

**ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE PERIOD
ENDED 31 MARCH 2007
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ASCOTT RESIDENCE TRUST 2007 FIRST 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”).

ART’s objective 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 comprised 12 properties which are located in five different countries (Singapore, Indonesia, the Philippines, China and Vietnam).

In October 2006, ART completed the acquisition of a 90% interest in Somerset Olympic Tower, Tianjin and a 40% beneficiary interest in Somerset Roppongi, Japan. The acquisition of the remaining 10% interest in Somerset Olympic Tower, Tianjin and 26.8% interest in Somerset Chancellor Court were completed in January 2007. In March 2007, ART completed the acquisition of a 100% interest in Ascott Makati, Manila and the additional 40.2% interest in Somerset Chancellor Court, Ho Chi Minh City. With these acquisitions, ART’s portfolio has expanded to 16 properties with 2,718 apartment units across six countries.

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. Distributions, when paid, will be in Singapore dollar.

As ART’s acquisition of real properties were completed on 1 March 2006, the comparative prior period financial results for 1Q 2006 is only for income derived for the period of 1 March 2006 to 31 March 2006 from the initial 12 properties. The financial results for 1Q 2007 is from income derived from 16 properties.

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

	Note	1Q 2007 Actual (1/1/07 to 31/3/07) S\$'000	1Q 2006 Actual (19/1/06 to 31/3/06) ⁽¹⁾ S\$'000	% +/-
Revenue		28,957	8,697	233
Direct expenses	A.1	(15,335)	(4,462)	244
Gross Profit		13,622	4,235	222
Finance income		178	9	n.m.
Other operating income	A.2	361	1	n.m.
Finance costs		(3,521)	(1,141)	209
Manager's management fees		(1,216)	(357)	241
Trustee's fee		(37)	(26)	42
Professional fees		(99)	(86)	15
Audit fees		(67)	(32)	109
Foreign exchange gain / (loss) – realized	A.3	239	(45)	-631
Other operating expenses	A.4	(79)	(58)	36
Share of profit of associates (net of tax)	A.5	101	-	n.m.
Net Income before change in fair value of financial derivative and unrealized foreign exchange loss		9,482	2,500	279
Net change in fair value of financial derivative	A.6	(4,207)	-	n.m.
Foreign exchange (loss) / gain - unrealized	A.7	(1,312)	627	-309
Total return for the period before tax		3,963	3,127	27
Income tax expense		(1,879)	(620)	203
Total return for the period after tax		2,084	2,507	-17
Minority interests		(953)	(325)	193
Total return for the period attributable to unitholders before distribution		1,131	2,182	-48
Distribution to Unitholders from operations - Period from 1/7/06 to 31/12/06		(8,950)	-	
Total return for the period attributable to Unitholders after distribution		(7,819)	2,182	-458

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

	Note	1Q 2007 Actual (1/1/07 to 31/3/07) S\$'000	1Q 2006 Actual (19/1/06 to 31/3/06) ⁽¹⁾ S\$'000	% +/-
Total return for the period attributable to unitholders before distribution		1,131	2,182	-48
Net effect of non-tax deductible / chargeable items and other adjustments	A.8	6,911	(197)	n.m.
Total amount distributable to Unitholders for the period		8,042	1,985	305
Comprises :				
- from operations		2,361	166	
- from unitholders' contributions		5,681	1,819	
		8,042	1,985	305

Footnotes

(1) ART was established on 19 January 2006 but the acquisition of the properties was completed on 1 March 2006. Hence the income recorded for 1Q 2006 relates only to the 1-month period from 1 March 2006 to 31 March 2006. ART had no income from 19 January 2006 to 28 February 2006.

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

The income recorded for 1Q 2007 relates to 3-month period from 1 January 2007 to 31 March 2007 while the income recorded for 1Q 2006 relates to 1-month period from 1 March 2006 to 31 March 2006. Hence detailed explanation on variances is more meaningful for March 2007 versus March 2006 in note 1(a)(iii), where the consolidated statements of total return for March 2007 and March 2006 are presented.

A.1 Direct expenses include the following items:

	1Q 2007 Actual (1/1/07 to 31/3/07) S\$'000	1Q 2006 Actual (19/1/06 to 31/3/06) S\$'000	% +/-
Depreciation and amortisation	(819)	(262)	213
Staff costs	(3,052)	(1,069)	186

A.2 Other operating income

The other operating income comprises primarily service and maintenance fees and fees for managing public areas as well as other miscellaneous income.

A.3 Foreign exchange gain / (loss) - realized

The foreign exchange gain recognized in March 2007 was mainly due to the repayment of US\$ bank loan, as a result of the depreciation of US\$ against S\$.

A.4 Other operating expenses

Other operating expenses comprise primarily trust 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 Share of profit of associates (net of tax)

The share of profit of associates mainly relates to the Group's 40% share of the results of Somerset Roppongi, Japan and 26.8% share of results of Somerset Chancellor Court, Ho Chi Minh City.

A.6 Net change in fair value of financial derivative

The 1Q 2007 loss of \$4.2 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 S\$ bank loan at the Group level. The corresponding translation effect to the Group arising on the underlying US\$ bank loan was an unrealized foreign exchange gain of S\$2.0 million taken to the Statement of Total Return (refer to Para A.7) and a translation gain of S\$1.7 million taken to the foreign currency translation reserve. Hence, the net impact on the Group's net asset value was S\$0.5 million.

A.7 Foreign exchange (loss) / gain - unrealized

The foreign exchange loss recognised in 1Q 2007 was mainly due to (1) unrealized revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of US\$ against S\$, and (2) unrealized revaluation gain on US\$ bank loan in a subsidiary's books, as a result of the depreciation of US\$ against RMB.

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

	Q1 2007 Actual (1/1/07 to 31/3/07) S\$'000	Q1 2006 Actual (19/1/06 to 31/3/06) S\$'000	% +/-
Trustee's fees*	14	11	27
Depreciation (net of MI)	729	238	206
Net change in fair value of financial derivative (Note A.6)	4,207	-	n.m.
Unrealized exchange loss / (gain) (Note A.7)	1,312	(627)	309
Manager's management fee payable in units	608	178	242

* This relates to the Singapore properties only and are not tax deductible.

1(a)(iii) **CONSOLIDATED STATEMENT OF TOTAL RETURN – March 2007 vs March 2006**

		March 2007 S\$'000	March 2006 S\$'000	% +/-
Revenue	B.1	10,401	8,697	20
Direct expenses	B.2	(5,461)	(4,462)	22
Gross Profit	B.1	4,940	4,235	17
Finance income		36	9	300
Other operating income	B.3	77	1	n.m.
Finance costs	B.4	(1,307)	(1,141)	15
Manager's management fees		(432)	(357)	21
Trustee's fee		(12)	(26)	-54
Professional fees		(26)	(86)	-70
Audit fees		(26)	(32)	-19
Foreign exchange gain / (loss) - realized	B.5	349	(45)	n.m.
Other operating expenses	B.6	(41)	(58)	-29
Share of profit of associate (net of tax)		(25)	-	n.m.
Net Income before change in fair value of financial derivative and unrealized exchange loss		3,533	2,500	41
Net change in fair value of financial derivative	B.7	(977)	-	n.m.
Foreign exchange (loss) / gain - unrealized	B.8	(1,819)	627	-390
Total return for the period before tax		737	3,127	-76
Income tax expense	B.9	(906)	(620)	46
Total return for the period after tax		(169)	2,507	-107
Minority interests		(309)	(325)	-5
Total return for the period attributable to Unitholders		(478)	2,182	-122

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

		March 2007 S\$'000	March 2006 S\$'000	% +/-
Total return for the period attributable to Unitholders		(478)	2,182	-122
Net effect of non-tax deductible / chargeable items and other adjustments	B.10	3,287	(197)	n.m.
Total Unitholders' distribution		2,809	1,985	42
Comprises :				
- from operations		705	166	
- from unitholders' contributions		2,104	1,819	
		2,809	1,985	42

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

B.1 Revenue and Gross profit

Revenue

Revenue for March 2007 of S\$10.4 million has increased by 20% as compared to March 2006. The increase in revenue was due to the inclusion of the revenue of Somerset Olympic Tower, which was acquired in October 2006 and Ascott Makati, which was acquired on 22 March 2007, and the increase in revenue per available unit ("REVPAU") of the Group's serviced residences across most countries.

Gross profit

The improved performances from the Group's serviced residences across all the countries, except for Indonesia, and the inclusion of the results of Somerset Olympic Tower and Ascott Makati resulted in the increase of the gross profit by 17%, from S\$4.2 million in March 2006 to S\$4.9 million in March 2007.

B.2 Direct expenses include the following items:

	March 2007 S\$'000	March 2006 S\$'000	% +/-
Depreciation and amortization	(274)	(262)	5
Staff costs	(1,164)	(1,069)	9

B.3 Other operating income

Other operating income for March 2007 increased mainly due to higher convention revenue from Somerset Grand Hanoi as a result of more wedding events and conventions being held in March 2007 as compared to March 2006.

B.4 Finance costs

Finance costs for March 2007 increased by S\$0.2 million. This was mainly due to interest expense arising from the assumption of the existing loan on the acquisition of Somerset Olympic Tower.

B.5 Foreign exchange gain / (loss) - realized

The foreign exchange gain recognized in March 2007 was mainly due to the repayment of US\$ bank loan, as a result of the depreciation of US\$ against S\$.

B.6 Other operating expenses

Other operating expenses comprise primarily trust 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.

B.7 Net change in fair value of financial derivative

The March 2007 loss of \$1.0 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 S\$ bank loan at the Group level. The corresponding translation effect to the Group arising on the underlying US\$ bank loan was an unrealized foreign exchange gain of S\$0.4 million taken to the Statement of Total Return (refer to Para B.8) and a translation gain of S\$0.2 million taken to the foreign currency translation reserve. Hence, the net impact on the Group's net asset value was S\$0.4 million.

B.8 Foreign exchange (loss) / gain - unrealized

The foreign exchange loss recognised in March 2007 was mainly due to (1) unrealized revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("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 US\$ against RMB.

B.9 Income tax expense

Taxation for March 2007 was higher by S\$0.3 million as compared to the corresponding period last year. This was mainly due to higher operating profit achieved and the unrealized revaluation gain on US\$ bank loan recorded in a China subsidiary's books (refer to Para B.8), which is taxable in China.

B.10 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	March 2007 S\$'000	March 2006 S\$'000	% +/-
Trustee's fees*	4	11	-64
Depreciation (net of MI)	244	238	3
Net change in fair value of financial derivative (Note B.7)	977	-	n.m.
Unrealized exchange loss / (gain) (Note B.8)	1,819	(627)	-390
Manager's management fee payable in units	216	178	21

* This relates to the Singapore properties only and are not tax deductible.

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		Actual 31/3/07 S\$'000	Actual 31/12/06 S\$'000	Actual 31/3/07 S\$'000	Actual 31/12//06 S\$'000
Non-Current Assets					
Plant and equipment		26,193	13,069	3,460	3,640
Serviced residence properties	1(b)(ii)	1,104,975	982,567	288,278	288,278
Interest in subsidiaries	1(b)(iii)	-	-	126,178	90,326
Interest in associate		9,188	9,558		
Deferred tax assets		4,368	4,284	-	-
		1,144,724	1,009,478	417,916	382,244
Current Assets					
Inventories		337	231	-	-
Trade receivables		4,972	4,135	1,409	840
Other receivables and deposits	1(b)(iv)	56,267	27,547	507,564	400,185
Cash and bank balances	1(b)(v)	102,268	36,267	75,416	12,714
		163,844	68,180	584,389	413,739
Total Assets		1,308,568	1,077,658	1,002,305	795,983
Non-Current Liabilities					
Interest bearing liabilities	1(b)(vi)	(299,728)	(286,140)	(119,321)	(116,991)
Financial liabilities	1(b)(vii)	(9,615)	(5,408)	(9,615)	(5,408)
Deferred tax liabilities		(3,467)	(3,474)	-	-
Minority interests		(66,658)	(53,175)	-	-
Net assets attributable to unitholders	1(d)(i)	(835,028)	(661,812)	(815,506)	(642,674)
		(1,214,496)	(1,010,009)	(944,442)	(765,073)
Current Liabilities					
Trade payables		(4,051)	(3,159)	(37)	(63)
Other payables	1(b)(viii)	(78,558)	(55,680)	(57,592)	(30,582)
Interest bearing liabilities	1(b)(vi)	(7,819)	(7,342)	-	-
Provision for taxation		(3,644)	(1,468)	(234)	(265)
		(94,072)	(67,649)	(57,863)	(30,910)
Total Liabilities		(1,308,568)	(1,077,658)	(1,002,305)	(795,983)

1(b)(ii) Serviced residence properties

The increase in the Group's serviced residence properties as at 31 March 2007 was mainly due to the acquisition of Ascott Makati on 22 March 2007 and Somerset Chancellor Court on 30 March 2007 via the acquisition of serviced residence property holding companies. The increase was partially offset by the loss arising from translating the Group's overseas serviced residence properties denominated in foreign currencies to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly US Dollar, against Singapore dollar.

1(b)(iii) Interest in subsidiaries

The increase in the REIT's interest in subsidiaries is due to the acquisition of Somerset Chancellor Court in Ho Chi Minh City and Ascott Makati in Manila, via the acquisition of serviced residence property holding companies.

1(b)(iv) Other receivables and deposits

The increase in the Group's other receivables and deposits is mainly due to the 10% deposit paid for the acquisition of Somerset Azabu East, Tokyo and the remaining 60% interest in Somerset Roppongi, Tokyo.

The REIT's other receivables and deposits mainly include shareholder's loans advanced to its subsidiaries.

1(b)(v) Cash and bank balances

The increase in the Group's and REIT's cash and bank balances as at 31 March 2007 was mainly due to the remaining balance of the proceeds raised from the recent equity fund raising (which concluded on 26 March 2007), pending completion of the acquisition of Somerset Roppongi, Tokyo, Somerset Azabu East, Tokyo and Somerset Gordon Heights, Melbourne.

1(b)(vi) Interest bearing liabilities

	Actual As at 31/3/07 S\$'000	Actual As at 31/12/06 S\$'000
Secured borrowings		
- Amount repayable in one year or less or on demand	7,819	7,342
- Amount repayable after one year	300,245	286,690
Less: Fees and expenses incurred for debt raising exercise amortised over the tenure of secured loans	(517)	(550)
	299,728	286,140
Total	(1) 307,547	293,482

(1) The increase in the Group's borrowings as at 31 March 2007 was mainly due to the assumption of a bank loan of approximately S\$21.7 million on the acquisition of Somerset Chancellor Court, partially offset by the lower balances arising from translating the Group's borrowings denominated in foreign currencies to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly US Dollar, against Singapore dollar.

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residence properties and the assignment of the rights, titles and interests 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
- Corporate guarantee from the Trust

1(b)(vii) Financial Liabilities

The S\$9.6 million relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US\$ bank loan to S\$ bank loan at the Group level.

1(b)(viii) Other payables

The increase in the Group's other payables was mainly due to (1) consolidation of liabilities as a result of the acquisition of Ascott Makati and Somerset Chancellor Court, (2) accrual of transaction costs for the recent equity fund raising exercise and (3) accrual of acquisition costs for the new acquisitions.

1(c) **CONSOLIDATED CASH FLOW STATEMENT**

	Note	1Q 2007 Actual (1/1/07 to 31/3/07) S\$'000	1Q 2006 Actual (19/1/06 to 31/3/06) ⁽¹⁾ S\$'000
Operating Activities			
Total return for the period before tax		3,963	3,127
<u>Adjustments for:</u>			
Depreciation and amortization		819	262
Loss on disposal of plant and equipment		1	-
Finance costs		3,521	1,141
Finance income		(178)	(9)
Net change in fair value of financial derivative		4,207	-
Share of profit of associate		(101)	-
Operating profit before working capital changes		12,232	4,521
Changes in working capital	2	(12,348)	(44,350)
Cash generated from operations		(116)	(39,829)
Income tax paid		(1,339)	(434)
Cash flows from operating activities		(1,455)	(40,263)
Investing Activities			
Interest received		3,163	118
Acquisition of plant and equipment		(496)	(232)
Acquisition of subsidiaries, net of cash acquired		(107,859)	23,882
Acquisition of serviced residence properties		-	(63,176)
Capital expenditure on serviced residence properties		(2,398)	-
Acquisition of associate		(43)	-
Proceeds from sale of plant and equipment		13	-
Cash flows from investing activities		(107,620)	(39,408)
Financing Activities			
Proceeds from bank borrowings		2,330	115,711
Interest paid		(7,437)	(754)
Distribution to unitholders		(14,798)	-
Repayment of bank borrowings		(4,304)	(16,792)
Dividend paid to minority shareholders		(609)	-
Payment of issue expenses		-	(5,720)
Proceeds from issue of new units		200,342	-
Cash flows from financing activities		175,524	92,445
(Decrease) / Increase in cash & cash equivalents		66,449	12,774
Cash and cash equivalents at beginning of the period		36,267	-
Effect of exchange rate changes on balances held in foreign currencies		(448)	-
Cash and cash equivalents at end of the period		102,268	12,774

Footnotes

- (1) Although ART was established on 19 January 2006, the acquisition of the properties was completed on 1 March 2006. Consequently, the comparative figures only represent the cash flow for the 1-month period from 1 March 2006 to 31 March 2006 as there was no income from 19 January 2006 to 28 February 2006.
- (2) The negative changes in working capital were mainly due to repayment of amounts owing to related companies, payment of acquisition costs and manager's management fees.

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

	Note	GROUP		REIT	
		1Q 2007 (1/1/07 to 31/3/07) S\$'000	1Q 2006 19/1/06 to 31/3/06) S\$'000	1Q 2007 (1/1/07 to 31/3/07) S\$'000	1Q 2006 19/1/06 to 31/3/06) S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period		633,597	-	633,597	-
Issue of new units		200,342	599,303	200,342	599,303
Issue expenses		(3,723)	(5,720)	(3,723)	(5,720)
Distribution to Unitholders		(5,848)	-	(5,848)	-
Balance as at end of period		824,368	593,583	824,368	593,583
<u>Operations</u> ⁽¹⁾					
Balance as at beginning of period		26,151	-	9,077	-
Change in net assets attributable to unitholders resulting from operations after distribution		(7,819)	2,182	(17,939)	277
Balance as at end of period		18,332	2,182	(8,862)	277
<u>Foreign Currency Translation reserve</u>					
Balance as at beginning of period		2,064	-	-	-
Translation differences relating to financial statements of foreign subsidiaries		(9,736)	1,533	-	-
Balance as at end of period		(7,672)	1,533	-	-
Net Assets Attributable to Unitholders	1(b)(i)	835,028	597,298	815,506	593,860

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

	REIT	
	1Q 2007 (1/1/07 to 31/3/07) '000	1Q 2006 19/1/06 to 31/3/06) '000
Balance as at beginning of period	498,639	-
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	651	-
- payment of Manager's acquisition fee	111	-
- equity fund raising on 26 March 2007	105,334	-
Balance as at end of period	604,735	454,000

Footnotes

(1) Although ART was established on 19 January 2006, the acquisition of the properties was completed on 1 March 2006. Consequently, the comparative figures only represent the income for the 1 month period from 1 March 2006 to 31 March 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 audited financial statements for the period ended 31 December 2006.

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 for the 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.

	1Q 2007 Actual (1/1/07 to 31/3/07)	1Q 2006 Actual (19/1/06 to 31/3/06)
Earnings per unit (EPU)(cents)		
Number of units on issue at end of period	604,735,218	454,000,000
Weighted average number of units for the period	506,074,109	454,000,000
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	0.22	0.48

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

	1Q 2007 Actual		1Q 2006 Actual (19/1/06 to 31/3/06)
	1/1/07 to 25/3/07	26/3/07 to 31/3/07	
Distribution per unit (DPU)(cents)			
Number of units on issue at end of period	499,400,889	604,735,218	454,000,000
DPU (cents) – Basic and diluted	1.50*	0.09	0.44

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

* Refer to Para 11 for details of the advance distribution of ART's distributable income for the period from 1 January 2007 to 25 March 2007 (prior to the date on which the new units are issued on 26 March 2007 under the recent equity fund raising).

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

	Group		REIT	
	Actual 31/3/07	Actual 31/12/06	Actual 31/3/07	Actual 31/12/06
NAV per units (\$)	1.38	1.33	1.35	1.29

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis - March 2007 vs. March 2006**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis			
		Actual Mar 2007	Actual Mar 2006	Variance			Actual Mar 2007	Actual Mar 2006	Variance		Actual Mar 2007	Actual Mar 2006	+/-	
		S\$'M	S\$'M	S\$'M	%		S\$'M	S\$'M	S\$'M	%	S\$/day	S\$/day	%	
Singapore		2.4	2.0	0.4	20%		1.3	1.1	0.2	18%		188	152	24%
China		3.3	2.6	0.7	27%		1.5	1.1	0.4	36%		146	146	-
Vietnam		1.9	1.8	0.1	6%		1.2	1.1	0.1	9%		132	119	11%
Indonesia		1.6	1.9	(0.3)	-16%		0.5	0.8	(0.3)	-38%		68	83	-18%
Philippines		1.2	0.4	0.8	200%		0.4	0.1	0.3	300%		108	60	80%
	A.1	10.4	8.7	1.7	20%	A.1	4.9	4.2	0.7	17%		125	112	12%

Revenue grew by 20% from S\$8.7 million in March 2006 to S\$10.4 million in March 2007. The increase in revenue was primarily due to the inclusion of the revenue of Somerset Olympic Tower and Ascott Makati which were acquired in October 2006 and late March 2007 respectively. On a same store basis, overall revenue per available unit (“REVPAU”) increased by 9% from S\$112 in March 2006 to S\$122 in March 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore, Vietnam and Philippines achieved a double digit REVPAU growth in March 2007 as compared to the corresponding period.

In line with the increased revenue, gross profit for March 2007 of S\$4.9 million was an increase of 17% as compared to March 2006. This was supported by growth in all countries, except Indonesia.

In Singapore, the Group’s serviced residence achieved an overall REVPAU of S\$188 for March 2007, an increase of 24% from S\$152 in March 2006. As the Singapore economy continued to grow at a healthy pace and inward foreign direct investment into Singapore remained strong, the Group increased its average daily rates while maintaining occupancy above 90%. As a result, the gross profit of Singapore operations for March 2007 exceeded that of March 2006 by 18%.

For China operations, revenue and gross profit increased by 27% and 36% respectively in March 2007 as compared to March 2006. This was due to the inclusion of Somerset Olympic Tower in the portfolio. On a same store basis, revenue was lower by S\$0.1 million, however gross profit remained at the same level as that in March 2006 due to improved cost management.

In Vietnam, the revenue and gross profit of the Group’s serviced residence increased by 6% and 9% respectively in March 2007 as compared to March 2006. These increases were due to higher average daily rates achieved for long stays upon renewal of leases as well as for short stays. The rate increases were bolstered by strong demand in Vietnam for quality serviced residences as a result of Vietnam’s economic expansion and growth, and shortage of internationally managed serviced residences.

In Indonesia, REVPAU for March 2007 declined from S\$83 in March 2006 to S\$68 in March 2007. Increased competitive pressures caused by an increased supply of serviced residences and the major road closure and massive construction activities around Ascott Jakarta and the recent flood contributed to the drop in occupancy for March 2007. This has resulted in the revenue and gross profit for March 2007 declining by S\$0.3 million as compared to March 2006.

In Philippines, the Group’s serviced residences continued to show strong results. On a same store basis, REVPAU increased by 33% from S\$60 in March 2006 to S\$80 in March 2007. The strong growth was driven by healthy increases in both occupancy rates and average daily rates. These resulted in an improvement in the revenue of the Philippines operations from S\$0.4 million in March 2006 to S\$0.6 million in March 2007. In line with the increased

revenue, gross profit for March 2007 at S\$0.2 million increased by 100% as compared to March 2006. Including Ascott Makati, REVPAU, revenue and gross profit for March 2007 increased by 80%, 200% and 300% respectively as compared to March 2006.

8(i)(c) **Total Return**

Total Return	Actual Mar 2007 S\$'000	Actual Mar 2006 S\$'000	+/- %
Operating net profit	1,969	1,600	23
Net change in fair value of financial derivative	(977)	-	n.m.
Foreign exchange (loss) / gain	(1,470)	582	n.m.
Total return attributable to unitholders	(478)	2,182	-122

The Group's operating performance in March 2007 exceeded that of the comparative period in 2006. Excluding foreign exchange differences and net change in fair value of financial derivative, the operating net profit for March 2007 was S\$2.0 million vs. S\$1.6 million in March 2006, an improvement of S\$0.4 million or 23%. This was mainly due to the strong performance from the Group's serviced residences in all countries except Indonesia.

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 1 January 2007 to 31 March 2007**

		Actual S\$'000	Forecast ⁽¹⁾ S\$'000	% +/-
Revenue	(a)	28,957	27,602	5
Direct expenses		(15,335)	(14,968)	2
Gross Profit	(a)	13,622	12,634	8
Finance income		178	-	n.m.
Other operating income	(b)	361	133	171
Finance costs	(c)	(3,521)	(3,146)	12
Manager's management fees	(d)	(1,216)	(1,082)	12
Trustee's fee		(37)	(33)	12
Professional fees		(99)	(122)	-19
Audit fees		(67)	(82)	-18
Foreign exchange gain (realized)	(e)	239	-	n.m.
Other operating expenses		(79)	(98)	-19
Share of profit of associate		101	-	n.m.
Net Income before change in fair value of financial derivative and unrealized foreign exchange loss		9,482	8,204	16
Net change in fair value of financial derivative	(f)	(4,207)	-	n.m.
Foreign exchange loss (unrealized)	(g)	(1,312)	-	n.m.
Total return for the period before tax		3,963	8,204	-52
Income tax expense	(h)	(1,879)	(1,644)	14
Total return for the period after tax		2,084	6,560	-68
Minority interests		(953)	(908)	5
Total return for the period attributable to Unitholders before distribution	(i)	1,131	5,652	-80

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 before distribution		1,131	5,652	-80
Net effect of non-tax deductible / chargeable items and other adjustments	(j)	6,911	1,685	310
Total amount distributable to Unitholders for the period		8,042	7,337	10
Distribution per unit (in cents) - for the period		1.59	1.59	

Footnote

(1) The forecast is extracted from the Prospectus and is based on the assumptions set out in the Prospectus.

9(ii) Review of the Group's performance for the period 1 January 2007 to 31 March 2007

	Revenue				Gross Profit			
	Actual S\$'M	Forecast ⁽¹⁾ S\$'M	Variance S\$'M	%	Actual S\$'M	Forecast ⁽¹⁾ S\$'M	Variance S\$'M	%
Singapore	7.3	5.6	1.7	30%	3.9	2.6	1.3	50%
China	9.2	9.2	-	-	3.7	3.9	(0.2)	-5%
Vietnam	5.5	5.5	-	-	3.7	3.4	0.3	9%
Indonesia	4.7	6.0	(1.3)	-22%	1.5	2.3	(0.8)	-35%
Philippines	2.3	1.3	1.0	77%	0.8	0.4	0.4	100%
	29.0	27.6	1.4	5%	13.6	12.6	1.0	8%

Footnote

(1) The forecast is extracted from the Prospectus and was based on the initial 12 properties.

(a) Revenue is higher by S\$1.4 million or 5% as compared to the forecast on a portfolio basis due to the inclusion of the revenue of Somerset Olympic Tower and Ascott Makati. In line with the increased revenue, gross profit increased by S\$1.0 million or 8% on a portfolio basis. Gross profit margin increased by 1 percentage point from 46% in the forecast to 47% in the actual results.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 30% and 50% respectively. This was mainly due to an increase in the average daily rates.

In China, including Somerset Olympic Tower, revenue of the Group's serviced residence was at the same level as that in the forecast. On a same store basis, revenue declined by 27% or S\$2.5 million as compared to the forecast. This was mainly due to the change in business mix for the Beijing properties which resulted in lower demand for bigger apartment units, and the expiry of a few key accounts due to completion of projects. In addition, competition intensified with an increase in supply of serviced residence in Shanghai and Beijing. In line with lower revenue, gross profit decreased by S\$1.4 million as compared to the forecast. Ascott Beijing is currently undergoing reconfiguration (expected to complete by mid 2007) to convert the bigger apartment units to smaller apartment units to meet the growing market demand for such units.

In Vietnam, revenue of the Group's serviced residence was at the same level as that in the forecast. Due to improved operating efficiency, gross profit increased by S\$0.3 million or 9% as compared to the forecast.

In Indonesia, revenue declined by S\$1.3 million as compared to the forecast due to lower REVP AU achieved resulting from keen competition caused by an increase in the supply of serviced residences, major road closure and massive construction activities around Ascott Jakarta, and the recent flood. Gross profit decreased by S\$0.8 million as compared to the forecast due to higher operation and maintenance expense.

In Philippines, on a same store basis, revenue increased by S\$0.3 million or 23% as compared to the forecast. This was driven by increases in both occupancy rates and average daily rates. In line with the increased revenue, gross profit was higher than the forecast by 50%. Including Ascott Makati, revenue and gross profit increased by 77% and 100% respectively as compared to the forecast.

(b) Other operating income was S\$0.2 million higher than the forecast mainly due to higher service and maintenance fees and fees for managing public areas.

- (c) Finance costs were S\$0.4 million higher than the forecast. This was mainly due to interest expense arising from the assumption of the existing loan on the acquisition of Somerset Olympic Tower.
- (d) Manager's management fee was higher than forecast by 12% due to bigger portfolio under management with four additional properties added and higher gross profit achieved.
- (e) The realized foreign exchange gain recognized in 1Q 2007 was mainly due to the repayment of US\$ bank loan, as a result of the depreciation of US\$ against S\$.
- (f) 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.6.
- (g) The unrealized foreign exchange loss recognised in 1Q 2007 was mainly due to (1) unrealized revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of US\$ against S\$, and (2) unrealized revaluation gain on US\$ bank loan in a subsidiary's books, as a result of the depreciation of US\$ against RMB.
- (h) Income tax expense was higher by S\$0.2 million as compared to the forecast. This was mainly due to higher operating profit achieved and the unrealized revaluation gain on US\$ bank loan recorded in a China subsidiary's books (refer to Para g), which was taxable in China.
- (i) Total return attributable to unitholders (excluding change in fair value of financial derivative and foreign exchange differences) was S\$6.4 million, an increase of S\$0.6 million or 13% over the forecast of S\$5.7 million. Total unitholders' distribution for the period was S\$0.7 million or 10% higher than the forecast.
- (j) **Net effect of non-tax deductible / (chargeable) items and other adjustments includes the following items:**

	Actual S\$'000	Forecast S\$'000	+/-
Trustee's fees *	14	12	17%
Depreciation (net of MI)	729	1,149	-37%
Net change in fair value of financial derivative	4,207	-	n.m.
Unrealized exchange loss	1,312	-	n.m.
Manager's management fee payable in units	608	541	12%

* This relates to Singapore properties only and are not tax deductible.

10. **PROSPECTS**

As disclosed in the Offer Information Statement ('OIS') dated 12 March 2007, the forecast for April to December 2007 included the acquisition of Ascott Makati in Manila, the additional 40.2% interest in Somerset Chancellor Court, Ho Chi Minh City, Somerset Azabu East, Tokyo, the remaining 60% interest in Somerset Roppongi, Tokyo and Somerset Gordon Heights in Melbourne.

In March and April 2007, we completed the acquisition of Ascott Makati, the additional 40.2% interest in Somerset Chancellor Court, Somerset Azabu East and the remaining 60% interest in Somerset Roppongi.

We expect to complete the acquisition of Somerset Gordon Heights in the second quarter of this year.

With the completion of these acquisitions, ART's portfolio will increase to 18 properties with 2,904 apartment units across seven countries in Asia Pacific.

We will also complete the reconfiguration of Ascott Beijing, converting 35 of the larger three-bedroom apartments into 70 smaller one-bedroom apartments, by June 2007.

With the above, ART is well-positioned to continue to benefit from the strong demand for serviced residences in the Asia Pacific region as the increasing level of inward foreign direct investment brings more business travellers to the region.

For the full year 2007, the manager of ART is confident of delivering the forecast distribution per unit of 7.27 cents (on an annualised basis) as disclosed in the OIS.

11. **DISTRIBUTIONS**

In conjunction with the recent equity fund raising (which concluded on 26 March 2007), ART will make, in lieu of the scheduled semi-annual distribution, an advance distribution of ART's distributable income for the period from 1 January 2007 to 25 March 2007 (prior to the date on which the new units are issued under the equity fund raising). The next distribution following the advance distribution will comprise ART's distributable income for the period from 26 March 2007 (the day that the new units were issued) to 30 June 2007. Semi-annual distributions will resume thereafter.

11(a) **Current financial period**

Any distributions declared for the current financial period? Yes

Period of distribution : Distribution for 1 January 2007 to 25 March 2007

Distribution Type	Distribution Rate (cents)
Taxable Income	0.63
Tax Exempt Income	0.30
Capital	0.47
Other Gains	0.10
Total	1.50

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 18%.

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.

Other Gains Distribution

Other gains distribution is not a taxable distribution to the Unitholders. However, such distribution is taxable if it is considered gains or profits of a trade or business carried on in Singapore by the Unitholders.

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 : 23 March 2007

11(d) Date payable : 30 April 2007

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 31 March 2007 and the results of the business, changes in net assets attributable to unitholders and cash flows of the Group for the three months ended 31 March 2007), 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

Kang Siew Fong
Company Secretary

Singapore
23 April 2007