(45,419)	(39,645)	(32,424)	(22,480)
Interest bearing liabilities	1(b)(iii)	(8,426)	(37,647)	-	-
Current tax payable		(1,200)	(651)	(245)	-
		(57,575)	(85,540)	(33,085)	(22,480)
Non-Current Liabilities					
Interest bearing liabilities	1(b)(iii)	(253,845)	(229,721)	(115,600)	(226,812)
Deferred income		-	(2)	-	-
Deferred tax liabilities		(85)	(156)	-	-
		(253,930)	(229,879)	(115,600)	(226,812)
Total Liabilities (excluding net assets attributable to Unitholders)		(311,505)	(315,419)	(148,685)	(249,292)
Minority Interests		(49,429)	(50,759)	-	-
Net Assets Attributable to Unitholders	1(d)(i)	594,424	593,743	587,661	593,743

Footnote

(1) 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.

1(b)(ii) Group investment properties

The decrease in the Group's investment properties as at 30 June 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 borrowings**

		Actual	Pro Forma
		As at 30/06/06	As at 31/12/05
		S\$'000	S\$'000
Secured borrowings			
- Amount repayable in one year or less or on demand	(1)	8,426	43,907
- Amount repayable after one year	(1)	253,845	229,721
Total		262,271	273,628

- (1) The increase in the secured borrowings repayable after one year at 30 June 2006 was mainly due to the refinancing of a subsidiary's bank loan of approximately S\$33.5 million. This loan was previously classified as repayable within one year.

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⁾

	Actual (1/4/06 to 30/6/06) S\$'000	Actual (19/1/06 to 30/6/06) ⁽²⁾ S\$'000
Operating Activities		
Net Profit before taxation, before distribution	6,706	9,833
<u>Adjustments for:</u>		
Depreciation and amortisation	834	1,096
Interest expense	2,875	4,016
Interest income	(78)	(87)
Operating profit before working capital changes	10,337	14,858
Changes in working capital	12,130	(32,529)
Cash generated from operations	22,467	(17,671)
Income tax paid	(1,988)	(2,422)
Distribution to unitholders from operations	(156)	(156)
Cash flows from operating activities	20,323	(20,249)
Investing Activities		
Interest received	427	545
Acquisition of property, plant and equipment	(648)	(880)
Net cash inflow on acquisition of subsidiary companies	-	23,882
Acquisition of investment properties	(24)	(63,200)
Cash flows from investing activities	(245)	(39,653)
Financing Activities		
Proceeds from bank borrowings	4,117	119,828
Interest paid	(1,684)	(2,438)
Distribution to unitholders of private trust	(1,760)	(1,760)
Repayments of bank borrowings	(473)	(17,265)
Transaction costs	(20)	(5,740)
Cash flows from financing activities	180	92,625
Increase in cash & cash equivalents	20,258	32,723
Cash and cash equivalents at beginning of the period	12,774	-
Effect of exchange rate changes on balances held in foreign currencies	(309)	-
Cash and cash equivalents at end of the period	32,723	32,723

Footnotes

- (1) There are no comparative prior period figures as this is the first interim 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 4 month period from 1 March 2006 to 30 June 2006 as there was no income from 19 January 2006 to 28 February 2006.

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

	Note	GROUP		REIT	
		Actual (1/4/06 to 30/6/06) S\$'000	Actual 19/1/06 to 30/6/06) ⁽²⁾ S\$'000	Actual (1/4/06 to 30/6/06) S\$'000	Actual 19/1/06 to 30/6/06) ⁽²⁾ S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period		593,583	-	593,583	-
Issue of new units		-	599,303	-	599,303
Issue expenses		(20)	(5,740)	(20)	(5,740)
Distribution to Unitholders		(1,760)	(1,760)	(1,760)	(1,760)
Balance as at end of period		591,803	591,803	591,803	591,803
<u>Operations</u>					
Balance as at beginning of period		2,182	-	277	-
Change in net assets attributable to unitholders resulting from operations after distribution		3,902	6,084	(4,419)	(4,142)
Balance as at end of period		6,084	6,084	(4,142)	(4,142)
<u>Foreign Currency Translation reserve</u>					
Balance as at beginning of period		1,533	-	-	-
Translation differences relating to financial statements of foreign subsidiaries		(4,996)	(3,463)	-	-
Balance as at end of period		(3,463)	(3,463)	-	-
Net Assets Attributable to Unitholders	1(b)(i)	594,424	594,424	587,661	587,661

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

	REIT	
	Actual (1/4/06 to 30/6/06) '000	Actual 19/1/06 to 30/6/06) '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
Balance as at end of period	454,000	454,000

Footnotes

- (1) There are no comparative prior period figures as this is the first interim 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 4 month period from 1 March 2006 to 30 June 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)	Private Trust (19/1/06 to 30/3/06)	Public Trust (31/3/06 to 30/6/06)	Actual (19/1/06 to 30/6/06)
Number of units on issue at end of period	454,000,000	454,000,000	454,000,000
Weighted average number of units for the period	454,000,000	454,000,000	454,000,000
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	0.46	0.91	1.37

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)	Private Trust (19/1/06 to 30/3/06)	Public Trust (31/3/06 to 30/6/06)	Actual (19/1/06 to 30/6/06)
Number of units on issue at end of period	454,000,000	454,000,000	454,000,000
DPU (cents) – Basic and diluted (based on the number of units as at end of period)	0.42	1.71	2.13

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 30/6/06	Pro Forma 31/12/05
NAV per units (\$)	1.31	1.31

8(i) **Group Performance Review**

8(i)(a) **Revenue and Gross Profit Analysis - 2Q 2006 vs. 2Q 2005**

	Revenue				Ref	Gross Profit				REVPAU Analysis			
	Ref	Actual	Pro Forma	Variance		Ref	Actual	Pro Forma	Variance	Actual	Pro Forma	+/-	
		2Q 2006	2Q 2005				2Q 2006	2Q 2005		2Q 2006	2Q 2005		S\$/day
		S\$/million	S\$/M	%			S\$/million	S\$/M	%			%	
Singapore		5.8	5.1	0.7	14%		2.8	2.2	0.6	27%	152	135	13%
China		8.0	8.2	(0.2)	-2%		3.8	3.6	0.2	6%	156	161	-3%
Vietnam		5.3	5.2	0.1	2%		3.2	3.1	0.1	3%	128	120	7%
Indonesia		5.7	5.6	0.1	2%		2.6	2.4	0.2	8%	83	77	8%
Philippines		1.4	1.2	0.2	17%		0.5	0.4	0.1	25%	69	55	25%
	A.1	26.2	25.3	0.9	4%	A.1	12.9	11.7	1.2	10%	123	115	7%

Revenue for 2Q 2006 grew by 4% from S\$25.3 million in 2Q 2005 to S\$26.2 million in 2Q 2006. The increase in revenue was due to a 7% growth in the overall revenue per available unit ("REVPAU") from S\$115 in 2Q 2005 to S\$123 in 2Q 2006, mainly driven by increase in the average daily rates. Serviced residence operations in Singapore and Philippines achieved a double digit REVPAU growth in 2Q 2006.

In line with the increased revenue, gross profit for 2Q 2006 at S\$12.9 million increased by 10% as compared to 2Q 2005. This was supported by growth across all the regions, particularly in Singapore. Overall gross profit margin improved by 3 percentage point as a result of higher average daily rates

In Singapore, the Group's serviced residence achieved an overall REVPAU of S\$152 for 2Q 2006, an increase of 13% from S\$135 in 2Q 2005. Tapping on the strong market conditions in Singapore, the Group managed to increase its yield and average daily rates through a combination of right tenant mix and marketing strategies, while occupancy remained high at around 90%. As a result, the gross profit of Singapore operations for 2Q 2006 exceeded that of 2Q 2005 by 27%.

For China operations, REVPAU achieved for 2Q 2006 was 3% lower than that in 2Q 2005. This was due to expiry of leases for a few key accounts of the Beijing properties and lower demand for bigger apartment units. This resulted in lower average daily rates while occupancy remained high at around 80%. Despite lower REVPAU, gross profit increased by 6% to S\$3.8 million in 2Q 2006 due to improved cost management, such as energy conservation efforts to reduce utility costs.

In Vietnam, the revenue and gross profit of the Group's serviced residence increased by 2% and 3% respectively in 2Q 2006 as compared to 2Q 2005. This was mainly due to a higher occupancy achieved for 2Q 2006. The Group's serviced residence operations in Vietnam benefited from the favourable market conditions arising from higher influx of foreign investments and shortage of internationally managed serviced residences.

In Indonesia, the REVPAU for 2Q 2006 improved from S\$77 in 2Q 2005 to S\$83 in 2Q 2006. This was attributed mainly to an increase in the average daily rates, while occupancy remained at about 70%. Gross profit increased by 8% to S\$2.6 million in 2Q 2006 as a result of cost management. The operations performed well despite a challenging business environment and ongoing security concerns in the country.

In Philippines, the REVPAU increased by 25% from S\$55 in 2Q 2005 to S\$69 in 2Q 2006, with increases in both occupancy rates and average daily rates. This resulted in an improvement in the revenue of the Philippines operations in 2Q 2006 over those of 2Q 2005. Gross profit increased by 25% to S\$0.5 million in 2Q 2006 as a result of cost management.

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

	Revenue				Gross Profit				REVPAU Analysis			
	Actual YTD Jun 2006	Pro Forma YTD Jun 2005	Variance		Actual YTD Jun 2006	Pro Forma YTD Jun 2005	Variance		Actual YTD Jun 2006 S\$/day	Pro Forma YTD Jun 2005 S\$/day	+/- %	
Ref	S\$'million	S\$'M	%	Ref	S\$'million	S\$'M	%					
Singapore	7.8	6.8	1	15%		3.9	3.0	0.9	30%	152	135	13%
China	10.6	11.0	(0.4)	-4%		4.9	4.8	0.1	2%	154	161	-4%
Vietnam	7.1	6.9	0.2	3%		4.3	4.1	0.2	5%	126	120	5%
Indonesia	7.6	7.5	0.1	1%		3.4	3.2	0.2	6%	82	76	8%
Philippines	1.8	1.5	0.3	20%		0.6	0.5	0.1	20%	67	55	22%
A.1	34.9	33.7	1.2	4%	A.1	17.1	15.6	1.5	10%	121	115	5%

For YTD Jun 2006, the Group achieved S\$34.9 million in revenue, which was 4% increase over the revenue of S\$33.7 million recorded in the corresponding pro forma period last year. Overall REVPAU improved by S\$6 from S\$115 in YTD Jun 2005 to S\$121 in YTD Jun 2006, mainly driven by an increase in the average daily rates. Hence the higher revenue achieved led to a higher gross profit for YTD Jun 2006, an increase of 10% from S\$15.6 million in YTD Jun 2005 to S\$17.1 million in YTD Jun 2006. Overall gross profit margin improved by 3 percentage point as a result of higher average daily rates.

8(i)(c) **Net Profit**

Net Profit	Actual 2Q 2006 S\$'000	Pro Forma 2Q 2005 S\$'000	+/- %
Operating net profit	6,520	5,023	30%
Foreign exchange (loss) / gain	(2,462)	246	n.m.
Total return attributable to unitholders	4,058	5,269	-23%

The Group achieved a higher operating net profit of S\$1.5 million or 30% in 2Q 2006 as a result of higher gross profit achieved across all regions. The operating net profit for 2Q 2006 was S\$6.5 million vs. S\$5.0 million in 2Q 2005 excluding foreign exchange differences (2Q 2006: loss of S\$2.5 million; 2Q 2005: gain of S\$0.2 million).

Net Profit	Actual YTD Jun 2006 S\$'000	Pro Forma YTD Jun 2005 S\$'000	+/- %
Operating net profit	8,120	6,682	22%
Foreign exchange (loss) / gain	(1,880)	328	n.m.
Total return attributable to unitholders	6,240	7,010	-11%

Similarly, the Group's operating performance in YTD Jun 2006 exceeded that of the comparative period in YTD Jun 2005. Excluding the foreign exchange differences in both YTD Jun 2006 (loss of S\$1.9 million) and YTD Jun 2005 (gain of S\$0.3 million), the operating net profit for YTD Jun 2006 was S\$8.1 million vs. S\$6.7 million in YTD Jun 2005, an improvement of S\$1.4 million or 22%. This was mainly attributable to the strong performance from the Group's serviced residences in all 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 June 2006

		Actual S\$'000	Forecast ⁽¹⁾ S\$'000	% +/-
Revenue	(a)	26,455	26,474	-
Direct expenses	(a)	(13,414)	(14,346)	-6%
Gross Profit	(a)	13,041	12,128	8%
Interest income		78	-	n.m
Interest expense		(2,912)	(3,058)	-5%
Other operating income	(b)	648	128	n.m
Manager's management fees	(c)	(1,131)	(1,081)	5%
Trustee's fee		(34)	(34)	-
Professional fees		(161)	(126)	28%
Audit fees		(94)	(81)	16%
Foreign exchange gain (realized)		77	-	n.m
Other operating expenses		(167)	(97)	72%
Net Profit before unrealized foreign exchange loss		9,345	7,779	20%
Foreign exchange loss (unrealized)	(d)	(2,539)	-	n.m
Net Profit		6,806	7,779	-13%
Taxation		(1,679)	(1,514)	11%
Total return for the period after taxation		5,127	6,265	-18%
Minority interests		(995)	(883)	13%
Total return for the period attributable to Unitholders before distribution	(e)	4,132	5,382	-23%

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		4,132	5,382	-23%
Net effect of non-tax deductible / chargeable items and other adjustments	(f)	3,650	1,643	122%
Total amount distributable to Unitholders for the period		7,782	7,025	11%
Distribution per unit (in cents)				
- for the period		1.71	1.55	
- annualised		6.80	6.11	

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 June 2006.

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

	Revenue				Gross Profit			
	Actual S\$'million	Forecast ⁽¹⁾	Variance		Actual S\$'million	Forecast ⁽¹⁾	Variance	
			S\$'M	%			S\$'M	%
Singapore	5.9	5.5	0.4	7%	2.9	2.6	0.3	12%
China	8.1	8.7	(0.6)	-7%	3.8	3.7	0.1	3%
Vietnam	5.4	5.4	-	-	3.2	3.2	-	-
Indonesia	5.7	5.7	-	-	2.6	2.2	0.4	18%
Philippines	1.4	1.2	0.2	17%	0.5	0.4	0.1	25%
	26.5	26.5	-	-	13.0	12.1	0.9	7%

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 June 2006.

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

(a) Revenue is close to the forecast on a portfolio basis. Direct expenses are lower by S\$0.9 million or 6% due to lower staff costs, marketing expenses and admin and general expenses. As a result, gross profit is higher by S\$0.9 million or 7% on a portfolio basis.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 7% and 12% respectively. This was mainly due to an increase in the average daily rates.

In China, revenue of the Group's serviced residence declined by 7% as compared to the forecast due to lower average daily rates achieved as a result of lower demand for bigger apartment units. However, due to improved operating efficiency, gross profit was higher by 3%.

In Vietnam, the Group's serviced residence achieved the same level of revenue and gross profit as the forecast.

For the serviced residence in Indonesia, the Group achieved the forecast revenue and as a result of cost management, the gross profit was higher by 18%

For the Group's serviced residence in Philippines, revenue and gross profit was higher by 17% and 25% as a result of increased occupancy rates and average daily rates.

- (b) Other operating income was S\$0.5 million lower 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 5% due to higher income achieved.
- (d) Foreign exchange loss mainly relates to unrealised 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\$
- (e) Total return attributable to unitholders (excluding foreign exchange differences) was S\$6.6 million, an increase of S\$1.2 million or 23% over the forecast of S\$5.4 million. Total unitholders' distribution for the period was S\$0.9 million or 13% higher than the forecast.

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

	Actual S\$'000	Forecast S\$'000	+/-
Trustee's fees	34	34	-
Depreciation (net of MI)	750	1,095	-32%
Unrealised exchange loss	2,539	-	n.m
Manager's management fee paid in units	566	541	5%

10. Prospects

The Asia region, expected to be the fastest growing region in the world, will continue to attract foreign direct investments from multinational companies. Demand for quality serviced accommodation is expected to remain strong. The Group will benefit from this positive business and market conditions in the Asia region.

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? Yes
 Name of distribution : Distribution for 31 March 2006 to 30 June 2006

Distribution Type	Distribution Rate (cents)
Taxable Income	0.49
Tax Exempt Income	0.62
Capital	0.60
Total	1.71

Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 20%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all unitholders

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For unitholders who are liable to tax on profits from sale of ART Units, the amount of capital distribution will be applied to reduce the cost base of their ART Units for tax purposes.

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 : 1 August 2006

11(d) Date payable : 28 August 2006

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
Doreen Nah
Company Secretary

Singapore
24 July 2006