ASCOTT RESIDENCE TRUST

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UNAUDITED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2007
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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
2007 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”), ART 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 (“Initial Properties”) which are located in five 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, Tokyo. The acquisition of the remaining 10% interest in Somerset Olympic Tower, Tianjin and 26.8% interest in Somerset Chancellor Court, Ho Chi Minh City 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 (bringing the total interest in the property to 67%). In April 2007, ART completed the acquisition of a 100% interest in Somerset Azabu East, Japan and the remaining 60% interest in Somerset Roppongi, Tokyo. The acquisition of a 100% interest in Somerset Gordon Heights, Melbourne was completed in May 2007. Reconfiguration of Ascott Beijing and Somerset Olympic Tower have been completed in 3Q 2007, resulting in an increase of 48 apartment units. With these acquisitions and reconfiguration, ART’s portfolio has expanded to 18 properties with 2,952 apartment units across seven countries.

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 (other than gains on the sale of real properties or shares by ART which are determined to be trading gains) 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 its Initial Properties was only completed on 1 March 2006, the comparative prior period financial results for YTD September 2006 is only for income derived for the period of 1 March 2006 to 30 September 2006 from the initial 12 properties. The financial results for 3Q 2007 is from income derived from 18 properties with 2,952 apartment units across seven countries.

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

	Note	GROUP 3Q 2007 S$'000	GROUP 3Q 2006 S$'000	% +/-	GROUP YTD Sep 2007 S$'000	GROUP 19/1/06 to 30/9/06 (1) S$'000	% +/-
Revenue	A.1	42,347	25,812	64	111,946	60,684	84
Direct expenses	A.2	(23,656)	(13,605)	74	(61,399)	(31,338)	96
Gross Profit	A.1	18,691	12,207	53	50,547	29,346	72
Finance income		209	165	27	633	252	151
Other operating income		107	107	-	646	756	-15
Finance costs	A.3	(4,145)	(3,144)	32	(11,733)	(7,160)	64
Manager's management fees		(1,589)	(1,060)	50	(4,341)	(2,536)	71
Trustee's fee		(48)	(34)	41	(124)	(94)	32
Professional fees	A.4	(331)	(37)	795	(659)	(281)	135
Audit fees		(182)	(88)	107	(389)	(213)	83
Foreign exchange gain / (loss) - realised		(48)	(48)	-	119	4	n.m.
Other operating expenses	A.5	(232)	(40)	480	(428)	(282)	52
Share of profit of associates (net of tax)		19	-	n.m.	114	-	n.m.
Net income before change in fair value of financial derivative and unrealized foreign exchange loss		**12,451**	**8,028**	**55**	**34,385**	**19,792**	**74**
Net change in fair value of financial derivative	A.6	(2,814)	(3,644)	23	(5,843)	(3,644)	-60
Foreign exchange gain / (loss) - unrealised	A.7	2,750	444	519	5,384	(1,488)	462
Total return for the period before tax		**12,387**	**4,828**	**157**	**33,926**	**14,660**	**131**
Income tax expense	A.8	(2,395)	(1,566)	53	(6,514)	(3,850)	69
Total return for the period after tax		**9,992**	**3,262**	**206**	**27,412**	**10,810**	**154**
Minority interests		(1,346)	(1,028)	31	(3,597)	(2,336)	54
Total return for the period attributable to unitholders before distribution		**8,646**	**2,234**	**287**	**23,815**	**8,474**	**181**
Distribution to Unitholders from operations							
- Period from 19/1/06 to 30/3/06		-	-		-	(156)	
- Period from 31/3/06 to 30/6/06		-	(773)		-	(773)	
- Period from 1/7/06 to 31/12/06		-	-		(8,950)	-	
- Period from 1/1/07 to 25/3/07		-	-		(2,203)	-	
- Period from 26/3/07 to 30/6/07		(1,775)	-		(1,775)	-	
Total return for the period attributable to Unitholders after distribution		**6,871**	**1,461**	**370**	**10,887**	**7,545**	**44**

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

	Note	GROUP 3Q 2007 S$'000	GROUP 3Q 2006 S$'000	% +/-	GROUP YTD Sep 2007 S$'000	GROUP 19/1/06 to 30/9/06[1] S$'000	% +/-
Total return for the period attributable to unitholders before distribution		8,646	2,234	287	23,815	8,474	181
Net effect of non-tax deductible / chargeable items and other adjustments	A.9	3,387	4,297	-21	8,408	7,755	8
Total amount distributable to Unitholders for the period		**12,033**	**6,531**	**84**	**32,223**	**16,229**	**99**
Comprises :							
- from operations		12,033	2,940		16,011	3,869	
- from unitholders' contributions		-	3,591		16,212	12,360	
		12,033	**6,531**	**84**	**32,223**	**16,229**	**99**

Footnotes

(1) ART was established on 19 January 2006 but the acquisition of the Initial 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.

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

A.1 Revenue and Gross profit

Revenue

Revenue for 3Q 2007 of S$42.3 million was 64% higher than 3Q 2006. The increase in revenue arose from the six properties acquired subsequent to 3Q 2006. Overall revenue per available unit ("REVPAU") increased by 13% from S$120 for 3Q 2006 to S$135 for 3Q 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore and Philippines achieved the strongest REVPAU growth for 3Q 2007 as compared to the corresponding period. On a same store basis, revenue for 3Q 2007 increased by S$2.8 million or 11% as compared to 3Q 2006.

Gross profit

The improved performances from the Group's serviced residences, in particular Singapore, Philippines and Vietnam, and the inclusion of the results of the six properties resulted in the increase of the gross profit by 53%, from S$12.2 million for 3Q 2006 to S$18.7 million for 3Q 2007. On a same store basis, gross profit for 3Q 2007 increased by S$1.5 million or 12% as compared to 3Q 2006.

A.2 Direct expenses include the following items:

	GROUP 3Q 2007 S$'000	GROUP 3Q 2006 S$'000	% +/-	GROUP YTD Sep 2007 S$'000	GROUP 19/1/06 to 30/9/06 S$'000	% +/-
Depreciation and amortisation	(2,779)	(832)	234	(6,263)	(1,928)	225
Staff costs	(4,084)	(3,044)	34	(11,020)	(7,183)	53

A.3 Finance costs

Finance costs for 3Q 2007 increased by S$1.0 million as compared to 3Q 2006. This was mainly due to additional bank loans taken up or assumed upon acquisition of new properties.

A.4 Professional Fees

Professional fees for 3Q 2007 increased by S$0.3 million as compared to 3Q 2006. This was mainly due to the fees incurred for the credit rating exercise and the inclusion of the professional fees (such as audit fees and legal fees) from six properties which were acquired subsequent to 3Q 2006.

A.5 Other operating expenses

Other operating expenses for 3Q 2007 increased by S$0.2 million as compared to 3Q 2006. This was mainly due to the inclusion of the other operating expenses from six properties which were acquired subsequent to 3Q 2006.

A.6 Net change in fair value of financial derivative

The 3Q 2007 loss of $2.8 million relates to unrealized changes in the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ 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$1.2 million taken to the Statement of Total Return (refer to Para A.7) and a translation loss of S$1.2 million taken to the foreign currency translation reserve. Hence, the net impact on the Group's net asset value was a decrease of S$2.8 million.

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

The foreign exchange gain recognised in 3Q 2007 was mainly due to (1) unrealized revaluation gain on US$ bank loan in subsidiaries' books, as a result of the depreciation of US$ against RMB, (2) unrealized revaluation gain on Yen shareholder's loan extended to Japan subsidiaries, as a result of the appreciation of Yen against S$ and partly offset by (3) unrealized revaluation loss on US$ shareholder's loan in Philippines subsidiary's books, as a result of the appreciation of US$ against Peso.

A.8 Income tax expense

Taxation for 3Q 2007 was higher by S$0.8 million as compared to the corresponding period last year. This was mainly due to higher operating profit achieved and the unrealized revaluation gain on US$ bank loan recorded in a China subsidiary's books (refer to Para A.7), which is taxable in China.

A.9 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	GROUP			GROUP		
	3Q 2007 S$'000	3Q 2006 S$'000	% +/-	YTD Sep 2007 S$'000	19/1/06 to 30/9/06 S$'000	% +/-
Trustee's fees*	14	14	-	36	40	-10
Depreciation (net of MI)	2,636	748	252	5,876	1,728	240
Net change in fair value of financial derivative (Note A.6)	2,814	3,644	-23	5,843	3,644	60
Unrealised exchange loss / (gain) (Note A.7)	(2,750)	(444)	-519	(5,384)	1,488	-462
Manager's management fee payable in units	794	530	50	2,170	1,268	71

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

1(b)(i) BALANCE SHEET

	Note	GROUP 30/9/07 S$'000	GROUP 31/12/06 S$'000	REIT 30/9/07 S$'000	REIT 31/12//06 S$'000
Non-Current Assets					
Plant and equipment		23,287	13,069	3,263	3,640
Serviced residence properties	1(b)(ii)	1,261,999	982,567	288,278	288,278
Interest in subsidiaries	1(b)(iii)	-	-	127,280	90,326
Interest in associate	1(b)(iv)	3,769	9,558	4,271	-
Deferred tax assets		4,476	4,284	-	-
		1,293,531	**1,009,478**	**423,092**	**382,244**
Current Assets					
Inventories		500	231	-	-
Trade receivables		4,440	4,135	1,589	840
Other receivables and deposits	1(b)(v)	29,232	27,547	563,226	400,185
Cash and bank balances	1(b)(vi)	50,768	36,267	7,447	12,714
		84,940	**68,180**	**572,262**	**413,739**
Total Assets		**1,378,471**	**1,077,658**	**995,354**	**795,983**
Non-Current Liabilities					
Interest bearing liabilities	1(b)(vii)	(375,389)	(286,140)	(121,413)	(116,991)
Financial derivatives	1(b)(viii)	(11,524)	(5,408)	(11,251)	(5,408)
Deferred tax liabilities		(3,462)	(3,474)	-	-
Minority interests		(67,591)	(53,175)	-	-
Net assets attributable to unitholders	1(d)(i)	(842,945)	(661,812)	(810,484)	(642,674)
		(1,300,911)	**(1,010,009)**	**(943,148)**	**(765,073)**
Current Liabilities					
Trade payables		(3,507)	(3,159)	(27)	(63)
Other payables	1(b)(ix)	(62,401)	(55,680)	(51,751)	(30,582)
Interest bearing liabilities	1(b)(vii)	(9,597)	(7,342)	-	-
Provision for taxation		(2,055)	(1,468)	(428)	(265)
		(77,560)	**(67,649)**	**(52,206)**	**(30,910)**
Total Liabilities		**(1,378,471)**	**(1,077,658)**	**(995,354)**	**(795,983)**

1(b)(ii) Serviced residence properties

The increase in the Group's serviced residence properties as at 30 September 2007 was mainly due to the acquisition of Ascott Makati, Somerset Chancellor Court and Somerset Roppongi via the acquisition of serviced residence property holding companies, and acquisition of Somerset Azabu East and Somerset Gordon Heights properties. The increase was partially offset by decreases in serviced residence properties arising from translating the Group's overseas serviced residence properties, held by subsidiaries with non-Singapore dollar functional 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 five properties in 2007.

1(b)(iv) Interest in associate

Interest in associate as at 30 September 2007 was lower than that as at 31 December 2006. This was mainly due to the increase in the beneficiary interest in Somerset Roppongi, Tokyo from 40% to 100% in April 2007, which therefore was re-classified as interest in subsidiaries as at 30 September 2007.

1(b)(v) Other receivables and deposits

The increase in the Group's other receivables and deposits as at 30 September 2007 was mainly due to the consolidation of other receivables and deposits on the acquisition of the five new properties in 2007.

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

1(b)(vi) Cash and bank balances

The increase in the Group's cash and bank balances as at 30 September 2007 was mainly due to the consolidation of cash and bank balances as a result of the acquisition of the five new properties in 2007.

1(b)(vii) Interest bearing liabilities

		GROUP			REIT	
		30/9/07 S$'000	31/12/06 S$'000		30/9/07 S$'000	31/12/06 S$'000
Secured borrowings						
- Amount repayable in one year or less or on demand		9,597	7,342		-	-
- Amount repayable after one year		376,726	286,690		121,864	117,541
Less: Fees and expenses incurred for debt raising exercise amortised over the tenure of secured loans		(1,337)	(550)		(451)	(550)
		375,389	286,140		121,413	116,991
Total	(1)	384,986	293,482		121,413	116,991

(1) The increase in the Group's borrowings as at 30 September 2007 was mainly due to the assumption of bank loans of approximately S$52.5 million on the acquisition of Somerset Chancellor Court and Somerset Roppongi, and additional bank loan of approximately S$48.0 million drawn down for the acquisition of Somerset Azabu East, partially offset by repayment of bank loans of approximately S$4.5 million and 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 Reit

1(b)(viii) Financial derivative

The S$11.5 million relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ bank loan to S$ bank loan at the Group level, and the fair value of interest rate swaps, entered into by two subsidiaries to hedge floating rate loans.

1(b)(ix) Other payables

The increase in the Group's other payables was mainly due to consolidation of liabilities as a result of the acquisition of five properties in 2007 and the accrual of costs for the asset acquisitions that were completed in the first half of the year.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	Note	GROUP			
		3Q 2007 S$'000	3Q 2006 S$'000	YTD Sep 2007 S$'000	19/1/06 to 30/9/06[1] S$'000
Operating Activities					
Total return for the period before tax		12,387	4,828	33,926	14,660
Adjustments for:					
Depreciation and amortization	A.2	2,779	832	6,263	1,928
Loss on disposal of plant and equipment		105	-	108	-
Finance costs		4,145	3,144	11,733	7,160
Finance income		(209)	(165)	(633)	(252)
Net change in fair value of financial derivative		2,814	-	5,843	-
Share of profit of associate		(19)	-	(114)	-
Operating profit before working capital changes		**22,002**	**8,639**	**57,126**	**23,496**
Changes in working capital	2	(2,611)	7,313	(12,564)	(25,125)
Cash generated from operations		**19,391**	**15,952**	**44,562**	**(1,629)**
Income tax paid		(2,289)	(1,509)	(7,898)	(3,931)
Cash flows from operating activities		**17,102**	**14,443**	**36,664**	**(5,560)**
Investing Activities					
Interest received		2,970	2,057	6,383	2,602
Acquisition of plant and equipment		(3,243)	(2,082)	(5,982)	(2,962)
Acquisition of subsidiaries, net of cash acquired		-	-	(123,078)	23,882
Acquisition of serviced residence properties		-	(275)	(86,571)	(63,475)
Capital expenditure on serviced residence properties		(3,121)	-	(7,075)	-
Acquisition of associate		-	-	-	-
Proceeds from sale of plant and equipment		1,096	-	1,133	-
Cash flows from investing activities		**(2,298)**	**(300)**	**(215,190)**	**(39,953)**
Financing Activities					
Proceeds from bank borrowings		2,866	1,941	50,897	120,473
Interest paid		(8,115)	(5,244)	(17,844)	(7,682)
Distribution to unitholders		(12,702)	(7,764)	(35,088)	(9,680)
Repayment of bank borrowings		(2,665)	(3,822)	(4,480)	(19,880)
Dividend paid to minority shareholders		(1,658)	-	(2,267)	-
Payment of issue expenses		-	(321)	-	(6,061)
Proceeds from issue of new units		1,653	49,127	201,995	49,127
Cash flows from financing activities		**(20,621)**	**33,917**	**193,213**	**126,297**
(Decrease) / Increase in cash & cash equivalents		**(5,817)**	**48,060**	**14,687**	**80,784**
Cash and cash equivalents at beginning of the period		**56,208**	**32,724**	**36,267**	**-**
Effect of exchange rate changes on balances held in foreign currencies		377	-	(186)	-
Cash and cash equivalents at end of the period		**50,768**	**80,784**	**50,768**	**80,784**

Footnotes

(1) *Although ART was established on 19 January 2006, the acquisition of the Initial Properties was completed on 1 March 2006. Consequently, the comparative 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.*

(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 3Q 2007 S$'000	GROUP 3Q 2006 S$'000	GROUP YTD Sep 2007 S$'000	GROUP 19/1/06 to 30/9/06 S$'000
Unitholders' Contribution					
Balance as at beginning of period		818,983	591,803	633,597	-
Issue of new units		1,653	49,127	201,995	648,430
Issue expenses		-	(321)	(3,723)	(6,061)
Distribution to Unitholders		(10,927)	(6,991)	(22,160)	(8,751)
Balance as at end of period		**809,709**	**633,618**	**809,709**	**633,618**
Operations [1]					
Balance as at beginning of period		30,167	6,084	26,151	-
Change in net assets attributable to unitholders resulting from operations after distribution		6,871	1,461	10,887	7,545
Transfer to statutory reserve		(66)	-	(66)	-
Balance as at end of period		**36,972**	**7,545**	**36,972**	**7,545**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(4,880)	(3,463)	2,064	-
Translation differences relating to financial statements of foreign subsidiaries		1,351	838	(5,593)	(2,625)
Balance as at end of period		**(3,529)**	**(2,625)**	**(3,529)**	**(2,625)**
Statutory Reserve					
Balance as at beginning of period		-	-	-	-
Transfer from Operations		66	-	66	-
Balance as at end of period		**66**	**-**	**66**	**-**
Hedging Reserve					
Balance as at beginning of period		**538**	-	-	-
Change in fair value of financial derivative		(811)	-	(273)	-
Balance as at end of period		**(273)**	**-**	**(273)**	**-**
Net Assets Attributable to Unitholders	**1(b)(i)**	**842,945**	**638,538**	**842,945**	**638,538**

Footnotes

(1) Although ART was established on 19 January 2006, the acquisition of the Initial Properties was completed on 1 March 2006. Consequently, the comparative 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.

1(d)(i) <u>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</u>

	Note	REIT 3Q 2007 S$'000	REIT 3Q 2006 S$'000		REIT YTD Sep 2007 S$'000	REIT 19/1/06 to 30/9/06 S$'000
Unitholders' Contribution						
Balance as at beginning of period		818,983	591,803		633,597	-
Issue of new units		1,653	49,127		201,995	648,430
Issue expenses		-	(321)		(3,723)	(6,061)
Distribution to Unitholders		(10,927)	(6,991)		(22,160)	(8,751)
Balance as at end of period		**809,709**	**633,618**		**809,709**	**633,618**
Operations [(1)]						
Balance as at beginning of period		(9,780)	(4,142)		9,077	-
Change in net assets attributable to unitholders resulting from operations after distribution		10,555	(1,964)		(8,302)	(6,106)
Balance as at end of period		**775**	**(6,106)**		**775**	**(6,106)**
Net Assets Attributable to Unitholders	**1(b)(i)**	**810,484**	**627,512**		**810,484**	**627,512**

Footnotes

(1) Although ART was established on 19 January 2006, the acquisition of the Initial Properties was completed on 1 March 2006. Consequently, the comparative 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.

1(d)(ii) <u>Details of any change in the units</u>

	REIT 3Q 2007 '000	REIT 3Q 2006 '000	REIT YTD Sep 2007 '000	REIT 19/1/06 to 30/9/06 '000
Balance as at beginning of period	604,735	454,000	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	790	639	1,441	639
- payment of Manager's acquisition fee	136	-	247	-
- placement on 25 September 2006	-	44,000		44,000
- equity fund raising on 26 March 2007	-	-	105,334	-
Balance as at end of period	**605,661**	**498,639**	**605,661**	**498,639**

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

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.

Earnings per unit (EPU)(cents)	**3Q 2007**	**3Q 2006**		**YTD Sep 2007**	**19/1/06 to 30/9/06**
Number of units on issue at end of period	605,660,868	498,638,579		605,660,868	498,638,579
Weighted average number of units for the period	605,244,836	456,980,622		572,381,317	455,281,389
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	1.43	0.49		4.16	1.86

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

Distribution per unit (DPU)(cents)	**3Q 2007**	**3Q 2006**		**YTD Sep 2007**	**19/1/06 to 30/9/06**
Number of units on issue at end of period	605,660,868	498,638,579		605,660,868	498,638,579
DPU (cents) – Basic and diluted	1.99	1.43		5.58	3.56

The diluted DPU is the same as the basic DPU as there were 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**

	Group		**REIT**	
	30/9/07	**31/12/06**	**30/9/07**	**31/12/06**
NAV per unit ($)	1.39	1.33	1.34	1.29

8(i) GROUP PERFORMANCE REVIEW

8(i)(a) Revenue and Gross Profit Analysis – 3Q 2007 vs. 3Q 2006

	Ref	Revenue 3Q 2007 S$'M	Revenue 3Q 2006 S$'M	Variance S$M	Variance %	Ref	Gross Profit 3Q 2007 S$'M	Gross Profit 3Q 2006 S$'M	Variance S$'M	Variance %	REVPAU Analysis 3Q 2007 S$/day	REVPAU Analysis 3Q 2006 S$/day	+/- %
Singapore		7.8	6.2	1.6	*26%*		4.2	3.1	1.1	*35%*	200	164	22%
Australia		0.4	-	0.4	*n.m.*		0.1	-	0.1	*n.m.*	93	-	n.m.
China		10.2	7.0	3.2	*46%*		4.3	2.9	1.4	*48%*	144	143	1%
Indonesia		5.4	5.6	(0.2)	*-4%*		2.1	2.4	(0.3)	*-13%*	78	82	-5%
Japan		2.0	-	2.0	*n.m.*		0.9	-	0.9	*n.m.*	141	-	n.m.
Philippines		8.1	1.4	6.7	*479%*		2.0	0.4	1.6	*400%*	149	70	113%
Vietnam		8.4	5.6	2.8	*50%*		5.1	3.4	1.7	*50%*	135	130	4%
	A.1	**42.3**	**25.8**	**16.5**	***64%***	**A.1**	**18.7**	**12.2**	**6.5**	***53%***	**135**	**120**	**13%**

Revenue grew 64% from S$25.8 million for 3Q 2006 to S$42.3 million for 3Q 2007. The increase in revenue arose from the six properties acquired subsequent to 3Q 2006. Overall revenue per available unit ("REVPAU") increased by 13% from S$120 for 3Q 2006 to S$135 for 3Q 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore and Philippines achieved the strongest REVPAU growth for 3Q 2007 as compared to the corresponding period. On a same store basis, revenue for 3Q 2007 increased by S$2.8 million or 11% as compared to 3Q 2006.

In line with the increased revenue, gross profit for 3Q 2007 of S$18.7 million was higher by 53% as compared to 3Q 2006.

In Singapore, the Group's serviced residences achieved an overall REVPAU of S$200 for 3Q 2007, an increase of 22% from S$164 in 3Q 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 3Q 2007 exceeded that of 3Q 2006 by 35% and gross profit margin improved by 4 percentage points to 54% in 3Q 2007.

For Australia, revenue for 3Q 2007 is derived from Somerset Gordon Heights, Melbourne, which was acquired on 28 May 2007.

For China operations, revenue and gross profit increased by 46% and 48% respectively in 3Q 2007 as compared to 3Q 2006. This was due to the inclusion of Somerset Olympic Tower in the portfolio. On a same store basis, revenue was higher by S$0.7 million as compared to 3Q 2006, mainly due to the completion of the reconfiguration programme in Ascott Beijing with an increase in the number of apartment units. In line with increased revenue, gross profit increased (on same store basis) by S$0.1 million as compared to 3Q 2006.

In Indonesia, revenue and gross profit for 3Q 2007 declined by S$0.2 million and S$0.3 million respectively as compared to 3Q 2006. This was mainly attributed to a drop in REVPAU for 3Q 2007 from S$82 in 3Q 2006 to S$78 in 3Q 2007. Keen competition caused by an increased supply of serviced residences, a major road closure and massive construction activities around Ascott Jakarta contributed to the drop in average daily rate for 3Q 2007.

For Japan, revenue and gross profit for 3Q 2007 is derived from Somerset Roppongi, Tokyo and Somerset Azabu East, Tokyo which were acquired on 5 April 2007.

In Philippines, the Group's serviced residences continued to show strong results. Revenue, gross profit and REVPAU for 3Q 2007 increased by 479%, 400% and 113% respectively as compared to 3Q 2006. The strong growth was due to the inclusion of Ascott Makati in the portfolio and healthy increases in average daily rates. On a same store basis, revenue, gross profit and REVPAU increased by 29%, 75% and 21% respectively.

In Vietnam, revenue increased by S$2.8 million or 50% as compared to 3Q 2006. This increase was due to the inclusion of Somerset Chancellor Court in the portfolio and higher average daily rates achieved while maintaining occupancy above 90%. The rate increases were bolstered by strong demand in Vietnam for quality serviced residences as a result of higher influx of foreign investments, and limited supply of internationally managed serviced residences. In line with the increased revenue, gross profit was higher than 3Q 2006 by S$1.7 million or 50%. On a same store basis, revenue and gross profit increased by 5% and 9% respectively as compared to 3Q 2006.

8(i)(b) **Revenue and Gross Profit Analysis - YTD Sep 2007 vs. YTD Sep 2006**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
		YTD Sep 2007	19/1/06 to 30/9/06	Variance			YTD Sep 2007	19/1/06 to 30/9/06	Variance		YTD Sep 2007	19/1/06 to 30/9/06	+/-
		S$'M		S$'M	%		S$'M		S$'M	%	S$/day	S$/day	%
Singapore		22.4	14.0	8.4	*60%*		12.1	7.0	5.1	*73%*	196	157	*25%*
Australia		0.5	-	0.5	*n.m.*		0.1	-	0.1	*n.m.*	92	-	*n.m.*
China		29.7	17.6	12.1	*69%*		12.4	7.8	4.6	*59%*	144	148	*-3%*
Indonesia		15.0	13.2	1.8	*14%*		5.5	5.8	(0.3)	*-5%*	72	82	*-12%*
Japan		4.3	-	4.3	*n.m.*		2.3	-	2.3	*n.m.*	153	-	*n.m.*
Philippines		17.8	3.3	14.5	*439%*		4.5	1.0	3.5	*350%*	124	68	*82%*
Vietnam		22.2	12.6	9.6	*76%*		13.6	7.7	5.9	*77%*	134	127	*6%*
	A.1	**111.9**	**60.7**	**51.2**	***84%***	**A.1**	**50.5**	**29.3**	**21.2**	***72%***	**130**	**121**	***7%***

For the 9-month period ended 30 September 2007 ("YTD Sep 2007"), including the six properties which were acquired subsequent to September 2006, revenue, gross profit and REVPAU increased by 84%, 72% and 7% respectively as compared to the 7-month period ended 30 September 2006 ("YTD Sep 2006"). Overall REVPAU improved by S$9 from S$121 in YTD Sep 2006 to S$130 in YTD Sep 2007, mainly driven by an increase in the average daily rates.

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

Total Return	**3Q 2007 S$'000**	**3Q 2006 S$'000**	**+/- %**
Operating net profit	8,758	5,482	60
Net change in fair value of financial derivative	(2,814)	(3,644)	23
Foreign exchange gain / (loss)	2,702	396	582
Total return attributable to unitholders	**8,646**	**2,234**	**287**

The Group achieved a higher operating net profit of S$8.8 million vs S$5.5 million in 3Q 2006, or 60% increase due to higher gross profit achieved as explained in Para 8(i)(a) above. Including foreign exchange differences and net change in fair value of financial derivative, the total return to unitholders in 3Q 2007 was S$8.6 million, a 287% increase over S$2.2 million recorded in 3Q 2006.

Total Return	**YTD Sep 2007 S$'000**	**19/1/06 to 30/9/06 S$'000**	**+/- %**
Operating net profit	24,155	13,602	78
Net change in fair value of financial derivative	(5,843)	(3,644)	-60
Foreign exchange gain / (loss)	5,503	(1,484)	471
Total return attributable to unitholders	**23,815**	**8,474**	**181**

Similarly, the Group's operating performance in YTD Sep 2007 exceeded that of the period YTD Sep 2006. The operating net profit for YTD Sep 2007 was S$24.2 million vs. S$13.6 million in YTD Sep 2006, an improvement of S$10.6 million or 78%. Including foreign exchange differences and net change in fair value of financial derivative, the total return to unitholders in YTD Sep 2007 was S$23.8 million, a 181% increase over the S$8.5 million recorded in YTD Sep 2006.

9. **REVIEW OF ACTUAL RESULTS AGAINST FORECAST AS DISCLOSED IN THE OFFER INFORMATION STATEMENT**

9(i) **Consolidated Statement of Total Return for the period of 1 July 2007 to 30 September 2007**

		Actual S$'000	Forecast[1] S$'000	% +/-
Revenue	(a)	42,347	38,977	9
Direct expenses		(23,656)	(20,976)	13
Gross Profit	(a)	18,691	18,001	4
Finance income		209	-	n.m.
Other operating income		107	129	-17
Finance costs	(b)	(4,145)	(4,300)	-4
Manager's management fees		(1,589)	(1,531)	4
Trustee's fee		(48)	(81)	-41
Professional fees		(331)	(172)	92
Audit fees		(182)	(127)	43
Foreign exchange loss (realized)		(48)	-	n.m.
Other operating expenses		(232)	(245)	-5
Share of profit of associate		19	-	n.m.
Net Income before change in fair value of financial derivative and unrealized foreign exchange gain		**12,451**	**11,674**	**7**
Net change in fair value of financial derivative	(c)	(2,814)	-	n.m.
Foreign exchange gain (unrealized)	(d)	2,750	-	n.m.
Total return for the period before tax		**12,387**	**11,674**	**6**
Income tax expense	(e)	(2,395)	(1,803)	33
Total return for the period after tax		**9,992**	**9,871**	**1**
Minority interests		(1,346)	(1,122)	20
Total return for the period attributable to Unitholders before distribution		**8,646**	**8,749**	**-1**

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		8,646	8,749	-1
Net effect of non-tax deductible / chargeable items and other adjustments	(g)	3,387	2,260	50
Total amount distributable to Unitholders for the period	(f)	**12,033**	**11,009**	**9**
Distribution per unit (in cents)				
- for the period		1.99	1.82	9

Footnote

(1) *The forecast is extracted from the Offer Information Statement dated 12 March 2007, prorated for 1 July 2007 to 30 September 2007 and is based on the assumptions set out in the Offer Information Statement.*

(a) **Revenue and Gross Profit Analysis – 3Q 2007 Actual vs Forecast**

	Revenue				Gross Profit				REVPAU Analysis		
	Actual	Forecast[(1)]	Variance		Actual	Forecast[(1)]	Variance		Actual	Forecast[(1)]	+/-
	S$'M		S$'M	%	S$'M		S$'M	%	S$/day	S$/day	%
Singapore	7.8	6.3	1.5	*24%*	4.2	3.3	0.9	*27%*	200	164	*22%*
Australia	0.4	0.5	(0.1)	*-20%*	0.1	0.2	(0.1)	*-50%*	93	116	*-20%*
China	10.2	10.8	(0.6)	*-6%*	4.3	4.7	(0.4)	*-9%*	144	158	*-9%*
Indonesia	5.4	5.3	0.1	*2%*	2.1	1.7	0.4	*24%*	78	77	*1%*
Japan	2.0	2.4	(0.4)	*-17%*	0.9	1.4	(0.5)	*-36%*	141	173	*-18%*
Philippines	8.1	6.3	1.8	*29%*	2.0	2.2	(0.2)	*-9%*	149	113	*32%*
Vietnam	8.4	7.4	1.0	*14%*	5.1	4.5	0.6	*13%*	135	116	*16%*
	42.3	**39.0**	**3.3**	***9%***	**18.7**	**18.0**	**0.7**	***4%***	**135**	**124**	***9%***

Footnote

(1) *The forecast is extracted from the Offer Information Statement dated 12 March 2007, prorated for 1 July 2007 to 30 September 2007 and is based on the assumptions set out in the Offer Information Statement.*

Revenue is higher by S$3.3 million or 9% as compared to the forecast. The increase in revenue was due to a 9% growth in the overall REVPAU from S$124 assumed in the forecast to S$135 in 3Q 2007. In line with the increased revenue, gross profit increased by S$0.7 million or 4%.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 24% and 27% respectively. This was mainly due to an increase in the average daily rates. Gross profit margin improved by 2 percentage point from 52% in the forecast to 54% in 3Q 2007. The improvement in the gross profit margin was due mainly to higher rates achieved.

In Australia, revenue and gross profit of the Group's serviced residence for 3Q 2007 is lower by S$0.1 million as compared to the forecast. This was due to the delay in the completion of acquisition of the property, Somerset Gordon Heights.

In China, revenue of the Group's serviced residence declined by S$0.6 million or 6% as compared to the forecast. This was due to growing competition arising from the increase in supply of serviced residence in Shanghai and Beijing. In line with lower revenue, gross profit decreased by S$0.4 million or 9% as compared to the forecast.

In Indonesia, revenue increased by 2% as compared to the forecast due to an increase in the REVPAU from S$77 assumed in the forecast to S$78 in 3Q 2007. In line with the increased revenue and improved operating efficiency, gross profit increased by S$0.4 million or 24%. Gross profit margin improved by 7 percentage points from 32% in the forecast to 39% in 3Q 2007.

In Japan, revenue and gross profit declined by S$0.4 million and S$0.5 million respectively as compared to the forecast. This was mainly attributed to slower corporate traffic than expected coupled with increased competition from several newly opened properties.

In Philippines, revenue increased by S$1.8 million or 29% as compared to the forecast. This was driven by increases in both occupancy rates and average daily rates. Gross profit was lower than forecast by S$0.2 million due to higher utilities and higher depreciation expense as a result of alignment of the depreciation rates to the Group's policy.

In Vietnam, revenue of the Group's serviced residence increased by S$1.0 million or 14% as compared to the forecast. The increase in revenue was due to the increase in REVPAU from S$116 assumed in the forecast to S$135 in 3Q 2007. In line with the increased revenue, gross profit increased by S$0.6 million or 13% as compared to the forecast.

(b) Finance costs were S$0.2 million lower than the forecast. This was mainly due to lower borrowings as compared to the forecast.

(c) 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 on Page 4.

(d) The foreign exchange gain recognised in 3Q 2007 was mainly due to (1) unrealized revaluation gain on US$ bank loan in subsidiaries' books, as a result of the depreciation of US$ against RMB, (2) unrealized revaluation gain on Yen shareholder's loan extended to Japan subsidiaries, as a result of the appreciation of Yen against S$ and partly offset by (3) unrealized revaluation loss on US$ shareholder's loan in Philippines subsidiary's books, as a result of the appreciation of US$ against Peso.

(e) Income tax expense was higher by S$0.6 million as compared to the forecast. This was mainly due to higher operating profit achieved and the unrealized revaluation gain on US$ bank loan recorded in a China subsidiary's books (refer to Para d), which is taxable in China.

(f) Total unitholders' distribution for the period was S$1.0 million or 9% higher than the forecast as a result of better operating performance.

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

	Actual S$'000	Forecast S$'000	+/-
Trustee's fees *	14	12	17%
Depreciation (net of MI)	2,636	1,149	129%
Net change in fair value of financial derivative (Para c above)	2,814	-	n.m.
Unrealized exchange gain (Para d above)	(2,750)	-	n.m.
Manager's management fee payable in units	794	541	47%

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

10. PROSPECTS

ART is well-positioned to continue to benefit from the strong demand by business travellers for quality serviced residences in the Pan-Asian Region.

ART will continue to execute its strategy of acquiring quality serviced residences and rental housing that are yield accretive to the existing portfolio.

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

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 2007 and the results of the business, changes in net assets attributable to unitholders and cash flows of the Group for the nine months ended 30 September 2007), to be false or misleading in any material respect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh Director	Jennie Chua 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

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries

Singapore
24 October 2007