



**ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE PERIOD
ENDED 30 JUNE 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 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”).

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 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, Tokyo. 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. 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. With these acquisitions, ART’s portfolio has expanded to 18 properties with 2,904 apartment units across seven countries as compared to 16 properties with 2,718 apartment units across six countries as at 31 March 2007.

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 were only completed on 1 March 2006, the comparative prior period financial results for YTD June 2006 is only for income derived for the period of 1 March 2006 to 30 June 2006 from the initial 12 properties. The financial results for 2Q 2007 is from income derived from 17 properties (2,861 apartment units) for April and May 2007 and income derived from 18 properties (2,904 apartment units) for June 2007.

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

	Note	Actual (1/4/07 to 30/6/07) S\$'000	Actual (1/4/06 to 30/6/06) S\$'000	% +/-	Actual (1/1/07 to 30/6/07) S\$'000	Actual (19/1/06 to 30/6/06) ⁽¹⁾ S\$'000	% +/-
Revenue	A.1	40,642	26,175	55	69,599	34,872	100
Direct expenses	A.2	(22,408)	(13,270)	69	(37,743)	(17,732)	113
Gross Profit	A.1	18,234	12,905	41	31,856	17,140	86
Finance income		246	78	215	424	87	387
Other operating income	A.3	178	648	-73	539	649	-17
Finance costs	A.4	(4,067)	(2,875)	41	(7,588)	(4,016)	89
Manager's management fees		(1,536)	(1,119)	37	(2,752)	(1,476)	86
Trustee's fee		(39)	(34)	15	(76)	(60)	27
Professional fees		(229)	(158)	45	(328)	(244)	34
Audit fees		(140)	(93)	51	(207)	(125)	66
Foreign exchange gain / (loss) - realised		(72)	97	-174	167	52	221
Other operating expenses	A.5	(117)	(184)	-36	(196)	(242)	-19
Share of profit of associates (net of tax)		(6)	-	n.m.	95	-	n.m.
Net income before change in fair value of financial derivative and unrealized foreign exchange loss		12,452	9,265	34	21,934	11,765	86
Net change in fair value of financial derivative	A.6	1,178	-	n.m.	(3,029)	-	n.m.
Foreign exchange gain / (loss) - unrealised	A.7	3,946	(2,559)	254	2,634	(1,932)	236
Total return for the period before tax		17,576	6,706	162	21,539	9,833	119
Income tax expense	A.8	(2,240)	(1,664)	35	(4,119)	(2,284)	80
Total return for the period after tax		15,336	5,042	204	17,420	7,549	131
Minority interests		(1,298)	(984)	32	(2,251)	(1,309)	72
Total return for the period attributable to unitholders before distribution		14,038	4,058	246	15,169	6,240	143
Distribution to Unitholders from operations							
- Period from 19/1/06 to 30/3/06		-	(156)		-	(156)	
- Period from 1/7/06 to 31/12/06		-	-		(8,950)	-	
- Period from 1/1/07 to 25/3/07		(2,203)	-		(2,203)	-	
Total return for the period attributable to Unitholders after distribution		11,835	3,902	203	4,016	6,084	-34

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

	Note	Actual (1/4/07 to 30/6/07) S\$'000	Actual (1/4/06 to 30/6/06) S\$'000	% +/-	Actual (1/1/07 to 30/6/07) S\$'000	Pro Forma (19/1/06 to 30/6/06) ⁽¹⁾ S\$'000	% +/-
Total return for the period attributable to unitholders before distribution		14,038	4,058	246	15,169	6,240	143
Net effect of non-tax deductible / chargeable items and other adjustments	A.9	(1,890)	3,655	-152	5,021	3,458	45
Total amount distributable to Unitholders for the period		12,148	7,713	58	20,190	9,698	108
Comprises :							
- from operations		1,617	763		3,978	929	
- from unitholders' contributions		10,531	6,950		16,212	8,769	
		12,148	7,713	58	20,190	9,698	108

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 4-month period from 1 March 2006 to 30 June 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 2Q 2007 of S\$40.6 million increased by 55% as compared to 2Q 2006. The increase in revenue was due to the inclusion of the revenue from six additional properties which were acquired subsequent to 2Q 2006. Overall revenue per available unit ("REVPAU") increased by 7% from S\$123 for 2Q 2006 to S\$132 for 2Q 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore and Philippines achieved a double digit REVPAU growth for 2Q 2007 as compared to the corresponding period. On a same store basis, revenue for 2Q 2007 increased by S\$1 million or 4% as compared to 2Q 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 six additional properties which were acquired subsequent to 2Q 2006 resulted in the increase of the gross profit by 41%, from S\$12.9 million for 2Q 2006 to S\$18.2 million for 2Q 2007.

A.2 Direct expenses include the following items:

	Actual (1/4/07 to 30/6/07) S\$'000	Actual (1/4/06 to 30/6/06) S\$'000	% +/-	Actual (1/1/07 to 30/6/07) S\$'000	Actual (19/1/06 to 30/6/06) S\$'000	% +/-
Depreciation and amortisation	(2,665)	(834)	220	(3,484)	(1,096)	218
Staff costs	(3,884)	(3,069)	27	(6,936)	(4,138)	68

A.3 Other operating income

Other operating income for 2Q 2007 was lower by S\$0.5 million as compared to the corresponding period last year. This was because for 2Q 2006, other operating income included 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.

A.4 Finance costs

Finance costs for 2Q 2007 increased by S\$1.2 million as compared to 2Q 2006. This was mainly due to additional bank loans taken up or assumed upon acquisition of new properties.

A.5 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.6 Net change in fair value of financial derivative

The 2Q 2007 gain of \$1.2 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\$1.1 million taken to the Statement of Total Return (refer to Para A.7) and a translation loss of S\$1.0 million taken to the foreign currency translation reserve. Hence, the net impact on the Group's net asset value was an increase of S\$1.3 million.

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

The foreign exchange gain recognised in 2Q 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 US\$ shareholder's loan in Philippines subsidiary's books, as a result of the depreciation of US\$ against Peso and partly offset by (3) 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\$.

A.8 Income tax expense

Taxation for 2Q 2007 was higher by S\$0.6 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:

	Actual (1/4/07 to 30/6/07) S\$'000	Actual (1/4/06 to 30/6/06) S\$'000	% +/-	Actual (1/1/07 to 30/6/07) S\$'000	Actual (19/1/06 to 30/6/06) S\$'000	% +/-
Trustee's fees*	8	15	-47	22	26	-15
Depreciation (net of MI)	2,511	742	238	3,240	980	231
Net change in fair value of financial derivative (Note A.6)	(1,178)	-	n.m	3,029	-	n.m
Unrealised exchange loss / (gain) (Note A.7)	(3,946)	2,559	-254	(2,634)	1,932	-236
Manager's management fee payable in units	768	560	37	1,376	738	86

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

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		Actual 30/6/07 S\$'000	Actual 31/12/06 S\$'000	Actual 30/6/07 S\$'000	Actual 31/12/06 S\$'000
Non-Current Assets					
Plant and equipment		23,328	13,069	3,378	3,640
Serviced residence properties	1(b)(ii)	1,255,782	982,567	288,278	288,278
Interest in subsidiaries	1(b)(iii)	-	-	126,179	90,326
Interest in associate	1(b)(iv)	3,755	9,558	4,276	-
Financial derivatives	1(b)(v)	538	-	-	-
Deferred tax assets		4,399	4,284	-	-
		1,287,802	1,009,478	422,111	382,244
Current Assets					
Inventories		500	231	-	-
Trade receivables		7,508	4,135	1,145	840
Other receivables and deposits	1(b)(vi)	29,203	27,547	553,118	400,185
Cash and bank balances	1(b)(vii)	56,208	36,267	20,872	12,714
		93,419	68,180	575,135	413,739
Total Assets		1,381,221	1,077,658	997,246	795,983
Non-Current Liabilities					
Interest bearing liabilities	1(b)(viii)	(370,419)	(286,140)	(119,353)	(116,991)
Financial derivative	1(b)(ix)	(8,437)	(5,408)	(8,437)	(5,408)
Deferred tax liabilities		(3,462)	(3,474)	-	-
Minority interests		(67,986)	(53,175)	-	-
Net assets attributable to unitholders	1(d)(i)	(844,808)	(661,812)	(809,203)	(642,674)
		(1,295,112)	(1,010,009)	(936,993)	(765,073)
Current Liabilities					
Trade payables		(3,488)	(3,159)	(160)	(63)
Other payables	1(b)(x)	(70,746)	(55,680)	(59,713)	(30,582)
Interest bearing liabilities	1(b)(viii)	(9,742)	(7,342)	-	-
Provision for taxation		(2,133)	(1,468)	(380)	(265)
		(86,109)	(67,649)	(60,253)	(30,910)
Total Liabilities		(1,381,221)	(1,077,658)	(997,246)	(795,983)

1(b)(ii) Serviced residence properties

The increase in the Group's serviced residence properties as at 30 June 2007 was mainly due to the acquisition of Ascott Makati on 22 March 2007, Somerset Chancellor Court on 30 March 2007, Somerset Roppongi and Somerset Azabu East on 5 April 2007, and Somerset Gordon Heights on 28 May 2007 via the acquisition of serviced residence property holding companies. 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 additional five properties in 2007, via the acquisition of serviced residence property holding companies.

1(b)(iv) Interest in associates

Interest in associates as at 30 June 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 June 2007.

1(b)(v) Financial derivatives

This relates to the fair value of interest rate swaps, entered into by two subsidiaries to hedge floating rate loans.

1(b)(vi) Other receivables and deposits

The increase in the Group's other receivables and deposits as at 30 June 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 mainly include shareholder's loans advanced to its subsidiaries.

1(b)(vii) Cash and bank balances

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

1(b)(viii) Interest bearing liabilities

	GROUP		REIT	
	Actual	Actual	Actual	Actual
	30/6/07	31/12/06	30/6/07	31/12/06
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
- Amount repayable in one year or less or on demand	9,742	7,342	-	-
- Amount repayable after one year	371,645	286,690	119,837	117,541
Less: Fees and expenses incurred for debt raising exercise amortised over the tenure of secured loans	(1,226)	(550)	(484)	(550)
	370,419	286,140	119,353	116,991
Total	(1) 380,161	293,482	119,353	116,991

(1) The increase in the Group's borrowings as at 30 June 2007 was mainly due to the assumption of bank loans of approximately S\$49.4 million on the acquisition of Somerset Chancellor Court and Somerset Roppongi, and additional bank loan of approximately S\$46.4 million drawn down for the acquisition of Somerset Azabu East, partially offset by repayment of bank loans of approximately S\$7.4 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 Trust

1(b)(ix) Financial derivative

The S\$8.4 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)(x) 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 new properties in 2007 and the accrual of costs for the equity fund raising exercise and asset acquisitions that were completed in the first half of the year.

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

	2Q 2007 Actual (1/4/07 to 30/6/07) S\$'000	2Q 2006 Actual (1/4/06 to 30/6/06) S\$'000	YTD 2007 Actual (1/1/07 to 30/6/07) S\$'000	YTD 2006 Actual (19/1/06 to 30/6/06) ⁽¹⁾ S\$'000
Operating Activities				
Total return for the period before tax	17,576	6,706	21,539	9,833
Adjustments for:				
Depreciation and amortization	2,665	834	3,484	1,096
Loss on disposal of plant and equipment	2	-	3	-
Finance costs	4,067	2,875	7,588	4,016
Finance income	(246)	(78)	(424)	(87)
Net change in fair value of financial derivative	(1,178)	-	3,029	-
Share of profit of associate	6	-	(95)	-
Operating profit before working capital changes	22,892	10,337	35,124	14,858
Changes in working capital	4,172	12,130	(8,462)	(32,529)
Cash generated from operations	27,064	22,467	26,662	(17,671)
Income tax paid	(4,270)	(1,988)	(5,609)	(2,422)
Cash flows from operating activities	22,794	20,479	21,053	(20,093)
Investing Activities				
Interest received	250	427	3,413	545
Acquisition of plant and equipment	(1,541)	(648)	(2,037)	(880)
Acquisition of subsidiaries, net of cash acquired	(15,405)	-	(123,264)	23,882
Acquisition of serviced residence properties	(86,571)	(24)	(86,571)	(63,200)
Capital expenditure on serviced residence properties	(1,554)	-	(3,952)	-
Acquisition of associate	43	-	-	-
Proceeds from sale of plant and equipment	25	-	38	-
Cash flows from investing activities	(104,753)	(245)	(212,373)	(39,653)
Financing Activities				
Proceeds from bank borrowings	48,925	4,117	51,538	119,828
Interest paid	(2,306)	(1,684)	(9,743)	(2,438)
Distribution to unitholders	(7,588)	(1,916)	(22,386)	(1,916)
Repayment of bank borrowings	(3,074)	(473)	(7,378)	(17,265)
Dividend paid to minority shareholders	-	-	(609)	-
Payment of issue expenses	-	(20)	-	(5,740)
Proceeds from issue of new units	-	-	200,342	-
Cash flows from financing activities	35,957	24	211,764	92,469
(Decrease) / Increase in cash & cash equivalents	(46,002)	20,258	20,444	32,723
Cash and cash equivalents at beginning of the period	102,268	12,774	36,267	-
Effect of exchange rate changes on balances held in foreign currencies	(58)	(309)	(503)	-
Cash and cash equivalents at end of the period	56,208	32,723	56,208	32,723

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 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) 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		GROUP	
		2Q 2007 (1/4/07 to 30/6/07) S\$'000	2Q 2006 (1/4/06 to 30/6/06) S\$'000	YTD 2007 (1/1/07 to 30/6/07) S\$'000	YTD 2006 (19/1/06 to 30/6/06) S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period		824,368	593,583	633,597	-
Issue of new units		-	-	200,342	599,303
Issue expenses		-	(20)	(3,723)	(5,740)
Distribution to Unitholders		(5,385)	(1,760)	(11,233)	(1,760)
Balance as at end of period		818,983	591,803	818,983	591,803
<u>Operations</u> ⁽¹⁾					
Balance as at beginning of period		18,332	2,182	26,151	-
Change in net assets attributable to unitholders resulting from operations after distribution		11,835	3,902	4,016	6,084
Balance as at end of period		30,167	6,084	30,167	6,084
<u>Foreign Currency Translation Reserve</u>					
Balance as at beginning of period		(7,672)	1,533	2,064	-
Translation differences relating to financial statements of foreign subsidiaries		2,792	(4,996)	(6,944)	(3,463)
Balance as at end of period		(4,880)	(3,463)	(4,880)	(3,463)
<u>Hedging Reserve</u>					
Balance as at beginning of period		-	-	-	-
Change in fair value of financial derivative		538	-	538	-
Balance as at end of period		538	-	538	-
Net Assets Attributable to Unitholders	1(b)(i)	844,808	594,424	844,808	594,424

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 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**

	Note	REIT		REIT	
		2Q 2007 (1/4/07 to 30/6/07) S\$'000	2Q 2006 (1/4/06 to 30/6/06) S\$'000	YTD 2007 (1/1/07 to 30/6/07) S\$'000	YTD 2006 (19/1/06 to 30/6/06) S\$'000
Unitholders' Contribution					
Balance as at beginning of period		824,368	593,583	633,597	-
Issue of new units		-	-	200,342	599,303
Issue expenses		-	(20)	(3,723)	(5,740)
Distribution to Unitholders		(5,385)	(1,760)	(11,233)	(1,760)
Balance as at end of period		818,983	591,803	818,983	591,803
Operations ⁽¹⁾					
Balance as at beginning of period		(8,862)	277	9,077	-
Change in net assets attributable to unitholders resulting from operations after distribution		(918)	(4,419)	(18,857)	(4,142)
Balance as at end of period		(9,780)	(4,142)	(9,780)	(4,142)
Net Assets Attributable to Unitholders	1(b)(i)	809,203	587,661	809,203	587,661

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

	REIT			
	2Q 2007 (1/4/07 to 30/6/07) '000	2Q 2006 (1/4/06 to 30/6/06) '000	YTD 2007 (1/1/07 to 30/6/07) '000	YTD 2006 (19/1/06 to 30/6/06) '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	-	-	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	604,735	454,000

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.

	2Q 2007 Actual (1/4/07 to 30/6/07)	2Q 2006 Actual (1/4/06 to 30/6/06)	YTD 2007 Actual (1/1/07 to 30/6/07)	YTD 2006 Actual (19/1/06 to 30/6/06)
Earnings per unit (EPU)(cents)				
Number of units on issue at end of period	604,735,218	454,000,000	604,735,218	454,000,000
Weighted average number of units for the period	604,735,218	454,000,000	555,677,208	454,000,000
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	2.32	0.89	2.73	1.37

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

	Actual (26/3/07 to 30/6/07)	2Q 2006 Actual (1/4/06 to 30/6/06)	YTD 2007 Actual (1/1/07 to 30/6/07)	YTD 2006 Actual (19/1/06 to 30/6/06)
Distribution per unit (DPU)(cents)				
Number of units on issue at end of period	604,735,218	454,000,000	604,735,218	454,000,000
DPU (cents) – Basic and diluted	2.10*	1.70	3.60	2.13

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 distribution of ART's distributable income for the period from 26 March 2007 (the day that the new units were issued under the equity fund raising) to 30 June 2007. An advance distribution of 1.50 cents per unit for the period from 1 January 2007 to 25 March 2007 was paid on 28 April 2007.

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

	Group		REIT	
	Actual 30/6/07	Actual 31/12/06	Actual 30/6/07	Actual 31/12/06
NAV per units (\$)	1.40	1.33	1.34	1.29

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis – 2Q 2007 vs. 2Q 2006**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis			
		Actual 2Q 2007	Actual 2Q 2006	Variance			Actual 2Q 2007	Actual 2Q 2006	Variance		Actual 2Q 2007	Actual 2Q 2006	+/-	
		S\$'M	S\$'M	S\$'M	%		S\$'M	S\$'M	S\$'M	%	S\$/day	S\$/day	%	
Singapore		7.4	5.8	1.6	28%		4.1	2.8	1.3	46%		194	152	28%
Australia		0.1	-	0.1	n.m.		-	-	-	-		87	-	n.m.
China		10.2	8.0	2.2	28%		4.3	3.8	0.5	13%		150	156	-4%
Indonesia		4.8	5.7	(0.9)	-16%		1.7	2.6	(0.9)	-35%		69	83	-17%
Japan		2.3	-	2.3	n.m.		1.3	-	1.3	n.m.		165	-	n.m.
Philippines		7.5	1.4	6.1	436%		1.7	0.5	1.2	240%		129	69	87%
Vietnam		8.3	5.3	3.0	57%		5.1	3.2	1.9	59%		134	128	5%
A.1		40.6	26.2	14.4	55%	A.1	18.2	12.9	5.3	41%		132	123	7%

Revenue grew by 55% from S\$26.2 million for 2Q 2007 to S\$40.6 million for 2Q 2006. The increase in revenue was due to the inclusion of the revenue from six additional properties which were acquired subsequent to 2Q 2006. Overall revenue per available unit (“REVPAU”) increased by 7% from S\$123 for 2Q 2006 to S\$132 for 2Q 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore and Philippines achieved a double digit REVPAU growth for 2Q 2007 as compared to the corresponding period. On a same store basis, revenue for 2Q 2007 increased by S\$1 million or 4% as compared to 2Q 2006.

In line with the increased revenue, gross profit for 2Q 2007 of S\$18.2 million increased by 41% as compared to 2Q 2006. This was supported by growth in all countries, except Indonesia.

In Singapore, the Group's serviced residences achieved an overall REVPAU of S\$194 for 2Q 2007, an increase of 28% from S\$152 in 2Q 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 2Q 2007 exceeded that of 2Q 2006 by 46%. Gross profit margin improved by 7 percentage point from 48% in 2Q 2006 to 55% in 2Q 2007. The improvement in the gross profit margin was due mainly to higher rates achieved.

For Australia, revenue for 2Q 2007 is derived from Somerset Gordon Heights, Melbourne, which was acquired on 28 May 2007.

For China operations, revenue and gross profit increased by 28% and 13% respectively in 2Q 2007 as compared to 2Q 2006. This was due to the inclusion of Somerset Olympic Tower in the portfolio. On a same store basis, revenue was lower by S\$0.3 million as compared to 2Q 2006. This was mainly due to strong competition in Shanghai and Beijing caused by an increase in supply of serviced residences. In line with lower revenue, gross profit decreased (on same store basis) by S\$0.7 million as compared to 2Q 2006.

In Indonesia, REVPAU for 2Q 2007 declined from S\$83 in 2Q 2006 to S\$69 in 2Q 2007. Increased competitive pressures caused by an increased supply of serviced residences, major road closure and massive construction activities around Ascott Jakarta and the flood contributed to the drop in occupancy and average daily rate for 2Q 2007. This has resulted in the revenue and gross profit for 2Q 2007 declining by S\$0.9 million each as compared to 2Q 2006.

For Japan, revenue and gross profit for 2Q 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. On a same store basis, REVPAU increased by 16% from S\$69 in 2Q 2006 to S\$80 in 2Q 2007. The strong growth was driven by healthy increases in average daily rates. These resulted in an improvement in the revenue of the Philippines operations from S\$1.4 million in 2Q 2006 to S\$1.6 million in 2Q 2007. In line with the increased revenue, gross profit for 2Q 2007 at S\$0.6 million increased by 20% as compared to 2Q 2006. Including Ascott Makati, REVPAU, revenue and gross profit for 2Q 2007 increased by 87%, 436% and 240% respectively as compared to 2Q 2006.

In Vietnam, on a same store basis, revenue increased by S\$0.4 million or 8% as compared to 2Q 2006. This increase was due to 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 2Q 2006 by S\$0.4 million or 13%. Including Somerset Chancellor Court, revenue and gross profit for 2Q 2007 increased by 57% and 59% respectively as compared to 2Q 2006.

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

	Revenue				Ref	Gross Profit				REVPAU Analysis		
	Actual YTD Jun 2007	Actual YTD Jun 2006	Variance			Actual YTD Jun 2007	Actual YTD Jun 2006	Variance		Actual YTD Jun 2007	Actual YTD Jun 2006	+/-
			S\$'M	%				S\$'M	%			
Singapore	14.6	7.8	6.8	87%		8.0	3.9	4.1	105%	194	152	28%
Australia	0.1	-	0.1	n.m.		-	-	-	-	87	-	n.m.
China	19.4	10.6	8.8	83%		8.1	4.9	3.2	65%	143	154	-7%
Indonesia	9.6	7.6	2.0	26%		3.4	3.4	-	-	69	82	-16%
Japan	2.3	-	2.3	n.m.		1.4	-	1.4	n.m.	165	-	n.m.
Philippines	9.8	1.8	8.0	444%		2.5	0.6	1.9	317%	111	67	66%
Vietnam	13.8	7.1	6.7	94%		8.5	4.3	4.2	98%	133	126	6%
A.1	69.6	34.9	34.7	99%	A.1	31.9	17.1	14.8	87%	128	121	6%

For 6-month period ended 30 June 2007 ("YTD Jun 2007"), including the six additional properties which were acquired subsequent to June 2006, revenue, gross profit and REVPAU increased by 99%, 87% and 6% respectively as compared to the 4-month period ended 30 June 2006 ("YTD Jun 2006"). Overall REVPAU improved by S\$7 from S\$121 in YTD Jun 2006 to S\$128 in YTD Jun 2007, mainly driven by an increase in the average daily rates. The higher revenue achieved led to a higher gross profit for YTD Jun 2007, resulting in an increase of 87% from S\$17.1 million in YTD Jun 2006 to S\$31.9 million in YTD Jun 2007.

8(i)(c) Total Return

Total Return	Actual 2Q 2007 S\$'000	Actual 2Q 2006 S\$'000	+/- %
Operating net profit	8,986	6,520	38
Net change in fair value of financial derivative	1,178	-	n.m.
Foreign exchange gain / (loss)	3,874	(2,462)	257
Total return attributable to unitholders	14,038	4,058	246

The Group achieved a higher operating net profit of S\$9.0 million vs S\$6.5 million in 2Q 2006, or 38% increase, as a result of higher gross profit achieved. This was mainly due to the inclusion of the operating net profit of six additional properties in the portfolio and strong performance from the Group's serviced residences in Singapore, Vietnam and Philippines. Including foreign exchange differences and net change in fair value of financial derivative, the total return to unitholders in 2Q 2007 was S\$14.0 million, a 246% increase over S\$4.1 million recorded in 2Q 2006.

Total Return	Actual YTD Jun 2007 S\$'000	Actual YTD Jun 2006 S\$'000	+/- %
Operating net profit	15,397	8,120	90
Net change in fair value of financial derivative	(3,029)	-	n.m.
Foreign exchange gain / (loss)	2,801	(1,880)	249
Total return attributable to unitholders	15,169	6,240	143

Similarly, the Group's operating performance in YTD Jun 2007 exceeded that of the period YTD Jun 2006. The operating net profit for YTD Jun 2007 was S\$15.4 million vs. S\$8.1 million in YTD Jun 2006, an improvement of S\$7.3 million or 90%. Including foreign exchange differences and net change in fair value of financial derivative, the total return to unitholders in YTD Jun 2007 was S\$15.2 million, a 143% increase over S\$6.2 million recorded in YTD Jun 2006.

9. **Variance between the forecast as disclosed in the Offer Information Statement and the actual results**

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

		Actual S\$'000	Forecast⁽¹⁾ S\$'000	% +/-
Revenue	(a)	40,642	38,977	4
Direct expenses		(22,408)	(20,976)	7
Gross Profit	(a)	18,234	18,001	1
Finance income		246	-	n.m.
Other operating income		178	129	38
Finance costs	(b)	(4,067)	(4,300)	-5
Manager's management fees		(1,536)	(1,531)	-
Trustee's fee		(39)	(81)	-52
Professional fees		(229)	(172)	33
Audit fees		(140)	(127)	10
Foreign exchange gain (realized)		(72)	-	n.m.
Other operating expenses		(117)	(245)	-52
Share of profit of associate		(6)	-	n.m.
Net Income before change in fair value of financial derivative and unrealized foreign exchange loss		12,452	11,674	7
Net change in fair value of financial derivative	(c)	1,178	-	n.m.
Foreign exchange gain (unrealized)	(d)	3,946	-	n.m.
Total return for the period before tax		17,576	11,674	51
Income tax expense	(e)	(2,240)	(1,803)	24
Total return for the period after tax		15,336	9,871	55
Minority interests		(1,298)	(1,122)	16
Total return for the period attributable to Unitholders before distribution	(f)	14,038	8,749	60

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		14,038	8,749	60
Net effect of non-tax deductible / chargeable items and other adjustments	(g)	(1,890)	2,260	-184
Total amount distributable to Unitholders for the period	(f)	12,148	11,009	10
Distribution per unit (in cents) - for the period		2.01	1.82	10

Footnote

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

9(ii) Review of the Group's performance for the period 1 April 2007 to 30 June 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	7.4	6.3	1.1	17%	4.1	3.3	0.8	24%
Australia	0.1	0.5	(0.4)	-80%	-	0.2	(0.2)	-100%
China	10.2	10.8	(0.6)	-6%	4.3	4.7	(0.4)	-9%
Indonesia	4.8	5.3	(0.5)	-9%	1.7	1.7	-	-
Japan	2.3	2.4	(0.1)	-4%	1.3	1.4	(0.1)	-7%
Philippines	7.5	6.3	1.2	19%	1.7	2.2	(0.5)	-23%
Vietnam	8.3	7.4	0.9	12%	5.1	4.5	0.6	13%
	40.6	39.0	1.6	4%	18.2	18.0	0.2	1%

Footnote

- (1) The forecast is extracted from the Offer Information Statement dated 12 March 2007, prorated for 1 April 2007 to 30 June 2007.

- (a) Revenue is higher by S\$1.6 million or 4% as compared to the forecast. The increase in revenue was due to a 7% growth in the overall REVPAU from S\$124 assumed in the forecast to S\$132 in 2Q 2007. In line with the increased revenue, gross profit increased by S\$0.2 million or 1%.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 17% and 24% respectively. This was mainly due to an increase in the average daily rates. Gross profit margin improved by 3 percentage point from 52% in the forecast to 55% in 2Q 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 2Q 2007 is lower by S\$0.4 million and S\$0.2 million respectively 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 because competition intensified with an 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 declined by S\$0.5 million as compared to the forecast due to lower REVPAU 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 flood. Gross profit was at the same level as that in the forecast. Due to improved operating efficiency, gross profit margin improved by 3 percentage point from 32% in the forecast to 35% in 2Q 2007.

In Japan, revenue and gross profit declined by S\$0.1 million as compared to the forecast. This was because the Yen exchange rate for 2Q 2007 was lower than that assumed in the forecast. The revenue and gross profit in local currency were higher than forecast by 4% and 3% respectively. These were mainly driven by a 4% increase in REVPAU.

In Philippines, revenue increased by S\$1.2 million or 19% 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\$0.5 million due to higher utilities and depreciation expense.

In Vietnam, revenue of the Group's serviced residence increased by S\$0.9 million or 12% 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\$134 in 2Q 2007. Gross profit increased by S\$0.6 million or 13% as compared to the forecast. Gross profit margin improved from 60.8% in the forecast to 61.4% in 2Q 2007. The improvement in the gross profit margin was due mainly to higher rates achieved.

- (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.
- (d) The foreign exchange gain recognised in 2Q 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 US\$ shareholder's loan in Philippines subsidiary's books, as a result of the depreciation of US\$ against Peso and partly offset by (3) 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\$.
- (e) Income tax expense was higher by S\$0.4 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 return attributable to unitholders (including change in fair value of financial derivative and foreign exchange differences) was S\$14.0 million, an increase of S\$5.3 million or 60% over the forecast of S\$8.7 million. Total unitholders' distribution for the period was S\$1.1 million or 10% higher than the forecast.
- (g) **Net effect of non-tax deductible / (chargeable) items and other adjustments includes the following items:**

	Actual S\$'000	Forecast S\$'000	+/-
Trustee's fees *	8	12	-33%
Depreciation (net of MI)	2,511	1,149	119%
Net change in fair value of financial derivative (Para c)	(1,178)	-	n.m.
Unrealized exchange gain (Para d)	(3,946)	-	n.m.
Manager's management fee payable in units	768	541	42%

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

10. **PROSPECTS**

The business and market sentiments in Asia remain positive and will continue to attract foreign direct investments from multinational companies, which will bring more business travellers to the region. This will spur demand and drive REVPAU growth for the Group's serviced residences. The Group will continue to benefit from this positive business and market conditions in Asia.

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? Yes
Period of distribution : Distribution for 26 March 2007 to 30 June 2007

Distribution Type	Distribution Rate (cents)
Taxable Income	0.63
Tax Exempt Income	0.69
Capital	0.78
Total	2.10

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.

11(b) **Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding 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(c) Book closure date : 2 August 2007
11(d) Date payable : 28 August 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 30 June 2007 and the results of the business, changes in net assets attributable to unitholders and cash flows of the Group for the six months ended 30 June 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
25 July 2007