



**ASCOTT RESIDENCE TRUST**  
**UNAUDITED RESULTS FOR THE PERIOD**  
**ENDED 30 JUNE 2009**  
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**ASCOTT RESIDENCE TRUST**  
**2009 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**

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**Summary of Group Results**

	<b>2Q 2009 S\$'000</b>	<b>2Q 2008 S\$'000</b>	<b>Better/ (Worse) %</b>	<b>YTD Jun 2009 S\$'000</b>	<b>YTD Jun 2008 S\$'000</b>	<b>Better/ (Worse) %</b>
Revenue	42,973	46,143	-7	85,095	91,964	-7
Gross Profit	20,832	23,407	-11	40,696	47,056	-14
Unitholders' Distribution	11,004	13,317	-17	21,852	27,486	-20
Distribution Per Unit (cents)	1.79	2.19	-18	3.55	4.52	-21

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**DISTRIBUTION AND BOOK CLOSURE DATE**

Distribution	For 1 January 2009 to 30 June 2009	
Distribution rate	i) Taxable income	0.95 cents
	ii) Tax Exempt Income	0.61 cents
	iii) Capital distribution	1.99 cents
	<b>Total</b>	<b>3.55 cents</b>
Book Closure Date	31 July 2009	
Payment Date	28 August 2009	

# **ASCOTT RESIDENCE TRUST**

## **2009 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**

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### **INTRODUCTION**

Ascott Residence Trust (“Ascott Reit”) was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the “Manager”) and DBS Trustee Limited (as trustee of Ascott Reit) (the “Trustee”).

Ascott Reit’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.

Ascott Reit 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”), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) with an initial portfolio of 12 properties (“Initial Properties”) with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

At 30 June 2009, Ascott Reit’s portfolio comprises 38 properties with 3,644 apartment units in 11 cities across seven countries (Singapore, Australia, China, Indonesia, Japan, the Philippines and Vietnam).

Ascott Reit makes 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 are paid in Singapore dollar.

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

	Note	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
		2Q 2009 S\$'000	2Q 2008 S\$'000		YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000	
<b>Revenue</b>	A.1	42,973	46,143	-7	85,095	91,964	-7
Direct expenses	A.2	(22,141)	(22,736)	3	(44,399)	(44,908)	1
<b>Gross Profit</b>	A.1	20,832	23,407	-11	40,696	47,056	-14
Finance income		155	294	-47	325	494	-34
Other operating income		342	38	800	398	40	895
Finance costs	A.3	(5,968)	(4,740)	-26	(11,795)	(9,420)	-25
Manager's management fees		(1,932)	(1,986)	3	(3,667)	(3,879)	5
Trustee's fee		(50)	(51)	2	(100)	(101)	1
Professional fees		(270)	(465)	42	(454)	(746)	39
Audit fees		(272)	(178)	-53	(473)	(402)	-18
Foreign exchange loss - realised		(165)	(143)	-15	(354)	(141)	-151
Other operating expenses		(109)	(200)	46	(231)	(342)	32
Share of loss of associate (net of tax)		(3)	(16)	81	(4)	(43)	91
<b>Net income before change in fair value of financial derivative and unrealised foreign exchange loss</b>		<b>12,560</b>	<b>15,960</b>	<b>-21</b>	<b>24,341</b>	<b>32,516</b>	<b>-25</b>
Net change in fair value of financial derivative	A.4	(5,097)	178	n.m.	639	(4,116)	n.m.
Change in value of serviced residence properties	A.5	(61,025)	-	n.m.	(61,025)	-	n.m.
Foreign exchange (loss) / gain - unrealised	A.6	(4,091)	(6,274)	35	4,379	(4,446)	n.m.
<b>Total return for the period before tax</b>		<b>(57,653)</b>	<b>9,864</b>	<b>n.m.</b>	<b>(31,666)</b>	<b>23,954</b>	<b>n.m.</b>
Income tax expense	A.7	(3,102)	(3,064)	-1	(4,921)	(5,755)	14
<b>Total return for the period after tax</b>		<b>(60,755)</b>	<b>6,800</b>	<b>n.m.</b>	<b>(36,587)</b>	<b>18,199</b>	<b>n.m.</b>
Attributable to:							
Unitholders		(61,558)	5,332		(38,892)	15,234	
Minority interests		803	1,468		2,305	2,965	
<b>Total return for the period</b>		<b>(60,755)</b>	<b>6,800</b>	<b>n.m.</b>	<b>(36,587)</b>	<b>18,199</b>	<b>n.m.</b>

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

	Note	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
		2Q 2009 S\$'000	2Q 2008 S\$'000		YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000	
Total return for the period attributable to unitholders		(61,558)	5,332	n.m.	(38,892)	15,234	n.m.
Net effect of non-tax deductible / chargeable items and other adjustments	A.8	72,562	7,985	809	60,744	12,252	396
<b>Total amount distributable to Unitholders for the period</b>		<b>11,004</b>	<b>13,317</b>	<b>-17</b>	<b>21,852</b>	<b>27,486</b>	<b>-20</b>
<b>Comprises :</b>							
- from operations		2,817	3,282		4,120	6,521	
- from unitholders' contributions		8,187	10,035		17,732	20,965	
		<b>11,004</b>	<b>13,317</b>	<b>-17</b>	<b>21,852</b>	<b>27,486</b>	<b>-20</b>

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

**A.1 Revenue and Gross profit**

Revenue in 2Q 2009 decreased by S\$3.1 million (7%) to S\$43.0 million. Gross profit in 2Q 2009 decreased by S\$2.6 million (11%) to S\$20.8 million. The decrease in operating performance was mainly due to weaker demand of serviced residences in Singapore and China as a result of the global economic slowdown and increased competition from new supply in Beijing and Shanghai, partially offset by contribution from the properties acquired subsequent to 2Q 2008.

Refer to Para 8(i)(a) for more detailed analysis.

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

	GROUP		Better / (Worse) % +/-	GROUP		Better / (worse) % +/-
	2Q 2009 S\$'000	2Q 2008 S\$'000		YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000	
Depreciation and amortisation	(1,455)	(1,304)	-12	(3,156)	(2,583)	-22
Staff costs	(4,071)	(4,225)	4	(7,527)	(8,213)	8

**A.3 Finance costs**

Finance costs for 2Q 2009 increased by S\$1.2 million (26%) as compared to 2Q 2008. S\$0.4 million of the increase was due to higher interest rates while S\$0.8 million of the increase was due to additional bank loans taken up for acquisition of property and distribution to unitholders subsequent to 2Q 2008.

**A.4 Net change in fair value of financial derivative**

The 2Q 2009 loss of \$5.1 million relates to unrealised 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.

**A.5 Change in value of serviced residence properties**

This relates to the deficit on revaluation of serviced residence properties, mainly from the properties in China and Japan. The valuation of the serviced residence properties was conducted on 30 June 2009 by HVS International Pte Ltd. Refer to Para 8(i)(c).

**A.6 Foreign exchange (loss) / gain - unrealised**

The foreign exchange loss recognised in 2Q 2009 was mainly due to (1) unrealised revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of the US\$ against S\$, partly offset by (2) unrealised revaluation gain on S\$ bank loan in Australia subsidiary's books, as a result of the appreciation of A\$ against S\$ and (3) unrealised revaluation gain on US\$ shareholder's loan in Philippines subsidiary's books, as a result of the depreciation of US\$ against Peso.

**A.7 Income tax expense**

Taxation for 2Q 2009 was higher as compared to the corresponding period last year. This was mainly due to deferred tax expense arising from the change in value of serviced residence properties and deferred tax liability provided on unrealised exchange gain on US\$ shareholder's loan in Philippines subsidiary's books, partly offset by lower current tax provided on lower operating profit achieved.

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

	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
	2Q 2009 S\$'000	2Q 2008 S\$'000		YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000	
Trustee's fees*	13	11	-18	25	25	-
Depreciation (net of MI)	1,332	1,202	-11	2,923	2,376	-23
Net change in fair value of financial derivative (Note A.4)	5,097	(178)	n.m.	(639)	4,116	n.m.
Change in value of serviced residence properties (net of tax and MI) (Note A.5)	60,554	-	n.m.	60,554	-	n.m.
Unrealised exchange loss / (gain) (net of tax) (Note A.6)	4,769	6,274	24	(3,701)	4,446	n.m.
Manager's management fee payable / paid partially in units	966	993	3	1,833	1,940	6

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

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

	Note	GROUP		REIT	
		30/6/09 S\$'000	31/12/08 S\$'000	30/6/09 S\$'000	31/12/08 S\$'000
<b>Non-Current Assets</b>					
Plant and equipment		28,712	27,637	3,634	3,478
Serviced residence properties	1(b)(ii)	1,526,273	1,565,309	393,866	400,022
Interest in subsidiaries		-	-	112,552	105,827
Interest in associate		3,606	3,568	4,070	4,028
Deferred tax assets		1,915	2,838	-	-
		<b>1,560,506</b>	<b>1,599,352</b>	<b>514,122</b>	<b>513,355</b>
<b>Current Assets</b>					
Inventories		462	491	-	-
Trade receivables		4,847	5,701	665	1,295
Other receivables and deposits		24,480	25,950	659,413	652,527
Cash and bank balances		57,083	56,110	5,177	11,895
		<b>86,872</b>	<b>88,252</b>	<b>665,255</b>	<b>665,717</b>
<b>Total Assets</b>		<b>1,647,378</b>	<b>1,687,604</b>	<b>1,179,377</b>	<b>1,179,072</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	1(b)(iii)	(505,025)	(506,918)	(153,525)	(141,240)
Financial derivatives	1(b)(iv)	(13,656)	(15,521)	(11,000)	(11,638)
Deferred tax liabilities		(7,388)	(3,665)	-	-
		<b>(526,069)</b>	<b>(526,104)</b>	<b>(164,525)</b>	<b>(152,878)</b>
<b>Current Liabilities</b>					
Trade payables		(3,275)	(2,983)	(770)	(56)
Other payables		(65,916)	(72,034)	(36,557)	(39,459)
Interest bearing liabilities	1(b)(iii)	(136,622)	(117,515)	(110,405)	(92,868)
Provision for taxation		(4,608)	(4,004)	(612)	(570)
		<b>(210,421)</b>	<b>(196,536)</b>	<b>(148,344)</b>	<b>(132,953)</b>
<b>Total Liabilities</b>		<b>(736,490)</b>	<b>(722,640)</b>	<b>(312,869)</b>	<b>(285,831)</b>
<b>Net Assets</b>		<b>910,888</b>	<b>964,964</b>	<b>866,508</b>	<b>893,241</b>
Represented by:					
Unitholders' funds	1(d)(i)	837,251	899,030	866,508	893,241
Minority interests	1(d)(i)	73,637	65,934	-	-
<b>Total Equity</b>	1(d)(i)	<b>910,888</b>	<b>964,964</b>	<b>866,508</b>	<b>893,241</b>

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

The decrease in the Group's serviced residence properties as at 30 June 2009 was mainly due to the decrease in the valuation of properties and the foreign currency differences 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 Japanese Yen, against Singapore dollar. The decrease was partially offset by the acquisition of Somerset West Lake in Vietnam.

**1(b)(iii) Interest bearing liabilities**

	GROUP		REIT	
	30/6/09 S\$'000	31/12/08 S\$'000	30/6/09 S\$'000	31/12/08 S\$'000
<b>Amount repayable in one year or less or on demand</b>				
- Secured	26,217	23,927	-	-
- Unsecured	110,570	93,613	110,570	92,893
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(165)	(25)	(165)	(25)
	136,622	117,515	110,405	92,868
<b>Amount repayable after one year</b>				
- Secured	507,695	510,375	153,745	141,526
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured loans	(2,670)	(3,457)	(220)	(286)
	505,025	506,918	153,525	141,240
<b>Total</b>	<b>641,647</b>	<b>624,433</b>	<b>263,930</b>	<b>234,108</b>

**Details of collateral**

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residence properties and the assignment of the rights, titles and interests with respect to the properties
- Assignment of rental proceeds of the properties and insurance policies relating to the properties
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

**Capital Management**

As at 30 June 2009, the Group's gearing was 40.7 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines, with an average cost of debt of 3.4 percent per annum and an interest cover of 3.4 times. 70 percent of the Group's borrowings are on fixed rate or swapped to fixed rate.

Out of the Group's total borrowings, 21 percent is due for refinancing by December 2010 while 79 percent is due in 2011 and beyond.

**1(b)(iv) Financial derivatives**

The financial derivatives of S\$13.7 million provision relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US\$ bank loan to S\$ bank loan at the Group level, and the fair value of interest rate swaps, entered into by subsidiaries to hedge floating rate loans.



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

		<b>GROUP</b>			
Note	2Q 2009 S\$'000	2Q 2008 S\$'000	YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000	
<b>Operating Activities</b>					
	(57,653)	9,864	(31,666)	23,954	
<u>Adjustments for:</u>					
	1,455	1,304	3,156	2,583	
A.2	(13)	2	(6)	10	
	5,968	4,740	11,795	9,420	
	(155)	(294)	(325)	(494)	
	(225)	156	(172)	94	
	966	993	1,833	1,940	
	4,091	6,274	(4,379)	4,446	
	5,097	(178)	(639)	4,116	
	61,025	-	61,025	-	
	3	16	4	42	
	<b>20,559</b>	<b>22,877</b>	<b>40,626</b>	<b>46,111</b>	
1	(2,634)	(4,863)	(6,261)	(2,743)	
	<b>17,925</b>	<b>18,014</b>	<b>34,365</b>	<b>43,368</b>	
	(1,279)	(4,653)	(3,466)	(6,328)	
	<b>16,646</b>	<b>13,361</b>	<b>30,899</b>	<b>37,040</b>	
<b>Investing Activities</b>					
	(1,134)	(963)	(3,030)	(4,733)	
	(20,626)	-	(20,626)	-	
	-	(40,353)	-	(40,353)	
	(1,098)	-	(1,442)	(447)	
	155	294	325	494	
	25	6	30	2	
	<b>(22,678)</b>	<b>(41,016)</b>	<b>(24,743)</b>	<b>(45,037)</b>	
<b>Financing Activities</b>					
	-	-	(26,143)	(24,855)	
	(606)	(132)	(606)	(132)	
	(4,475)	(3,317)	(11,802)	(9,418)	
	38,287	34,883	58,459	58,749	
	924	981	1,930	1,746	
	(23,846)	(2,622)	(26,955)	(21,530)	
	<b>10,284</b>	<b>29,793</b>	<b>(5,117)</b>	<b>4,560</b>	
	<b>4,252</b>	<b>2,138</b>	<b>1,039</b>	<b>(3,437)</b>	
	<b>54,484</b>	<b>58,763</b>	<b>56,110</b>	<b>64,515</b>	
	(1,653)	(1,103)	(66)	(1,280)	
	<b>57,083</b>	<b>59,798</b>	<b>57,083</b>	<b>59,798</b>	

**Footnotes**

- (1) For 2Q 2009, the negative changes in working capital were mainly due to repayment of amounts owing to related parties and partial payment of manager's management fees.

1(d)(i) **STATEMENT OF CHANGES IN EQUITY**

	Note	GROUP		GROUP	
		2Q 2009 S\$'000	2Q 2008 S\$'000	YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000
<b><u>Unitholders' Contribution</u></b>					
<b>Balance as at beginning of period</b>		785,973	810,837	793,025	810,070
Issue of new units		924	980	1,930	1,747
Distribution to Unitholders		-	-	(8,058)	-
<b>Balance as at end of period</b>		<b>786,897</b>	<b>811,817</b>	<b>786,897</b>	<b>811,817</b>
<b><u>Operations</u></b>					
<b>Balance as at beginning of period</b>		103,361	158,327	98,780	173,280
Total return for the period attributable to Unitholders		(61,558)	5,332	(38,892)	15,234
Distribution to Unitholders		-	-	(18,085)	(24,855)
<b>Balance as at end of period</b>		<b>41,803</b>	<b>163,659</b>	<b>41,803</b>	<b>163,659</b>
<b><u>Foreign Currency Translation Reserve</u></b>					
<b>Balance as at beginning of period</b>		37,476	(12,916)	9,659	(9,919)
Translation differences relating to financial statements of foreign subsidiaries		(27,730)	(7,356)	87	(10,353)
<b>Balance as at end of period</b>		<b>9,746</b>	<b>(20,272)</b>	<b>9,746</b>	<b>(20,272)</b>
<b><u>Capital Reserve</u></b>					
<b>Balance as at beginning of period</b>		1,555	467	1,449	480
Translation adjustment		(94)	1	12	(12)
<b>Balance as at end of period</b>		<b>1,461</b>	<b>468</b>	<b>1,461</b>	<b>468</b>
<b><u>Hedging Reserve</u></b>					
<b>Balance as at beginning of period</b>		(3,788)	(1,378)	(3,883)	(970)
Change in fair value of financial derivatives		1,132	1,024	1,227	616
<b>Balance as at end of period</b>		<b>(2,656)</b>	<b>(354)</b>	<b>(2,656)</b>	<b>(354)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>837,251</b>	<b>955,318</b>	<b>837,251</b>	<b>955,318</b>
<b><u>Minority Interests</u></b>					
<b>Balance as at beginning of period</b>		71,924	64,761	65,934	65,672
Translation differences relating to financial statements of foreign subsidiaries		910	(1,403)	5,398	(3,811)
Total return for the period		803	1,468	2,305	2,965
<b>Balance as at end of period</b>	<b>1(b)(i)</b>	<b>73,637</b>	<b>64,826</b>	<b>73,637</b>	<b>64,826</b>
<b>Equity</b>	<b>1(b)(i)</b>	<b>910,888</b>	<b>1,020,144</b>	<b>910,888</b>	<b>1,020,144</b>

1(d)(i) **STATEMENT OF CHANGES IN EQUITY**

	Note	REIT		REIT	
		2Q 2009 S\$'000	2Q 2008 S\$'000	YTD Jun 2009 S\$'000	YTD Jun 2008 S\$'000
<b>Unitholders' Contribution</b>					
<b>Balance as at beginning of period</b>		785,973	810,837	793,025	810,070
Issue of new units		924	980	1,930	1,747
Distribution to Unitholders		-	-	(8,058)	-
<b>Balance as at end of period</b>		<b>786,897</b>	<b>811,817</b>	<b>786,897</b>	<b>811,817</b>
<b>Operations</b>					
<b>Balance as at beginning of period</b>		103,895	69,736	100,216	105,970
Total return for the period attributable to Unitholders		(24,284)	(3,805)	(2,520)	(15,184)
Distribution to Unitholders		-	-	(18,085)	(24,855)
<b>Balance as at end of period</b>		<b>79,611</b>	<b>65,931</b>	<b>79,611</b>	<b>65,931</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>866,508</b>	<b>877,748</b>	<b>866,508</b>	<b>877,748</b>

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

	REIT			
	2Q 2009 '000	2Q 2008 '000	YTD Jun 2009 '000	YTD Jun 2008 '000
<b>Balance as at beginning of period</b>	613,597	606,796	610,814	606,227
<b>Issue of new units :</b> - partial payment of manager's management fees	1,445	734	4,228	1,303
<b>Balance as at end of period</b>	<b>615,042</b>	<b>607,530</b>	<b>615,042</b>	<b>607,530</b>

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**

Except for the adoption of the Amendments to FRS 32 and FRS 1 (refer to item 5 below), 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 year ended 31 December 2008.

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**

The Group and the REIT have adopted the Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in the net assets attributable to unitholders of the Group (including the units in issue of the REIT) being classified as equity instead of a financial liability.

This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the Group's and REIT's statements of total return.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in:

	GROUP		REIT	
	30/6/09 S\$'000	31/12/08 S\$'000	30/6/09 S\$'000	31/12/08 S\$'000
Decrease in net assets attributable to unitholders	(837,251)	(899,030)	(866,508)	(893,241)
Increase in Unitholder's Funds	837,251	899,030	866,508	893,241

As a consequent change, minority interests have also been reclassified from non-current liabilities to equity in the consolidated financial statement of the Group. Distribution has also been presented separately to conform with the current year presentation.

Except for the above changes, there are no other changes to the accounting policies and methods of computation adopted by the Group and the REIT.

#### 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 2009	2Q 2008	YTD Jun 2009	YTD Jun 2008
<b>Earnings per unit (EPU)(cents)</b>				
Number of units on issue at end of period	615,042,272	607,530,312	615,042,212	607,530,312
Weighted average number of units for the period	614,232,464	607,239,808	612,917,282	606,874,021
<b>EPU (cents) – Basic and Diluted</b> (based on the weighted average number of units for the period)	(10.02)	0.88	(6.35)	2.51

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

	2Q 2009	2Q 2008	YTD Jun 2009	YTD Jun 2008
<b>Distribution per unit (DPU)(cents)</b>				
Number of units on issue at end of period	615,042,272	607,530,312	615,042,272	607,530,312
<b>DPU (cents) – Basic and diluted</b>	1.79	2.19	3.55	4.52

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

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

	Group		REIT	
	30/6/09	31/12/08	30/6/09	31/12/08
NAV per unit (\$)	1.36	1.47	1.41	1.46

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis – 2Q 2009 vs. 2Q 2008**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis			
		2Q 2009	2Q 2008	Better/ (Worse)			2Q 2009	2Q 2008	Better/ (Worse)		2Q 2009	2Q 2008	Better / (worse)	
		S\$'M	S\$'M		%		S\$'M	S\$'M		%	S\$/day	S\$/day	+/- %	
Singapore		6.2	9.3	(3.1)	-33		3.2	5.4	(2.2)	-41		154	252	-39
Australia		2.0	1.0	1.0	100		0.5	0.2	0.3	150		129	144	-10
China		8.6	10.6	(2.0)	-19		3.1	4.5	(1.4)	-31		117	144	-19
Indonesia		4.6	4.9	(0.3)	-6		1.5	1.7	(0.2)	-12		68	74	-8
Japan		4.2	4.2	-	-		2.8	2.7	0.1	4		135*	150*	-10
Philippines		7.3	7.2	0.1	1		3.2	3.1	0.1	3		141	140	1
Vietnam		10.1	8.9	1.2	13		6.5	5.8	0.7	12		128	146	-12
	<b>A.1</b>	<b>43.0</b>	<b>46.1</b>	<b>(3.1)</b>	<b>-7</b>	<b>A.1</b>	<b>20.8</b>	<b>23.4</b>	<b>(2.6)</b>	<b>-11</b>		<b>119</b>	<b>143</b>	<b>-17</b>

\* refers to serviced residences in Japan, excludes rental housing

Revenue in 2Q 2009 decreased by S\$3.1 million (7%) to S\$43.0 million. Gross profit in 2Q 2009 decreased by S\$2.6 million (11%) to S\$20.8 million. The decrease in operating performance was mainly due to weaker demand of serviced residences in Singapore and China as a result of the global economic slowdown and increased competition from new supply in Beijing and Shanghai, partially offset by contributions from the properties (Somerset St Georges Terrace and Somerset West Lake) acquired subsequent to 2Q 2008.

The Group achieved an overall REVPAU of S\$119 in 2Q 2009, a decrease of 17% as compared to 2Q 2008. The reduction in REVPAU was due to reduction in both average daily rates and occupancies at the Group's serviced residences.

For the Group's serviced residences in Singapore, revenue decreased by S\$3.1 million or 33% as compared to 2Q 2008. Overall REVPAU decreased by 39% from S\$252 in 2Q 2008 to S\$154 in 2Q 2009. This decrease was due to weaker demand from business travellers. This resulted in gross profit declining by S\$2.2 million or 41%.

For the Group's serviced residences in Australia, overall REVPAU in AUD terms increased by 10.6% from A\$113 in 2Q 2008 to A\$125 in 2Q 2009. Due to the weakening of AUD against SGD in 2Q 2009 as compared to Q2 2008, REVPAU in SGD terms reflected a decrease of 10% from S\$144 in 2Q 2008 to S\$129 in 2Q 2009. Revenue in 2Q 2009 increased by S\$1.0 million as a result of the inclusion of Somerset St Georges Terrace in the portfolio. In line with the increase in revenue, gross profit in 2Q 2009 increased by S\$0.3 million.

For the Group's serviced residences in China, revenue decreased by S\$2.0 million or 19% in 2Q 2009 as compared to 2Q 2008. Overall REVPAU decreased from S\$144 in 2Q 2008 to S\$117 in 2Q 2009. This was mainly due to low business traffic coupled with oversupply in Beijing and Shanghai. The Group's serviced residence in Tianjin continued to perform better in 2Q 2009 as compared to 2Q 2008 with REVPAU increased by 1.6%. In line with the decline in revenue, gross profit in 2Q 2009 decreased by S\$1.4 million or 31%.

For the Group's serviced residences in Indonesia, revenue decreased by S\$0.3 million or 6% as compared to 2Q 2008. Overall REVPAU decreased by 8% from S\$74 in 2Q 2008 to S\$68 in 2Q 2009. This decrease was due to the closure of apartment units at Somerset Grand Citra for rectification works. The loss of revenue from the closure is covered by business interruption insurance. In line with the decline in revenue, gross profit in 2Q 2009 decreased by S\$0.2 million or 12%.

For the Group's serviced residences in Japan, overall REVPAU decreased by 10% from S\$150 in 2Q 2008 to S\$135 in 2Q 2009. This was due to weakening demand from business travellers as a result of the global financial crisis and cancellation of bookings as a result of the outbreak of H1N1 virus in Japan. The rental housing properties continued to achieve high occupancy of about 90% and stable rental rates. Gross profit in 2Q 2009 increased by S\$0.1 million or 4%.

For the Group's serviced residences in The Philippines, overall REVPAU in Peso terms increased by 7.5% from PHP 4,206 in 2Q 2008 to PHP 4,523 in 2Q 2009. This increase was due to the asset enhancement of Ascott Makati. Due to the weakening of PHP against SGD in 2Q 2009 as compared to 2Q 2008, REVPAU in SGD terms reflected an increase of only 1% from S\$140 in 2Q 2008 to S\$141 in 2Q 2009. Revenue increased by S\$0.1 million or 1% as compared to 2Q 2008. In line with the increase in revenue, gross profit in 2Q 2009 increased by S\$0.1 million or 3%.

For the Group's serviced residences in Vietnam, revenue and gross profit in 2Q 2009 increased by S\$1.2 million and S\$0.7 million respectively. This was mainly due to the inclusion of Somerset West Lake in the portfolio. Overall REVPAU decreased by 12% from S\$146 in 2Q 2008 to S\$128 in 2Q 2009. However, this decline in REVPAU was offset by an increase in the office and shop rental income.

**8(i)(b) Revenue and Gross Profit Analysis - YTD Jun 2009 vs. YTD Jun 2008**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
		YTD Jun 2009	YTD Jun 2008	Better/ (Worse)	%		YTD Jun 2009	YTD Jun 2008	Better/ (Worse)	%	YTD Jun 2009	YTD Jun 2008	Better / (worse) +/-
		S\$'M	S\$'M			S\$'M	S\$'M			S\$/day	S\$/day	%	
Singapore		12.9	18.5	(5.6)	-30	6.9	11.1	(4.2)	-38	162	251	-35	
Australia		3.7	1.7	2.0	118	0.8	0.5	0.3	60	131	159	-18	
China		16.8	20.6	(3.8)	-18	5.5	8.6	(3.1)	-36	115	142	-19	
Indonesia		9.6	10.0	(0.4)	-4	3.6	3.5	0.1	3	71	74	-4	
Japan		8.7	8.4	0.3	4	5.4	5.5	(0.1)	-2	137*	141*	-3	
Philippines		14.4	14.9	(0.5)	-3	6.0	6.4	(0.4)	-6	139	140	-1	
Vietnam		19.0	17.9	1.1	6	12.5	11.5	1.0	9	132	144	-8	
<b>A.1</b>		<b>85.1</b>	<b>92.0</b>	<b>(6.9)</b>	<b>-8</b>	<b>A.1</b>	<b>40.7</b>	<b>47.1</b>	<b>(6.4)</b>	<b>-14</b>	<b>120</b>	<b>142</b>	<b>-15</b>

\* refers to serviced residences in Japan, excludes rental housing

For the 6-month period ended 30 Jun 2009 ("YTD Jun 2009"), including new properties which were acquired subsequent to June 2008, revenue, gross profit and REVPAU decreased by 8%, 14% and 15% respectively as compared to the 6-month period ended 30 June 2008 ("YTD Jun 2008"). Overall REVPAU declined by S\$22 from S\$142 in YTD Jun 2008 to S\$120 in YTD Jun 2009, driven by reduction in both average daily rates and occupancies at the Group's serviced residences,

**8(i)(c) Change in value of serviced residence properties**

The change in value of serviced residence properties has no impact on the unitholder's distribution.

Any increase or decrease in value is credited or charged to the Statement of Total Return as net appreciation or depreciation on revaluation of serviced residence properties.

As at 30 June 2009, independent desk top valuations were conducted by HVS International Pte Ltd for the Group's serviced residence properties, adopting the income approach using the Discounted Cash Flow analysis as the main method of valuation.

The Group's portfolio was revalued at S\$1,526.3 million, resulting in a reduction in the value of serviced residence properties of S\$61.0 million which was deducted from the Consolidated Statement of Total Return in 2Q 2009. The reduction resulted mainly from lower valuation of the Group's serviced residences in China and Japan. The net impact on the Consolidated Statement of Total Return was S\$60.6 million (net of tax and minority interest).

**9. PROSPECTS**

The global economic downturn continues to impact the Asian hospitality industry as reflected in our second quarter results. There are early signs that the decline in hospitality demand is levelling out, though the operating environment is expected to continue to be difficult and the timing and extent of economic recovery remain uncertain.

There are some initial signs of stabilisation in the markets in which the Group operates as it enters into the second half of the year. The Group's operating performance in 2009 is expected to be profitable but lower than 2008.

10. **DISTRIBUTIONS**

10(a) **Current financial period**

Any distributions declared for the current financial period? Yes  
Period of distribution : Distribution for 1 January 2009 to 30 June 2009

<b>Distribution Type</b>	<b>Distribution Rate (cents)</b>
Taxable Income	0.95
Tax Exempt Income	0.61
Capital	1.99
<b>Total</b>	<b>3.55</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 17%.

**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.

10(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 1 January 2008 to 30 June 2008

<b>Distribution Type</b>	<b>Distribution Rate (cents)</b>
Taxable Income	1.61
Tax Exempt Income	1.13
Capital	1.78
<b>Total</b>	<b>4.52</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 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.

- 10(c) Book closure date : 31 July 2009  
10(d) Date payable : 28 August 2009

**11. 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 as 30 June 2009 and the results of the business, consolidated statement of total return, consolidated cash flow statement and changes in equity for the six months ended 30 June 2009, together with their accompanying notes), 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  
23 July 2009