



**ASCOTT RESIDENCE TRUST  
UNAUDITED RESULTS FOR THE PERIOD  
ENDED 31 DECEMBER 2006  
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In relation to the preferential offering by The Ascott Group Limited of units in Ascott Residence Trust, J.P. Morgan (S.E.A.) Limited acted as the Joint Financial Advisor, Sole Global Coordinator and Sole Lead Underwriter.

# **ASCOTT RESIDENCE TRUST**

## **2006 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**

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### **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).

Since listing, ART completed the acquisition of a 90% interest in Somerset Olympic Tower, Tianjin and a 40% beneficiary interest in Somerset Roppongi, Japan in October 2006. With these acquisitions, ART’s portfolio has expanded to 14 properties 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. ART’s first distribution after the Listing Date was for the period from the Listing Date to 30 June 2006 and was paid by the Manager on 28 August 2006. Subsequent distributions will take place semi-annually. Distributions, when paid, will be in Singapore dollars.

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

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

	Note	4Q Actual (1/10/06 to 31/12/06) S\$'000	4Q Pro Forma (1/10/05 to 31/12/05) S\$'000	% +/-	YTD Actual (19/1/06 to 31/12/06) <sup>(1)</sup> S\$'000	YTD Pro Forma (1/3/05 to 31/12/05) <sup>(2)</sup> S\$'000	% +/-
<b>Revenue</b>	A.1	29,127	25,278	15%	89,811	84,260	7%
Direct expenses	A.2	(15,843)	(13,577)	17%	(47,181)	(45,256)	4%
<b>Gross Profit</b>	A.1	13,284	11,701	14%	42,630	39,004	9%
Interest income		170	48	254%	422	161	162%
Finance costs	A.3	(3,450)	(3,003)	15%	(10,610)	(10,011)	6%
Other operating income	A.4	286	154	86%	1,042	513	103%
Manager's management fees		(1,178)	(1,046)	13%	(3,714)	(3,486)	7%
Trustee's fee		(33)	(34)	-3%	(127)	(129)	-2%
Professional fees		(52)	(124)	-58%	(333)	(413)	-19%
Audit fees		(81)	(89)	-9%	(294)	(297)	-1%
Foreign exchange gain / (loss) – realized		17	246	-93%	21	820	-97%
Other operating expenses	A.5	(37)	(75)	-51%	(319)	(250)	-28%
Share of profit of associate (net of tax)		152	-	n.m.	152	-	n.m.
<b>Net Income before change in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange loss</b>		<b>9,078</b>	<b>7,778</b>	<b>17%</b>	<b>28,870</b>	<b>25,912</b>	<b>11%</b>
Change in fair value of financial derivative	A.6	(1,764)	-	n.m.	(5,408)	-	n.m.
Change in value of serviced residence properties	A.7	17,552	-	n.m.	17,552	-	n.m.
Foreign exchange loss - unrealized	A.8	(51)	-	n.m.	(1,539)	-	n.m.
<b>Total return for the period before tax</b>		<b>24,815</b>	<b>7,778</b>	<b>219%</b>	<b>39,475</b>	<b>25,912</b>	<b>52%</b>
Income tax expense	A.9	(2,264)	(1,613)	40%	(6,114)	(5,377)	14%
<b>Total return for the period after tax</b>		<b>22,551</b>	<b>6,165</b>	<b>266%</b>	<b>33,361</b>	<b>20,535</b>	<b>62%</b>
Minority interests		(3,945)	(896)	340%	(6,281)	(2,987)	110%
<b>Total return for the period attributable to unitholders before distribution</b>		<b>18,606</b>	<b>5,269</b>	<b>253%</b>	<b>27,080</b>	<b>17,548</b>	<b>54%</b>
Distribution to Unitholders from operations							
- Period from 31/3/06 to 30/6/06		-	n.m.		(773)	n.m. <sup>(3)</sup>	
- Period from 19/1/06 to 30/3/06		-	n.m.		(156)	n.m. <sup>(3)</sup>	
<b>Total return for the period attributable to Unitholders after distribution</b>		<b>18,606</b>	<b>5,269</b>	<b>253%</b>	<b>26,151</b>	<b>17,548</b>	<b>49%</b>

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

	Note	4Q Actual (1/10/06 to 31/12/06) S\$'000	4Q Pro Forma (1/10/05 to 31/12/05) S\$'000	% +/-	YTD Actual (19/1/06 to 31/12/06) <sup>(1)</sup> S\$'000	YTD Pro Forma (1/3/05 to 31/12/05) <sup>(2)</sup> S\$'000	% +/-
Total return for the period attributable to unitholders		18,606	5,269	253%	27,080	17,548	54%
Net effect of non-tax deductible / chargeable items and other adjustments	A.10	(10,258)	1,442	-811%	(2,503)	4,807	-152%
<b>Total amount distributable to Unitholders for the period</b>		<b>8,348</b>	<b>6,711</b>	<b>24%</b>	<b>24,577</b>	<b>22,355</b>	<b>10%</b>
<b>Comprises :</b>							
- from operations		6,010	n.m		9,879	n.m	
- from unitholders' contributions		2,338	n.m		14,698	n.m	
		<b>8,348</b>	<b>6,711</b>	<b>24%</b>	<b>24,577</b>	<b>22,355</b>	<b>10%</b>

**Footnotes**

- (1) ART was established on 19 January 2006 but the acquisition of the real properties was completed on 1 March 2006. Hence the income recorded relates only to the 10 months period from 1 March 2006 to 31 December 2006. ART had no income from 19 January 2006 to 28 February 2006. The entire period relates to both the Private Trust and Public Trust periods and the details are as stated in paragraph 1(a)(iii) on page 6.
- (2) The comparative numbers for 2005 are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Trustee's pro forma fee was pro-rated from 19 January 2005 to 31 December 2005.
- (3) Not meaningful as pro forma distribution from operations and unitholders' contribution for the financial year ended 31 December 2005 presented in the Prospectus is made on the assumption that ART was incepted on 1 January 2003, under the terms set out in the Prospectus.

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

**A.1 Revenue and Gross profit**

**Revenue**

Revenue for 4Q 2006 of S\$29.1 million increased by 15% over that of pro forma 4Q last year. Similarly, revenue for YTD Dec 2006 of S\$89.8 million increased 7% as compared to the corresponding pro forma period last year. The increase in revenue was due to the increase in revenue per available unit ("REVPAU") of the Group's serviced residences across most countries.

**Gross profit**

The improved performances from the Group's serviced residences across all the countries and the inclusion of the results of Somerset Olympic Tower, which was acquired in Oct 2006 resulted in the increase of the gross profit by 14%, from S\$11.7 million in 4Q 2005 to S\$13.3 million in 4Q 2006. Gross profit margin remained at 46% in 4Q 2006.

Gross profit for YTD Dec 2006 of S\$42.6 million increased 9% over YTD Dec 2005. Gross profit margin increased by 1.2 percentage point from 46.3% in YTD Dec 2005 to 47.5% in YTD Dec 2006. The improvement in the gross profit margin was due mainly to the higher overall REVPAU achieved on increase in the average daily rates and better operating efficiency.

**A.2 Direct expenses include the following items:**

	<b>4Q Actual (1/10/06 to 31/12/06) S\$'000</b>	<b>4Q Pro Forma (1/10/05 to 31/12/05) S\$'000</b>	<b>% +/-</b>	<b>YTD Actual (19/1/06 to 31/12/06) S\$'000</b>	<b>YTD Pro Forma (1/3/05 to 31/12/05) S\$'000</b>	<b>% +/-</b>
Depreciation and amortisation	(1,061)	(957)	11%	(2,989)	(3,191)	-6%
Staff costs	(3,719)	(3,448)	8%	(10,902)	(11,493)	-5%

**A.3 Finance costs**

Finance costs for 4Q 2006 increased by S\$0.4 million. This was mainly due to interest expense arising from the assumption of the existing loan on the acquisition of Somerset Olympic Tower.

**A.4 Other operating income**

The other operating income for YTD Dec 2006 increased by S\$0.5 million. The increase was due mainly to the gain arising from the unwinding of an interest rate swap for one of the subsidiary companies, as the floating rate bank loan was converted into a fixed rate bank loan.

**A.5 Other operating expenses**

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

**A.6 Change in fair value of financial derivative**

The YTD Dec 2006 loss of \$5.4 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 revaluation gain of S\$3.3 million taken to the Statement of Total Return (refer to Para A.8) and a translation loss of S\$1.0 million taken to the foreign currency translation reserve. Hence, the net impact on the Group was S\$3.1 million.

**A.7 Change in value of serviced residence properties**

This relates to the surplus on revaluation of serviced residence properties, mainly from the properties in Singapore and Vietnam.

**A.8 Foreign exchange loss - unrealized**

The foreign exchange loss recognised in 4Q 2006 and YTD Dec 2006 was mainly due to (1) unrealized revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollars ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of the US\$ against S\$, and (2) unrealized revaluation gain on US\$ bank loan in a subsidiary's books, as a result of the depreciation of the US\$ against RMB.

**A.9 Income tax expense**

Taxation for 4Q 2006 and YTD Dec 2006 was both higher by S\$0.7 million as compared to the corresponding pro forma periods last year. This was mainly due to (1) tax provided on 100% of taxable income of the Singapore properties for the period when it was a Private Trust (19 January 2006 to 30 March 2006) which does not qualify for tax transparency, (2) deferred tax provided on the change in the value of serviced residence properties, and (3) higher operating profit achieved. Taxation for pro forma 4Q 2005 and YTD Dec 2005 was prepared on the basis that tax transparency applied throughout.

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

	<b>4Q Actual (1/10/06 to 31/12/06) S\$'000</b>	<b>4Q Pro Forma (1/10/05 to 31/12/05) S\$'000</b>	<b>% +/-</b>	<b>YTD Actual (19/1/06 to 31/12/06) S\$'000</b>	<b>YTD Pro Forma (1/3/05 to 31/12/05) S\$'000</b>	<b>% +/-</b>
Trustee's fees*	14	14	-	54	54	-
Depreciation (net of MI)	971	918	6%	2,699	3,061	-12%
Change in fair value of financial derivative	1,764	-	n.m.	5,408	-	n.m.
Change in value of serviced residence properties (net of tax and MI)	(14,066)	-	n.m.	(14,066)	-	n.m.
Unrealized exchange loss	51	-	n.m.	1,539	-	n.m.
Manager's management fee paid in units	589	523	13%	1,857	1,743	7%

\* This relates to the Singapore properties only.

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

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

	<b>Private Trust (19/1/06 to 30/3/06) S\$'000</b>	<b>Public Trust (31/3/06 to 31/12/06) S\$'000</b>	<b>Actual (19/1/06 to 31/12/06) S\$'000</b>
<b>Revenue</b>	8,417	81,394	89,811
Direct expenses	(4,318)	(42,863)	(47,181)
<b>Gross Profit</b>	4,099	38,531	42,630
Interest income	9	413	422
Finance costs	(1,104)	(9,506)	(10,610)
Other operating income	1	1,041	1,042
Manager's management fees	(345)	(3,369)	(3,714)
Trustee's fee	(26)	(101)	(127)
Professional fees	(83)	(250)	(333)
Audit fees	(31)	(263)	(294)
Foreign exchange (loss) / gain - realized	(25)	46	21
Other operating expenses	(75)	(244)	(319)
Share of profit of associate (net of tax)	-	152	152
<b>Net Income before change in fair value of financial derivative and serviced residence properties, and unrealized exchange loss</b>	<b>2,420</b>	<b>26,450</b>	<b>28,870</b>
Change in fair value of financial derivative	-	(5,408)	(5,408)
Change in value of serviced residence properties	-	17,552	17,552
Foreign exchange gain / (loss) - unrealized	607	(2,146)	(1,539)
<b>Total return for the period before tax</b>	<b>3,027</b>	<b>36,448</b>	<b>39,475</b>
Income tax expense	(605)	(5,509)	(6,114)
<b>Total return for the period after tax</b>	<b>2,422</b>	<b>30,939</b>	<b>33,361</b>
Minority interests	(314)	(5,967)	(6,281)
<b>Total return for the period attributable to Unitholders before distribution</b>	<b>2,108</b>	<b>24,972</b>	<b>27,080</b>
Distribution to Unitholders from operations			
- Period from 19/1/06 to 30/3/06	(156)	-	(156)
- Period from 31/3/06 to 30/6/06	-	(773)	(773)
<b>Total return for the period attributable to Unitholders after distribution</b>	<b>1,952</b>	<b>24,199</b>	<b>26,151</b>

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

	<b>Private Trust (19/1/06 to 30/3/06) S\$'000</b>	<b>Public Trust (31/3/06 to 31/12/06) S\$'000</b>	<b>Actual (19/1/06 to 31/12/06) S\$'000</b>
Total return for the period attributable to Unitholders	2,108	24,972	27,080
Net effect of non-tax deductible / chargeable items and other adjustments	(192)	(2,311)	(2,503)
<b>Total Unitholders' distribution</b>	<b>1,916</b>	<b>22,661</b>	<b>24,577</b>
<b>Comprises :</b>			
- from operations	156	9,723	9,879
- from unitholders' contributions	1,760	12,938	14,698
	<b>1,916</b>	<b>22,661</b>	<b>24,577</b>



1(b)(i) **BALANCE SHEET**

	Note	GROUP		REIT	
		Actual 31/12/06 S\$'000	Pro Forma 31/12/05 <sup>(1)</sup> S\$'000	Actual 31/12/06 S\$'000	Pro Forma 31/12/05 S\$'000
<b>Non-Current Assets</b>					
Plant and equipment		20,411	13,884	3,640	4,104
Serviced residence properties	1(b)(ii)	975,225	911,157	288,278	278,046
Interest in subsidiaries		-	-	90,326	106,779
Interest in associate	1(b)(iii)	9,558			
Deferred tax assets		4,284	1,840	-	-
		<b>1,009,478</b>	<b>926,881</b>	<b>382,244</b>	<b>388,929</b>
<b>Current Assets</b>					
Inventories		231	289	-	-
Trade receivables		4,135	4,474	840	-
Other receivables and deposits	1(b)(iv)	27,547	18,965	400,185	454,106
Cash and bank balances		36,267	9,312	12,714	-
		<b>68,180</b>	<b>33,040</b>	<b>413,739</b>	<b>454,106</b>
<b>Total Assets</b>		<b>1,077,658</b>	<b>959,921</b>	<b>795,983</b>	<b>843,035</b>
<b>Current Liabilities</b>					
Bank overdraft (unsecured)		-	(6,260)	-	-
Trade payables		(3,159)	(1,337)	(63)	-
Other payables and liabilities	1(b)(v)	(55,680)	(39,645)	(30,582)	(22,480)
Interest bearing liabilities	1(b)(vi)	(7,342)	(37,647)	-	-
Current tax payable		(1,468)	(651)	(265)	-
		<b>(67,649)</b>	<b>(85,540)</b>	<b>(30,910)</b>	<b>(22,480)</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	1(b)(vi)	(286,140)	(229,721)	(116,991)	(226,812)
Financial liabilities	1(b)(vii)	(5,408)	-	(5,408)	-
Deferred income		-	(2)	-	-
Deferred tax liabilities		(3,474)	(156)	-	-
		<b>(295,022)</b>	<b>(229,879)</b>	<b>(122,399)</b>	<b>(226,812)</b>
<b>Total Liabilities (excluding net assets attributable to Unitholders and minority interests)</b>		<b>(362,671)</b>	<b>(315,419)</b>	<b>(153,309)</b>	<b>(249,292)</b>
<b>Minority Interests</b>		(53,175)	(50,759)	-	-
<b>Net Assets Attributable to Unitholders</b>	1(d)(i)	<b>661,812</b>	<b>593,743</b>	<b>642,674</b>	<b>593,743</b>

**Footnote**

(1) The comparative numbers for 2005 are extracted from the pro-forma financial information which was disclosed in the Prospectus.

**1(b)(ii) Serviced residence properties**

The increase in the Group's serviced residence properties as at 31 December 2006 was mainly due to (1) the acquisition of Somerset Olympic Tower in October 2006 and (2) increase in the valuation of the properties. The increase was partially offset by the loss arising from translating the Group's overseas serviced residence properties denominated in foreign currencies to Singapore dollars at lower exchange rates as a result of the weakening of these foreign currencies, particularly US Dollars, against Singapore dollars.

**1(b)(iii) Interest in associate**

This relates to the effective 40% beneficiary interest in Somerset Roppongi, Japan.

**1(b)(iv) Other receivables and deposits**

The Group's other receivables and deposits includes the 10% deposit paid for the acquisitions of Oakwood Manila, Shoan Heights, 26.8% effective interest in Somerset Chancellor Court and the remaining 10% effective interest in Somerset Olympic Tower.

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

**1(b)(v) Other payables and liabilities**

The increase in the Group's other payables and liabilities was mainly due to (1) accrued bank loan interest of S\$4.1 million to be paid in January 2007 (2) consolidation of liabilities as a result of the acquisition of Somerset Olympic Tower and (3) other payables which relate to the two Singapore properties.

The Pro Forma consolidated balance sheet as at 31 December 2005 was prepared on the basis that the Pro Forma Group had purchased the two Singapore properties on 31 December 2005 without taking over any payables that relate to the two properties, hence a zero balance.

**1(b)(vi) Group borrowings**

		<b>Actual As at 31/12/06 S\$'000</b>	<b>Pro Forma As at 31/12/05 S\$'000</b>
<b>Secured borrowings</b>			
- Amount repayable in one year or less or on demand	(1)	7,342	37,647
- Amount repayable after one year	(1)	286,690	229,721
Less: Fees and expenses incurred for debt raising exercise amortised over the tenor of secured loan		(550)	-
		<u>286,140</u>	<u>229,721</u>
Total	(2)	<u>293,482</u>	<u>267,368</u>

(1) The increase in the secured borrowings repayable after one year at 31 December 2006 was mainly due to the assumption of a bank loan of approximately S\$33.5 million on the acquisition of Somerset Olympic Tower and the refinancing of a subsidiary's bank loan of approximately S\$29.4 million, which was previously classified as repayable within one year.

(2) The increase in the Group's borrowings as at 31 December 2006 was mainly due to the acquisition of Somerset Olympic Tower, partially offset by the loss arising from translating the Group's borrowings denominated in foreign currencies to Singapore dollars at lower exchange rates as a result of the weakening of these foreign currencies, particularly US Dollars, against Singapore dollars.

**Details of collateral**

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residence properties and the assignment of the rights, title and interest with respect to the properties
- Assignment of rental proceeds of the properties and insurance policies relating to the properties
- Pledge of shares of some subsidiaries

**REIT's borrowings**

The decrease was due to borrowings undertaken directly by a subsidiary in Beijing rather than at the REIT level.

**1(b)(vii) Financial Liabilities**

The S\$5.4 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.

## 11 CONSOLIDATED CASH FLOW STATEMENT <sup>(1)</sup>

	Note	4Q Actual (1/10/06 to 31/12/06) S\$'000	YTD Actual (19/1/06 to 31/12/06) <sup>(2)</sup> S\$'000
<b>Operating Activities</b>			
Total return for the period before tax		24,815	39,475
<b>Adjustments for:</b>			
Depreciation and amortisation		1,061	2,989
Gain on disposal of plant and equipment		(5)	(5)
Finance costs		3,450	10,610
Interest income		(170)	(422)
Foreign exchange loss - unrealised		51	1,539
Loss from change in fair value of financial derivative		1,764	5,408
Gain from change in value of serviced residence properties		(17,552)	(17,552)
Share of profit of associate		(152)	(152)
<b>Operating profit before working capital changes</b>		<b>13,262</b>	<b>41,890</b>
Changes in working capital	3	3,457	(26,241)
<b>Cash generated from operations</b>		<b>16,719</b>	<b>15,649</b>
Income tax paid		(1,539)	(5,470)
Distribution to unitholders from operations		-	(929)
<b>Cash flows from operating activities</b>		<b>15,180</b>	<b>9,250</b>
<b>Investing Activities</b>			
Interest received		220	2,822
Acquisition of plant and equipment		(6,987)	(9,949)
Acquisition of subsidiaries, net of cash acquired		(37,188)	(13,306)
Acquisition of serviced residence properties		-	(63,152)
Capital expenditure on serviced residence properties		(1,321)	(1,644)
Acquisition of associate		(9,071)	(9,071)
Proceeds from sale of plant and equipment		23	23
<b>Cash flows from investing activities</b>		<b>(54,324)</b>	<b>(94,277)</b>
<b>Financing Activities</b>			
Proceeds from bank borrowings		-	119,235
Interest paid		(1,940)	(9,622)
Distribution to unitholders		-	(8,751)
Repayment of bank borrowings		(2,017)	(21,218)
Dividend paid to minority shareholders		(1,395)	(1,395)
Payment of issue expenses		(21)	(6,082)
Proceeds from issue of new units		-	49,127
<b>Cash flows from financing activities</b>		<b>(5,373)</b>	<b>121,294</b>
<b>(Decrease) / Increase in cash &amp; cash equivalents</b>		<b>(44,517)</b>	<b>36,267</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>80,784</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>		<b>36,267</b>	<b>36,267</b>

### Footnotes

- (1) There are no comparative prior period figures as this is the first financial period.
- (2) Although ART was established on 19 January 2006, the acquisition of the properties was completed on 1 March 2006. Consequently, the figures only represent the cash flow for the 10 months period from 1 March 2006 to 31 December 2006 as there was no income from 19 January 2006 to 28 February 2006.
- (3) The negative changes in working capital were mainly due to repayment of amounts owing to related companies upon completion of the acquisition of real properties.

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

	Note	GROUP		REIT	
		Actual (1/10/06 to 31/12/06) S\$'000	Actual 19/1/06 to 31/12/06) S\$'000	Actual (1/10/06 to 31/12/06) S\$'000	Actual 19/1/06 to 31/12/06) S\$'000
<b><u>Unitholders' Contribution</u></b>					
<b>Balance as at beginning of period</b>		633,618	-	633,618	-
Issue of new units		-	648,430	-	648,430
Issue expenses		(21)	(6,082)	(21)	(6,082)
Distribution to Unitholders		-	(8,751)	-	(8,751)
<b>Balance as at end of period</b>		<b>633,597</b>	<b>633,597</b>	<b>633,597</b>	<b>633,597</b>
<b><u>Operations</u></b> <sup>(2)</sup>					
<b>Balance as at beginning of period</b>		7,545	-	(6,106)	-
Change in net assets attributable to unitholders resulting from operations after distribution		18,606	26,151	15,183	9,077
<b>Balance as at end of period</b>		<b>26,151</b>	<b>26,151</b>	<b>9,077</b>	<b>9,077</b>
<b><u>Foreign Currency Translation reserve</u></b>					
<b>Balance as at beginning of period</b>		(2,625)	-	-	-
Translation differences relating to financial statements of foreign subsidiaries		4,689	2,064	-	-
<b>Balance as at end of period</b>		<b>2,064</b>	<b>2,064</b>	-	-
<b>Net Assets Attributable to Unitholders</b>	<b>1(b)(i)</b>	<b>661,812</b>	<b>661,812</b>	<b>642,674</b>	<b>642,674</b>

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

	REIT	
	Actual (1/10/06 to 31/12/06) '000	Actual 19/1/06 to 31/12/06) '000
<b>Balance as at beginning of period</b>	498,639	-
<b>Issue of new units :</b>		
- settlement for the purchase of two Singapore properties	-	165,880
- settlement for the purchase of the property companies shares	-	288,120
- payment of Manager's management fees	-	639
- placement on 25 September 2006	-	44,000
<b>Balance as at end of period</b>	<b>498,639</b>	<b>498,639</b>

**Footnotes**

- (1) There are no comparative prior period figures as this is the first financial period.  
(2) Although ART was established on 19 January 2006, the acquisition of the properties was completed on 1 March 2006. Consequently, the figures only represent the income for the 10 month period from 1 March 2006 to 31 December 2006 as there was no income from 19 January 2006 to 28 February 2006.

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

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

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

Not applicable.

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

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

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

Nil

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

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

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

	4Q Actual (1/10/06 to 31/12/06)	Private Trust (19/1/06 to 30/3/06)	YTD Public Trust (31/3/06 to 31/12/06)	Total Actual (19/1/06 to 31/12/06)
<b>Earnings per unit (EPU)(cents)</b>				
Number of units on issue at end of period	498,638,579	454,000,000	498,638,579	498,638,579
Weighted average number of units for the period	498,638,579	454,000,000	469,873,067	468,316,884
<b>EPU (cents) – Basic and Diluted</b> (based on the weighted average number of units for the period)	3.73	0.46	5.32	5.78

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

	4Q Actual (1/10/06 to 31/12/06)	Private Trust (19/1/06 to 30/3/06)	YTD Public Trust (31/3/06 to 31/12/06)	Total Actual (19/1/06 to 31/12/06)
<b>Distribution per unit (DPU)(cents)</b>				
Number of units on issue at end of period	498,638,579	454,000,000	498,638,579	n.m.
<b>DPU (cents) – Basic and diluted</b>	1.65	0.42	4.82	5.24

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**

	Actual 31/12/06	Pro Forma 31/12/05
NAV per units (\$)	1.33	1.31

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis - 4Q 2006 vs. 4Q 2005**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis			
		Actual 4Q 2006	Pro Forma 4Q 2005	Variance			Actual 4Q 2006	Pro Forma 4Q 2005	Variance		Actual 4Q 2006	Pro Forma 4Q 2005	+/-	
		S\$'M	S\$'M		%		S\$'M	S\$'M		%	S\$/day	S\$/day	%	
Singapore		6.4	5.1	1.3	25%		2.5	2.3	0.2	9%		162	135	20%
China		10.1	8.2	1.9	23%		4.5	3.6	0.9	25%		149	161	-7%
Vietnam		5.6	5.2	0.4	8%		3.4	3.1	0.3	10%		134	120	12%
Indonesia		5.6	5.6	-	-		2.3	2.3	-	-		78	84	-7%
Philippines		1.4	1.2	0.2	17%		0.6	0.4	0.2	50%		69	55	25%
<b>A.1</b>		<b>29.1</b>	<b>25.3</b>	<b>3.8</b>	<b>15%</b>	<b>A.1</b>	<b>13.3</b>	<b>11.7</b>	<b>1.6</b>	<b>14%</b>		<b>123</b>	<b>115</b>	<b>7%</b>

Revenue for 4Q 2006 grew by 15% from S\$25.3 million in 4Q 2005 to S\$29.1 million in 4Q 2006. The increase in revenue was due to a 7% growth in the overall revenue per available unit (“REVPAU”) from S\$115 in 4Q 2005 to S\$123 in 4Q 2006, mainly driven by increase in the average daily rates. Serviced residence operations in Singapore, Philippines and Vietnam achieved a double digit REVPAU growth in 4Q 2006.

In line with the increased revenue, gross profit for 4Q 2006 at S\$13.3 million increased by 14% as compared to 4Q 2005. This was supported by growth in all countries, except Indonesia which performed the same as in 4Q 2005.

In Singapore, the Group’s serviced residence achieved an overall REVPAU of S\$162 for 4Q 2006, an increase of 20% from S\$135 in 4Q 2005. With the continuation of strong market conditions in Singapore, the Group increased average daily rates through a combination of right tenant mix and forward-looking sales strategies, while occupancy remained above 90%. As a result, the gross profit of Singapore operations for 4Q 2006 exceeded that of 4Q 2005 by 9%.

For China operations, REVPAU achieved for 4Q 2006 was 7% lower than that in 4Q 2005. This was due to lower demand for bigger apartment units, lower average daily rates for the winter promotion in order to match competitors’ rate and keen competition from local operators and international hotels chains. This resulted in lower average daily rates while occupancy remained high at around 80%. While the reconfiguration of The Ascott Beijing is ongoing to meet growing market demand for smaller apartment units, efforts were taken to keep costs low to compensate for the loss of rental revenue. On a same store basis, revenue was lower by S\$0.7 million, however gross profit was higher by S\$0.1 million as compared to that in 4Q 2005 due to improved cost management, such as energy conservation efforts to reduce utility costs. Including Somerset Olympic Tower, revenue and gross profit for 4Q 2006 increased by 23% and 25% respectively as compared to 4Q 2005.

In Vietnam, the revenue and gross profit of the Group’s serviced residence increased by 8% and 10% respectively in 4Q 2006 as compared to 4Q 2005. These increases were achieved with higher rental rates upon renewal of lease of long stay tenants. The rate increases were bolstered by strong demand in Vietnam for serviced residences due to Vietnam’s steady growth and limited supply of internationally managed serviced residences.

In Indonesia, the REVPAU for 4Q 2006 declined from S\$84 in 4Q 2005 to S\$78 in 4Q 2006. This was attributed mainly to a drop in occupancy for The Ascott Jakarta, resulting from major road closure and massive construction activities around the property. Despite the drop in REVPAU, revenue remained the same as in 4Q 2005 due to higher other revenue, comprising mainly service and maintenance fees from tenants. Gross profit for 4Q 2006 remained at the same level as that in 4Q 2005 due to cost savings arising from improved cost management.

In Philippines, the REVPAU increased by 25% from S\$55 in 4Q 2005 to S\$69 in 4Q 2006, with increases in both occupancy rates and average daily rates. This resulted in an improvement in the revenue of the Philippines operations in 4Q 2006 over those of 4Q 2005. In line with the increased revenue, gross profit for 4Q 2006 at S\$0.6 million increased by 50% as compared to 4Q 2005.

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

Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
	Actual YTD Dec 2006	Pro Forma YTD Dec 2005	Variance			Actual YTD Dec 2006	Pro Forma YTD Dec 2005	Variance		Actual YTD Dec 2006	Pro Forma YTD Dec 2005	+/-
	S\$'M	S\$'M	S\$'M	%		S\$'M	S\$'M	S\$'M	%	S\$/day	S\$/day	%
Singapore	20.4	17.0	3.4	20%		9.5	7.4	2.1	28%	159	135	18%
China	27.7	27.4	0.3	1%		12.2	12.0	0.2	2%	149	161	-7%
Vietnam	18.3	17.3	1.0	6%		11.1	10.3	0.8	8%	129	120	8%
Indonesia	18.7	18.7	-	-		8.1	8.0	0.1	1%	81	84	-4%
Philippines	4.7	3.9	0.8	21%		1.7	1.3	0.4	31%	69	55	25%
<b>A.1</b>	<b>89.8</b>	<b>84.3</b>	<b>5.5</b>	<b>7%</b>	<b>A.1</b>	<b>42.6</b>	<b>39.0</b>	<b>3.6</b>	<b>9%</b>	<b>121</b>	<b>115</b>	<b>5%</b>

For YTD Dec 2006, the Group achieved S\$89.8 million in revenue, which was 7% increase over the revenue of S\$84.3 million recorded in the corresponding pro forma period last year. Overall REVPAU improved by S\$6 from S\$115 in YTD Dec 2005 to S\$121 in YTD Dec 2006, mainly driven by an increase in the average daily rates. The higher revenue achieved led to a higher gross profit for YTD Dec 2006, resulting in an increase of 9% from S\$39.0 million in YTD Dec 2005 to S\$42.6 million in YTD Dec 2006. Overall gross profit margin improved by 1.2 percentage points from 46.3% to 47.5% as a result of higher average daily rates.

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

Total Return	Actual 4Q 2006 S\$'000	Pro Forma 4Q 2005 S\$'000	+/- %
Operating net profit	6,338	5,023	26%
Change in fair value of financial derivative	(1,764)	-	n.m.
Change in value of serviced residence properties (net of tax and MI)	14,066	-	n.m.
Foreign exchange (loss) / gain	(34)	246	n.m.
<b>Total return attributable to unitholders</b>	<b>18,606</b>	<b>5,269</b>	<b>253%</b>

The Group achieved a higher operating net profit of S\$6.3 million vs S\$5.0 million in 4Q05, or 26% increase, as a result of higher gross profit achieved. Including foreign exchange differences and change in fair value of financial derivative and serviced residence properties, the total return to unitholders in 4Q06 was S\$18.6 million, a 253% increase over the S\$5.3 million recorded in 4Q05.

Total Return	Actual YTD Dec 2006 S\$'000	Pro Forma YTD Dec 2005 S\$'000	+/- %
Operating net profit	19,940	16,728	19%
Change in fair value of financial derivative	(5,408)	-	n.m.
Change in value of serviced residence properties (net of tax and MI)	14,066	-	n.m.
Foreign exchange (loss) / gain	(1,518)	820	n.m.
<b>Total return attributable to unitholders</b>	<b>27,080</b>	<b>17,548</b>	<b>54%</b>

Similarly, the Group's operating performance in YTD Dec 2006 exceeded that of the comparative period in YTD Dec 2005. The operating net profit for YTD Dec 2006 was S\$19.9 million vs. S\$16.7 million in YTD Dec 2005, an improvement of S\$3.2 million or 19%. This was mainly attributable to the strong performance from the Group's serviced residences in most countries. Including foreign exchange differences and change in fair value of financial

derivative and serviced residence properties, the total return to unitholders in YTD Dec 06 was S\$27.1 million, a 54% increase over the S\$17.5 million recorded in 4Q05.

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

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

		Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	% +/-
<b>Revenue</b>	(a)	81,394	78,860	3%
Direct expenses	(a)	(42,863)	(42,732)	-
<b>Gross Profit</b>	(a)	38,531	36,128	7%
Interest income		413	-	n.m
Finance costs		(9,506)	(9,110)	4%
Other operating income	(b)	1,041	380	174%
Manager's management fees	(c)	(3,369)	(3,221)	5%
Trustee's fee		(101)	(101)	-
Professional fees		(250)	(375)	-33%
Audit fees		(263)	(241)	9%
Foreign exchange gain (realized)		46	-	n.m
Other operating expenses		(244)	(287)	-15%
Share of profit of associate		152	-	n.m.
<b>Net Income before change in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange loss</b>		<b>26,450</b>	<b>23,173</b>	<b>14%</b>
Change in fair value of financial derivative	(d)	(5,408)	-	n.m.
Change in value of serviced residence properties	(e)	17,552	-	n.m.
Foreign exchange loss (unrealized)	(f)	(2,146)	-	n.m
<b>Total return for the period before tax</b>		<b>36,448</b>	<b>23,173</b>	<b>57%</b>
Income tax expense		(5,509)	(4,510)	22%
<b>Total return for the period after tax</b>		<b>30,939</b>	<b>18,663</b>	<b>66%</b>
Minority interests		(5,967)	(2,630)	127%
<b>Total return for the period attributable to Unitholders before distribution</b>	(g)	<b>24,972</b>	<b>16,033</b>	<b>56%</b>

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

		Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	% +/-
Total return for the period attributable to Unitholders		24,972	16,033	56%
Net effect of non-tax deductible / chargeable items and other adjustments	(h)	(2,311)	4,988	-146%
<b>Total amount distributable to Unitholders for the period</b>		<b>22,661</b>	<b>21,021</b>	<b>8%</b>
<b>Distribution per unit (in cents)</b>				
- for the period		4.82	4.63	
- annualised		6.37	6.11	4%

**Footnote**

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



9(ii) **Review of the Group's performance for the period 31 March 2006 to 31 December 2006**

	Revenue				Gross Profit			
	Actual	Forecast <sup>(1)</sup>	Variance		Actual	Forecast <sup>(1)</sup>	Variance	
	S\$'M	S\$'M	S\$'M	%	S\$'M	S\$'M	S\$'M	%
Singapore	18.5	16.1	2.4	15%	8.5	7.7	0.8	10%
China	25.2	26.0	(0.8)	-3%	11.2	10.9	0.3	3%
Vietnam	16.5	15.9	0.6	4%	10.0	9.6	0.4	4%
Indonesia	16.9	17.3	(0.4)	-2%	7.3	6.7	0.6	9%
Philippines	4.3	3.6	0.7	19%	1.5	1.2	0.3	25%
	<b>81.4</b>	<b>78.9</b>	<b>2.5</b>	<b>3%</b>	<b>38.5</b>	<b>36.1</b>	<b>2.4</b>	<b>7%</b>

**Footnote**

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

- (a) Revenue is higher by S\$2.5 million or 3% as compared to the forecast on a portfolio basis. Direct expenses remained substantially the same. As a result, gross profit is higher by S\$2.4 million or 7% on a portfolio basis.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 15% and 10% respectively. This was mainly due to an increase in the average daily rates.

In China, revenue of the Group's serviced residence declined by 3% or S\$0.8 million as compared to the forecast due to lower revenue achieved as a result of expiry of leases for a few key accounts of the Beijing properties and lower demand for bigger apartment units. This decrease in revenue was offset by cost savings arising from improved cost management, resulting in gross profit increasing by S\$0.3 million or 3%. The Ascott Beijing is currently undergoing reconfiguration (expect to complete around mid 2007) to convert the bigger apartment units to smaller apartment units to meet the growing market demand for such units.

In Vietnam, revenue of the Group's serviced residence increased by 4% as a result of higher rental rates achieved upon renewal of lease of long stay tenants. Gross profit increased by 4% due to higher rates and improved operating efficiency.

In Indonesia, revenue declined by 2% as compared to the forecast due to a lower REVPAU achieved for The Ascott Jakarta (Actual : S\$98; Forecast S\$113), resulting from major road closure and massive construction activities around the property, which is expected to be completed around mid 2007. However, as a result of cost management, the gross profit increased by 9% as compared to the forecast.

In Philippines, revenue and gross profit were higher by 19% and 25% respectively as a result of increased occupancy rates and average daily rates.

- (b) Other operating income was S\$0.6 million higher than the forecast mainly due to a gain arising from the unwinding of an interest rate swap for one of the subsidiary companies, as the floating rate bank loan was converted into a fixed rate bank loan.
- (c) Manager's management fee is slightly higher by 5% due to higher gross profit achieved.
- (d) This relates to unrealized changes in the fair value of the cross currency swap, entered into to convert a subsidiary's US\$ bank loan to a S\$ bank Loan. Refer to Para A.6.
- (e) This relates to the surplus on revaluation of the serviced residence properties, mainly from the properties in Singapore and Vietnam.
- (f) Foreign exchange loss mainly relates to unrealized revaluation loss on foreign currency shareholder's loan, mainly denominated in US Dollars ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of the US\$ against S\$.
- (g) Total return attributable to unitholders was S\$25.0 million, an increase of S\$8.9 million or 56% over the forecast of S\$16.0 million. Total unitholders' distribution for the period was S\$1.6 million or 8% higher than the forecast.

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

	Actual S\$'000	Forecast S\$'000	+/-
Trustee's fees *	49	49	-
Depreciation (net of MI)	2,469	3,285	-25%
Change in fair value of financial derivative	5,408	-	n.m.
Change in value of serviced residence properties (net of tax and MI)	(14,066)	-	n.m.
Unrealized exchange loss	2,146	-	n.m.
Manager's management fee paid in units	1,685	1,611	5%

\* This relates to Singapore properties only.

## 10. **PROSPECTS**

The economic and business environment in Asia Pacific remains positive for 2007. The countries where ART has a presence are expected to register real GDP growth (Source: Economist Intelligence Unit) of between 2% to 10% in 2007. Strong inflows of foreign direct investment (Source: Economist Intelligence Unit) will boost demand for quality serviced accommodation. The Group is well positioned to benefit from this positive business and market conditions in Asia Pacific.

For the full year 2007, the manager of ART is confident of delivering the forecast distribution per unit of 6.43 cents as disclosed in the Prospectus.

## 11. **DISTRIBUTIONS**

### 11(a) **Current financial period**

Any distributions declared for the current financial period? Yes

### **AscottReit units**

	1 July 2006 to 24 September 2006	25 September 2006 to 31 December 2006	Total
Distribution Type	Distribution Rate (cents)	Distribution Rate (cents)	Distribution Rate (cents)
Taxable Income	0.515	0.468	0.983
Tax Exempt Income	0.256	0.304	0.560
Capital	0.660	0.684	1.344
Singapore franked dividend (gross)	-	0.283	0.283
<b>Total</b>	<b>1.431</b>	<b>1.739</b>	<b>3.170</b>

### **AscottReit A units**

	25 September 2006 to 31 December 2006
Distribution Type	Distribution Rate (cents)
Taxable Income	0.468
Tax Exempt Income	0.304
Capital	0.684
Singapore franked dividend (gross)	0.283
<b>Total</b>	<b>1.739</b>

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.

#### **Singapore Franked Dividend Distribution**

This refers to distributions made out of dividend derived from Singapore from which tax is deducted under section 44 of the Income Tax Act, Chapter 134 of Singapore. Unitholders are generally liable to Singapore income tax on such distribution and may claim a tax credit for the tax deducted at source on the dividends. The tax deducted at source refers to the corresponding amount of tax deducted from the dividend originally received by ART. No further withholding tax is applicable.

- 11(b) **Corresponding period of the preceding financial period**  
Any distributions declared for the corresponding period of the immediate preceding financial period? No
- 11(c) Book closure date : 1 February 2007
- 11(d) Date payable : 28 February 2007

## **12. INTERESTED PERSON TRANSACTIONS**

<b>Name of Interested Person</b>	<b>Aggregate value * of all interested person transactions during the financial period under review (excluding transactions less than \$100,000)</b>
	<b>S\$'000</b>
<b>The Ascott Group Limited &amp; its subsidiaries</b>	
The Ascott Holdings Limited	9,071
Ascott Property Management (Shanghai) Co., Ltd	767

\* The aggregate value is for the contract period.

### 13. SEGMENT REVENUE AND RESULTS

YTD Actual (19/1/06 to 31/12/06)	Singapore S\$'000	China S\$'000	Vietnam S\$'000	Indonesia S\$'000	Philippines S\$'000	Total S\$'000
Revenue	20,349	27,737	18,272	18,722	4,731	89,811
Direct expenses	(10,851)	(15,504)	(7,165)	(10,600)	(3,061)	(47,181)
<b>Gross Profit</b>	<b>9,498</b>	<b>12,233</b>	<b>11,107</b>	<b>8,122</b>	<b>1,670</b>	<b>42,630</b>
Share of after-tax profit of Associate						152
Interest income						422
Finance costs						(10,610)
Unallocated net expenses						(3,724)
Net income before change in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange loss						28,870
Change in fair value of financial derivative						(5,408)
Change in value of serviced residence properties						17,552
Foreign exchange loss – Unrealized						(1,539)
Total return for the period before tax						39,475
Income tax expense						(6,114)
Total return for the period after tax						33,361
Minority interests						(6,281)
Total return for the period attributable to unitholders						27,080

### 14. BREAKDOWN OF SALES

	YTD Actual (19/1/06 to 31/12/06) <sup>(1)</sup> S\$'000	YTD Pro Forma (1/3/05 to 31/12/05) <sup>(2)</sup> S\$'000	+/-
(a) Revenue reported for first half year	34,872	33,704	3%
(b) Total return after taxation before minority interests reported for first half year	7,549	8,205	-8%
(c) Revenue reported for second half year	54,939	50,556	9%
(d) Total return after taxation before minority interests reported for second half year	25,812	12,330	109%

#### Footnotes

- (1) ART was established on 19 January 2006 but the acquisition of the real properties was completed on 1 March 2006. Hence the income recorded relates only to the 10 months period from 1 March 2006 to 31 December 2006. ART had no income from 19 January 2006 to 28 February 2006. The entire period relates to both the Private Trust and Public Trust periods and the details are as stated in paragraph (1)(a)(iii) on page 6.

(2) The comparative numbers for 2005 are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Trustee's fee was pro-rated from 19 January 2005 to 31 December 2005.

15. **BREAKDOWN OF TOTAL DISTRIBUTIONS**

	<b>Private Trust (19/1/06 to 30/3/06) S\$'000</b>	<b>Public Trust (31/3/06 to 31/12/06) S\$'000</b>
19 January 2006 to 30 March 2006 - paid	1,916	-
31 March 2006 to 30 June 2006 - paid	-	7,764
1 July 2006 to 31 December 2006 – to be paid	-	14,897

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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

Doreen Nah  
Company Secretary

Singapore  
24 January 2007