ASCOTT RESIDENCE TRUST

ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

INTRODUCTION

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

ART was directly held by The Ascott Group Limited up to and including 30 March 2006 (the "Private Trust"). On 31 March 2006 (the "Listing Date"), ART was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

ART's objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences or rental housing properties in the Pan-Asian Region. The initial portfolio of ART comprised 12 properties ("Initial Properties") which are located in five countries (Singapore, Indonesia, the Philippines, China and Vietnam).

In October 2006, ART completed the acquisition of a 90% interest in Somerset Olympic Tower, Tianjin and a 40% beneficiary interest in Somerset Roppongi, Tokyo. The acquisition of the remaining 10% interest in Somerset Olympic Tower, Tianjin and 26.8% interest in Somerset Chancellor Court, Ho Chi Minh City were completed in January 2007. In March 2007, ART completed the acquisition of a 100% interest in Ascott Makati, Manila and the additional 40.2% interest in Somerset Chancellor Court (bringing the total interest in the property to 67%). In April 2007, ART completed the acquisition of a 100% interest in Somerset Azabu East, Japan and the remaining 60% interest in Somerset Roppongi, Tokyo. The acquisition of a 100% interest in Somerset Gordon Heights, Melbourne was completed in May 2007. In December 2007, ART completed the acquisition of a 100% interest in 18 rental housing properties in Japan. Reconfiguration of Ascott Beijing and Somerset Olympic Tower have been completed in 3Q 2007, resulting in an increase of 48 apartment units. With these acquisitions and reconfiguration, ART's portfolio has expanded to 36 properties with 3,461 apartment units in 10 cities across seven countries.

As disclosed in the prospectus dated 6 March 2006 (the "Prospectus"), ART will distribute 100% of its taxable income and Net Overseas Income for the period from the Listing Date to 31 December 2006 and for the financial year ended 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. For FY 2008, ART will continue to distribute 100% of its taxable income and Net Overseas Income. ART will make distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions, when paid, will be in Singapore dollar.

As ART's acquisition of its Initial Properties was only completed on 1 March 2006, the comparative prior period financial results for YTD December 2006 is only for income derived for the period of 1 March 2006 to 31 December 2006 from the initial 12 properties. The financial results for 4Q 2007 is from income derived from 18 properties with 2,952 apartment units across seven countries.

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

	Note	GROUP 4Q 2007 S$'000	GROUP 4Q 2006 S$'000	Better/ (Worse) % +/-	GROUP YTD Dec 2007 S$'000	GROUP 19/1/06 to 31/12/06[1] S$'000	Better/ (Worse) % +/-
Revenue	A.1	42,891	29,127	47	154,837	89,811	72
Direct expenses	A.2	(23,740)	(15,843)	-50	(85,139)	(47,181)	-80
Gross Profit	A.1	19,151	13,284	44	69,698	42,630	63
Finance income		143	170	-16	776	422	84
Other operating income		511	286	79	927	1,042	-11
Finance costs	A.3	(3,556)	(3,450)	-3	(15,289)	(10,610)	-44
Manager's management fees		(1,603)	(1,178)	-36	(5,944)	(3,714)	-60
Trustee's fee		(44)	(33)	-33	(168)	(127)	-32
Professional fees	A.4	(269)	(52)	-417	(928)	(333)	-179
Audit fees		(230)	(81)	-184	(619)	(294)	-111
Foreign exchange gain - realised		214	17	n.m.	333	21	n.m.
Other operating expenses		(63)	(37)	-70	(261)	(319)	18
Share of profit of associates (net of tax)		36	152	-76	150	152	-1
Net income before changes in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange loss		**14,290**	**9,078**	**57**	**48,675**	**28,870**	**69**
Net change in fair value of financial derivative	A.5	(1,745)	(1,764)	1	(7,588)	(5,408)	-40
Renovation cost written off	A.6	(3,323)	-	n.m.	(3,323)	-	n.m.
Change in value of serviced residence properties	A.7	147,412	17,552	740	147,412	17,552	740
Foreign exchange gain / (loss) - unrealised	A.8	(1,921)	(51)	n.m.	3,463	(1,539)	325
Total return for the period before tax		**154,713**	**24,815**	**523**	**188,639**	**39,475**	**378**
Income tax expense	A.9	(15,491)	(2,264)	-584	(22,005)	(6,114)	-260
Total return for the period after tax		**139,222**	**22,551**	**517**	**166,634**	**33,361**	**399**
Minority interests		(2,500)	(3,945)	37	(6,097)	(6,281)	3
Total return for the period attributable to unitholders before distribution		**136,722**	**18,606**	**635**	**160,537**	**27,080**	**493**
Distribution to Unitholders from operations							
- Period from 19/1/06 to 30/3/06		-	-		-	(156)	
- Period from 31/3/06 to 30/6/06		-	-		-	(773)	
- Period from 1/7/06 to 31/12/06		-	-		(8,950)	-	
- Period from 1/1/07 to 25/3/07		-	-		(2,203)	-	
- Period from 26/3/07 to 30/6/07		-	-		(1,775)	-	
Total return for the period attributable to Unitholders after distribution		**136,722**	**18,606**	**635**	**147,609**	**26,151**	**464**

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

	Note	GROUP 4Q 2007 S$'000	GROUP 4Q 2006 S$'000	Better/ (Worse) % +/-	GROUP YTD Dec 2007 S$'000	GROUP 19/1/06 to 31/12/06[1] S$'000	Better/ (Worse) % +/-
Total return for the period attributable to unitholders before distribution		136,722	18,606	635	160,537	27,080	493
Net effect of non-tax deductible / chargeable items and other adjustments	A.10	(123,876)	(10,258)	n.m.	(115,468)	(2,503)	n.m.
Total amount distributable to Unitholders for the period		**12,846**	**8,348**	**54**	**45,069**	**24,577**	**83**
Comprises :							
- from operations		12,846	6,010		29,289	9,879	
- from unitholders' contributions		-	2,338		15,780	14,698	
		12,846	**8,348**	**54**	**45,069**	**24,577**	**83**

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 10-month period from 1 March 2006 to 31 December 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 4Q 2007 of S$42.9 million was 47% higher than 4Q 2006. Similarly, revenue for YTD Dec 2007 of S$154.8 million increased by 72% as compared to YTD Dec 2006. The increase in revenue was due to strong operating performance from the Group's serviced residences in Singapore, Philippines and Vietnam as well as the additional properties acquired subsequent to 4Q 2006. Overall revenue per available unit ("REVPAU") increased by 12% for 4Q 2007 and 9% for YTD Dec 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore and Philippines achieved the strongest REVPAU growth for 4Q 2007 and YTD Dec 2007 as compared to the corresponding period. On a same store basis, revenue for 4Q 2007 and YTD Dec 2007 increased by 8% and 34% respectively as compared to the corresponding period last year.

Gross profit

The improved performances from the Group's serviced residences, in particular Singapore, Philippines and Vietnam, and the inclusion of the results of the additional properties acquired resulted in the increase of the gross profit by 44%, from S$13.3 million for 4Q 2006 to S$19.2 million for 4Q 2007. On a same store basis, gross profit for 4Q 2007 increased by S$2.3 million or 17% as compared to 4Q 2006.

Gross profit for YTD Dec 2007 of S$69.7 million increased 63% over YTD Dec 2006 mainly due to the improved performances of the Group's serviced residences and additional properties acquired subsequent to YTD Dec 2006. On a same store basis, gross profit for YTD Dec 2007 increased by S$15.4 million or 36% as compared to YTD Dec 2006.

A.2 Direct expenses include the following items:

	GROUP		Better/ (Worse) % +/-	GROUP		Better/ (Worse) % +/-
	4Q 2007 S$'000	4Q 2006 S$'000		YTD Dec 2007 S$'000	19/1/06 to 31/12/06 S$'000	
Depreciation and amortisation	(2,808)	(1,061)	-165	(9,071)	(2,989)	-203
Staff costs	(4,077)	(3,719)	-10	(15,096)	(10,902)	-38

A.3 Finance costs

The higher finance costs in 4Q 2007 and YTD Dec 2007 was mainly due to additional bank loans taken up or assumed upon acquisition of new properties.

A.4 Professional Fees

Professional fees for 4Q 2007 and YTD Dec 2007 increased by S$0.2 million and S$0.6 million respectively as compared to the corresponding period last year. This was mainly due to the inclusion of the professional fees from the additional properties which were acquired subsequent to 4Q 2006 and increase in the valuation fees incurred for the revaluation of the Group's serviced residence properties.

A.5 Net change in fair value of financial derivative

The YTD Dec 2007 loss of $7.6 million relates to unrealized changes in the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ 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$6.3 million taken to the Statement of Total Return (refer to Para A.8). Hence, the net impact on the Group's net asset value was a decrease of S$1.3 million.

A.6 Renovation cost written off

This was due to the reconfiguration and refurbishment of Ascott Beijing and Somerset Olympic Tower.

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, China, Philippines and Vietnam.

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

The foreign exchange loss recognised in 4Q 2007 was mainly due to the 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$, partly offset by (1) unrealized revaluation gain on US$ bank loan in subsidiaries' books, as a result of the depreciation of US$ against RMB, and (2) unrealized revaluation gain on US$ shareholder's loan in Philippines subsidiary's books, as a result of the depreciation of US$ against Peso.

The foreign exchange gain for YTD Dec 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, and (2) unrealized revaluation gain on US$ shareholder's loan in Philippines subsidiary's books, as a result of the depreciation of US$ against Peso, partly offset by 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$.

A.9 Income tax expense

Taxation for 4Q 2007 and YTD Dec 2007 was higher by S$13.2 million and S$15.9 million respectively as compared to the corresponding period last year. This was mainly due to deferred tax provided on the change in value of serviced residence properties and unrealized exchange gain on US$ shareholder's loans, current tax on higher operating profit achieved and the unrealized revaluation gain on US$ bank loan recorded in a China subsidiary's books (refer to Para A.8), which is taxable in China.

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

	GROUP		Better/ (Worse) % +/-	GROUP		Better/ (Worse) % +/-
	4Q 2007 S$'000	**4Q 2006 S$'000**		**YTD Dec 2007 S$'000**	**19/1/06 to 31/12/06 S$'000**	
Trustee's fees*	9	14	36	45	54	17
Depreciation (net of MI)	2,665	971	-174	8,541	2,699	-216
Net change in fair value of financial derivative (Note A.5)	1,745	1,764	1	7,588	5,408	-40
Renovation cost written off	3,323	-	n.m.	3,323	-	n.m.
Change in value of serviced residence properties (net of tax and MI) (Note A.7)	(136,949)	(14,066)	874	(136,949)	(14,066)	874
Unrealised exchange loss / (gain) (net of tax) (Note A.8)	4,051	51	n.m.	(1,333)	1,539	187
Deferred tax – unutilized loss	691	-	n.m.	691	-	n.m.
Partial manager's management fee payable in units	802	589	-36	2,972	1,857	-60

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

1(b)(i) BALANCE SHEET

	Note	GROUP 31/12/07 S$'000	GROUP 31/12/06 S$'000	REIT 31/12/07 S$'000	REIT 31/12//06 S$'000
Non-Current Assets					
Plant and equipment		21,271	13,069	3,427	3,640
Serviced residence properties	1(b)(ii)	1,559,202	982,567	399,973	288,278
Interest in subsidiaries	1(b)(iii)	-	-	106,121	90,326
Interest in associate	1(b)(iv)	3,591	9,558	4,057	-
Deferred tax assets		2,436	4,284	-	-
		1,586,500	**1,009,478**	**513,578**	**382,244**
Current Assets					
Inventories		438	231	-	-
Trade receivables	1(b)(v)	10,545	4,135	1,411	840
Other receivables and deposits	1(b)(vi)	27,097	27,547	610,154	400,185
Cash and bank balances	1(b)(vii)	64,515	36,267	12,636	12,714
		102,595	**68,180**	**624,201**	**413,739**
Total Assets		**1,689,095**	**1,077,658**	**1,137,779**	**795,983**
Non-Current Liabilities					
Interest bearing liabilities	1(b)(viii)	(364,342)	(286,140)	(121,446)	(116,991)
Financial derivatives	1(b)(ix)	(13,966)	(5,408)	(12,996)	(5,408)
Deferred tax liabilities		(13,932)	(3,474)	-	-
Minority interests		(65,672)	(53,175)	-	-
Net assets attributable to unitholders	1(d)(i)	(972,941)	(661,812)	(916,040)	(642,674)
		(1,430,853)	**(1,010,009)**	**(1,050,482)**	**(765,073)**
Current Liabilities					
Trade payables		(3,606)	(3,159)	(75)	(63)
Other payables	1(b)(x)	(74,659)	(55,680)	(28,365)	(30,582)
Interest bearing liabilities	1(b)(viii)	(177,375)	(7,342)	(58,380)	-
Provision for taxation		(2,602)	(1,468)	(477)	(265)
		(258,242)	**(67,649)**	**(87,297)**	**(30,910)**
Total Liabilities		**(1,689,095)**	**(1,077,658)**	**(1,137,779)**	**(795,983)**

1(b)(ii) Serviced residence properties

The increase in the Group's serviced residence properties as at 31 December 2007 was mainly due to an increase in the valuation of the properties and the acquisition of 23 properties subsequent to 4Q 2006. 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 23 properties in 2007.

1(b)(iv) Interest in associate

Interest in associate as at 31 December 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 31 December 2007.

1(b)(v) Trade receivables

The increase in the Group's trade receivables as at 31 December 2007 was mainly due to the consolidation of trade receivables on the acquisition of 23 properties in 2007.

1(b)(vi) Other receivables and deposits

The increase in the Group's other receivables and deposits as at 31 December 2007 was mainly due to the consolidation of other receivables and deposits on the acquisition of 23 properties in 2007.

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

1(b)(vii) Cash and bank balances

The increase in the Group's cash and bank balances as at 31 December 2007 was mainly due to the consolidation of cash and bank balances as a result of the acquisition of 23 properties in 2007.

1(b)(viii) Interest bearing liabilities

		GROUP		REIT	
		31/12/07 S$'000	31/12/06 S$'000	31/12/07 S$'000	31/12/06 S$'000
Secured borrowings					
- Amount repayable in one year or less or on demand		177,375	7,342	-	-
- Amount repayable after one year		366,693	286,690	180,244	117,541
Less: Fees and expenses incurred for debt raising exercise amortised over the tenure of secured loans		(2,351)	(550)	(418)	(550)
		364,342	286,140	179,826	116,991
Total	(1)	541,717	293,482	179,826	116,991

(1) The increase in the Group's borrowings as at 31 December 2007 was mainly due to the assumption of bank loans of approximately S$51.3 million on the acquisition of Somerset Chancellor Court and Somerset Roppongi, and additional bank loans of approximately S$216.8 million drawn down for the acquisition of Somerset Azabu East and 18 rental housing properties in Japan, partially offset by repayment of bank loans of approximately S$8.3 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.

In February 2007, Moody's Investors Service assigned a Baa2 corporate family investment grade rating to ART. As at 31 December 2007, ART's gearing was 33.1%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Fund Guidelines.

Details of collateral

The borrowings of the Group are generally secured by:

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

1(b)(ix) Financial derivative

The S$14.0 million relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ bank loan to S$ bank loan at the Group level, and the fair value of interest rate swaps, entered into by two subsidiaries to hedge floating rate loans.

1(b)(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 23 properties in 2007.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	Note	GROUP 4Q 2007 S$'000	GROUP 4Q 2006 S$'000	GROUP YTD Dec 2007 S$'000	GROUP 19/1/06 to 31/12/06(1) S$'000
Operating Activities					
Total return for the period before tax		154,713	24,815	188,639	39,475
Adjustments for:					
Depreciation and amortization	A.2	2,808	1,061	9,071	2,989
Loss / (Gain) on disposal of plant and equipment		25	(5)	133	(5)
Finance costs		3,556	3,450	15,289	10,610
Finance income		(143)	(170)	(776)	(422)
Foreign exchange loss – unrealized		-	51	-	1,539
Net change in fair value of financial derivative		1,745	1,764	7,588	5,408
Renovation cost written off		3,323	-	3,323	-
Gain from change in value of serviced residence properties		(147,412)	(17,552)	(147,412)	(17,552)
Share of profit of associate		(36)	(152)	(150)	(152)
Operating profit before working capital changes		**18,579**	**13,262**	**75,705**	**41,890**
Changes in working capital	2	6,187	3,457	3,375	(26,241)
Cash generated from operations		**24,766**	**16,719**	**79,080**	**15,649**
Income tax paid		(1,747)	(1,539)	(9,727)	(5,470)
Cash flows from operating activities		**23,019**	**15,180**	**69,353**	**10,179**
Investing Activities					
Acquisition of plant and equipment		(1,266)	(6,987)	(7,256)	(9,949)
Acquisition of serviced residence properties		(168,721)	-	(257,725)	(63,152)
Acquisition of subsidiaries, net of cash acquired		-	(37,188)	(123,078)	(13,306)
Acquisition of associate		-	(9,071)	(4,375)	(9,071)
Capital expenditure on serviced residence properties		(3,002)	(1,321)	(10,116)	(1,644)
Interest received		143	220	776	2,822
Proceeds from sale of plant and equipment		(22)	23	1,111	23
Cash flows from investing activities		**(172,868)**	**(54,324)**	**(400,663)**	**(94,277)**
Financing Activities					
Distribution to unitholders		-	-	(35,088)	(9,680)
Dividend paid to minority shareholders		(969)	(1,395)	(3,235)	(1,395)
Interest paid		(2,344)	(1,940)	(14,466)	(9,622)
Payment of issue expenses		(434)	(21)	(4,157)	(6,082)
Proceeds from bank borrowings		168,674	-	222,696	119,235
Proceeds from issue of new units		795	-	202,790	49,127
Repayment of bank borrowings		(1,666)	(2,017)	(8,320)	(21,218)
Cash flows from financing activities		**164,056**	**(5,373)**	**360,220**	**120,365**
(Decrease) / Increase in cash & cash equivalents		**14,207**	**(44,517)**	**28,910**	**36,267**
Cash and cash equivalents at beginning of the period		**50,768**	**80,784**	**36,267**	**-**
Effect of exchange rate changes on balances held in foreign currencies		(460)	-	(662)	-
Cash and cash equivalents at end of the period		**64,515**	**36,267**	**64,515**	**36,267**

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 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) *The negative changes in working capital were mainly due to repayment of amounts owing to related companies / parties payment of acquisition costs and partial manager's management fees.*

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

	Note	GROUP 4Q 2007 S$'000	GROUP 4Q 2006 S$'000	GROUP YTD Dec 2007 S$'000	GROUP 19/1/06 to 31/12/06 S$'000
Unitholders' Contribution					
Balance as at beginning of period		809,709	633,618	633,597	-
Issue of new units		795	-	202,790	648,430
Issue expenses		(434)	(21)	(4,157)	(6,082)
Distribution to Unitholders		-	-	(22,160)	(8,751)
Balance as at end of period		**810,070**	**633,597**	**810,070**	**633,597**
Operations [1]					
Balance as at beginning of period		36,972	7,545	26,151	-
Change in net assets attributable to unitholders resulting from operations after distribution		136,722	18,606	147,609	26,151
Transfer to statutory reserve		(414)	-	(480)	-
Balance as at end of period		**173,280**	**26,151**	**173,280**	**26,151**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(3,529)	(2,625)	2,064	-
Translation differences relating to financial statements of foreign subsidiaries		(6,390)	4,689	(11,983)	2,064
Balance as at end of period		**(9,919)**	**2,064**	**(9,919)**	**2,064**
Statutory Reserve					
Balance as at beginning of period		66	-	-	-
Transfer from Operations		414	-	480	-
Balance as at end of period		**480**	**-**	**480**	**-**
Hedging Reserve					
Balance as at beginning of period		(273)	-	-	-
Change in fair value of financial derivative		(697)	-	(970)	-
Balance as at end of period		**(970)**	**-**	**(970)**	**-**
Net Assets Attributable to Unitholders	1(b)(i)	**972,941**	**661,812**	**972,941**	**661,812**

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 10-month period from 1 March 2006 to 31 December 2006 as there was no income from 19 January 2006 to 28 February 2006.

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

	Note	REIT 4Q 2007 S$'000	REIT 4Q 2006 S$'000		REIT YTD Dec 2007 S$'000	REIT 19/1/06 to 31/12/06 S$'000
Unitholders' Contribution						
Balance as at beginning of period		809,709	633,618		633,597	-
Issue of new units		795	-		202,790	648,430
Issue expenses		(434)	(21)		(4,157)	(6,082)
Distribution to Unitholders		-	-		(22,160)	(8,751)
Balance as at end of period		**810,070**	**633,597**		**810,070**	**633,597**
Operations [(1)]						
Balance as at beginning of period		775	(6,106)		9,077	-
Change in net assets attributable to unitholders resulting from operations after distribution		105,195	15,183		96,893	9,077
Balance as at end of period		**105,970**	**9,077**		**105,970**	**9,077**
Net Assets Attributable to Unitholders	**1(b)(i)**	**916,040**	**642,674**		**916,040**	**642,674**

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 10-month period from 1 March 2006 to 31 December 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 4Q 2007 '000	REIT 4Q 2006 '000	REIT YTD Dec 2007 '000	REIT 19/1/06 to 31/12/06 '000
Balance as at beginning of period	605,661	498,639	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 partial manager's management fees	566	-	2,007	639
- payment of manager's acquisition fee	-	-	247	-
- placement on 25 September 2006	-	-		44,000
- equity fund raising on 26 March 2007	-	-	105,334	-
Balance as at end of period	**606,227**	**498,639**	**606,227**	**498,639**

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.

Earnings per unit (EPU)(cents)	**4Q 2007**	**4Q 2006**	**YTD Dec 2007**	**19/1/06 to 31/12/06**
Number of units on issue at end of period	606,226,741	498,638,579	606,226,741	498,638,579
Weighted average number of units for the period	605,851,543	498,638,579	580,817,648	468,316,884
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	22.57	3.73	27.64	5.78

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

Distribution per unit (DPU)(cents)	**4Q 2007**	**4Q 2006**	**YTD Dec 2007**	**19/1/06 to 31/12/06**
Number of units on issue at end of period	606,226,741	498,638,579	606,226,741	498,638,579
DPU (cents) – Basic and diluted	2.12	1.65	7.70	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**

	Group		**REIT**	
	31/12/07	**31/12/06**	**31/12/07**	**31/12/06**
NAV per unit ($)	1.60	1.33	1.51	1.29

8(i) GROUP PERFORMANCE REVIEW

8(i)(a) Revenue and Gross Profit Analysis – 4Q 2007 vs. 4Q 2006

	Ref	Revenue				Ref	Gross Profit					REVPAU Analysis		
		4Q 2007	4Q 2006	Better/ (Worse)			4Q 2007	4Q 2006	Better/ (Worse)			4Q 2007	4Q 2006	Better/ (Worse) +/-
		S$'M		S$M	%		S$'M		S$'M	%		S$/day	S$/day	%
Singapore		8.2	6.4	1.8	*28*		4.5	2.5	2.0	*80*		214	162	32
China		10.7	10.1	0.6	*6*		4.7	4.5	0.2	*4*		149	149	-
Indonesia		5.0	5.6	(0.6)	*-11*		1.8	2.3	(0.5)	*-22*		73	78	-6
Philippines		7.8	1.4	6.4	*457*		1.6	0.6	1.0	*167*		141	69	104
Vietnam		8.5	5.6	2.9	*52*		5.5	3.4	2.1	*62*		140	134	4
Australia		0.6	-	0.6	*n.m.*		0.2	-	0.2	*n.m.*		147	-	n.m.
Japan		2.1	-	2.1	*n.m.*		0.9	-	0.9	*n.m.*		146	-	n.m.
	A.1	**42.9**	**29.1**	**13.8**	***47***	**A.1**	**19.2**	**13.3**	**5.9**	***44***		**138**	**123**	**12**

Revenue grew 47% from S$29.1 million for 4Q 2006 to S$42.9 million for 4Q 2007. The increase in revenue was due to strong operating performance from the Group's serviced residences in Singapore, Philippines and Vietnam as well as additional properties acquired subsequent to 4Q 2006. Overall revenue per available unit ("REVPAU") increased by 12% from S$123 for 4Q 2006 to S$138 for 4Q 2007, mainly driven by higher average daily rates. Serviced residence operations in Singapore and Philippines achieved the strongest REVPAU growth for 4Q 2007 as compared to the corresponding period. On a same store basis, revenue for 4Q 2007 increased by S$2.4 million or 8% as compared to 4Q 2006.

In line with the increased revenue, gross profit for 4Q 2007 of S$19.2 million was higher by 44% as compared to 4Q 2006. This was mainly attributable to the improved performances from the Group's serviced residences, in particular Singapore, Philippines and Vietnam, and the inclusion of the results of the additional properties acquired subsequent to 4Q 2006. On a same store basis, gross profit for 4Q 2007 increased by S$2.3 million or 17% as compared to 4Q 2006.

In Singapore, the Group's serviced residences continued to deliver strong results. Revenue increased by S$1.8 million or 28% as compared to 4Q 2006. Overall REVPAU increased by 32% from S$162 for 4Q 2006 to S$214 in 4Q 2007. With the continuation of strong demand for accommodation and strong inward foreign direct investment into Singapore, the Group increased its average daily rates while maintaining occupancy above 90%. As a result, the gross profit of Singapore operations for 4Q 2007 exceeded that of 4Q 2006 by 80%.

For China operations, revenue increased by 6% in 4Q 2007 as compared to 4Q 2006. This was mainly due to the completion of the reconfiguration programme in Ascott Beijing with an increase in the number of apartment units. Despite an increase in revenue of S$0.6 million, gross profit for 4Q 2007 was higher than 4Q 2006 by only S$0.2 million due to an increase in property tax for Ascott Beijing as a result of an increase in the assessed value.

In Indonesia, revenue and gross profit for 4Q 2007 declined by S$0.6 million and S$0.5 million respectively as compared to 4Q 2006. This was mainly attributed to a drop in REVPAU for 4Q 2007 from S$78 in 4Q 2006 to S$73 in 4Q 2007. Keen competition caused by an increased supply of serviced residences, a major road closure and massive construction activities around Ascott Jakarta contributed to the drop in average daily rate for 4Q 2007.

In Philippines, the Group's serviced residences continued to show strong results. Revenue, gross profit and REVPAU for 4Q 2007 increased by 457%, 167% and 104% respectively as compared to 4Q 2006. The strong growth was due to the inclusion of Ascott Makati in the portfolio and healthy increase in average daily rate for Somerset Millennium. On a same store basis, revenue, gross profit and REVPAU increased by 29%, 17% and 20% respectively.

In Vietnam, revenue increased by S$2.9 million or 52% as compared to 4Q 2006. This increase was due to the inclusion of Somerset Chancellor Court in the portfolio and higher average daily rates achieved while maintaining occupancy above 90%. The rate increases were driven by strong demand in Vietnam for quality serviced residences as a result of higher influx of foreign investments, and a limited supply of internationally managed serviced residences. In line with the increased revenue, gross profit was higher than 4Q 2006 by S$2.1 million or 62%. On a same store basis, revenue and gross profit increased by 5% and 15% respectively as compared to 4Q 2006.

For Australia, revenue and gross profit for 4Q 2007 is derived from Somerset Gordon Heights, Melbourne, which was acquired on 28 May 2007.

For Japan, revenue and gross profit for 4Q 2007 is derived from Somerset Roppongi, Tokyo and Somerset Azabu East, Tokyo which were acquired on 5 April 2007.

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

		Revenue					Gross Profit				REVPAU Analysis		
	Ref	YTD Dec 2007 S$'M	19/1/06 to 31/12/06 S$'M	Better/ (Worse) S$'M	%	Ref	YTD Dec 2007 S$'M	19/1/06 to 31/12/06 S$'M	Better/ (Worse) S$'M	%	YTD Dec 2007 S$/day	19/1/06 to 31/12/06 S$/day	Better/ (Worse) +/- %
Singapore		30.6	20.4	10.2	*50*		16.6	9.5	7.1	*75*	201	159	*26*
China		40.4	27.7	12.7	*46*		17.0	12.2	4.8	*39*	145	149	*-3*
Indonesia		19.9	18.7	1.2	*6*		7.3	8.1	(0.8)	*-10*	72	81	*-11*
Philippines		25.6	4.7	20.9	*445*		6.1	1.7	4.4	*259*	130	69	*88*
Vietnam		30.7	18.3	12.4	*68*		19.1	11.1	8.0	*72*	135	129	*5*
Australia		1.2	-	1.2	*n.m.*		0.4	-	0.4	*n.m.*	116	-	*n.m.*
Japan		6.4	-	6.4	*n.m.*		3.2	-	3.2	*n.m.*	151	-	*n.m.*
	A.1	**154.8**	**89.8**	**65.0**	***72***	**A.1**	**69.7**	**42.6**	**27.1**	***64***	**132**	**121**	***9***

For YTD Dec 2007, including the additional properties which were acquired subsequent to December 2006, revenue, gross profit and REVPAU increased by 72%, 64% and 9% respectively as compared to the 10-month period ended 31 December 2006. Overall REVPAU improved by S$11 from S$121 in YTD Dec 2006 to S$132 in YTD Dec 2007, mainly driven by an increase in the average daily rates. On a same store basis, revenue, gross profit and REVPAU increased by 34%, 36% and 6% respectively as compared to YTD Dec 2006.

8(i)(c) Total Return

Total Return	**4Q 2007 S$'000**	**4Q 2006 S$'000**	Better/ (Worse) +/- %
Operating net profit	8,678	6,338	37
Net change in fair value of financial derivative	(1,745)	(1,764)	1
Renovation cost written off	(3,323)	-	n.m.
Change in value of serviced residence properties (net of tax and MI)	136,949	14,066	874
Foreign exchange gain / (loss) (net of tax)	(3,837)	(34)	n.m.
Total return attributable to unitholders	**136,722**	**18,606**	**635**

The Group achieved a 37% increase in operating net profit from S$6.3 million in 4Q 2006 to S$8.7 million in 4Q 2007 due to higher gross profit achieved as explained in Para 8(i)(a) above. Including foreign exchange differences and net change in fair value of financial derivative and serviced residence properties, the total return to unitholders in 4Q 2007 was S$136.7 million, a 635% increase over S$18.6 million recorded in 4Q 2006.

Total Return	**YTD Dec 2007 S$'000**	**19/1/06 to 31/12/06 S$'000**	Better/ (Worse) +/- %
Operating net profit	32,833	19,940	65
Net change in fair value of financial derivative	(7,588)	(5,408)	-40
Renovation cost written off	(3,323)	-	n.m.
Change in value of serviced residence properties (net of tax and MI)	136,949	14,066	874
Foreign exchange gain / (loss) (net of tax)	1,666	(1,518)	210
Total return attributable to unitholders	**160,537**	**27,080**	**493**

Similarly, the Group's operating performance in YTD Dec 2007 exceeded that of the period YTD Dec 2006. The operating net profit for YTD Dec 2007 was S$32.8 million vs. S$19.9 million in YTD Dec 2006, an improvement of S$12.9 million or 65%. Including foreign exchange differences and net change in fair value of financial derivative and serviced residence properties, the total return to unitholders in YTD Dec 2007 was S$160.5 million, a 493% increase over the S$27.1 million recorded in YTD Dec 2006.

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

9(i) Consolidated Statement of Total Return for the period of 1 October 2007 to 31 December 2007

		Actual S$'000	Forecast[1] S$'000	Better/ (Worse) % +/-
Revenue	(a)	42,891	38,977	10
Direct expenses		(23,740)	(20,976)	-13
Gross Profit	(a)	19,151	18,001	6
Finance income		143	-	n.m.
Other operating income		511	129	296
Finance costs	(b)	(3,556)	(4,300)	17
Manager's management fees		(1,603)	(1,531)	-5
Trustee's fee		(44)	(81)	46
Professional fees		(269)	(172)	-56
Audit fees		(230)	(127)	-81
Foreign exchange gain (realized)	(c)	214	-	n.m.
Other operating expenses		(63)	(245)	74
Share of profit of associate		36	-	n.m.
Net Income before change in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange gain		**14,290**	**11,674**	**22**
Net change in fair value of financial derivative	(d)	(1,745)	-	n.m.
Renovation cost written off	(e)	(3,323)	-	n.m.
Change in value of serviced residence properties	(f)	147,412	-	n.m.
Foreign exchange loss (unrealized)	(g)	(1,921)	-	n.m.
Total return for the period before tax		**154,713**	**11,674**	**n.m.**
Income tax expense	(h)	(15,491)	(1,803)	-759
Total return for the period after tax		**139,222**	**9,871**	**n.m.**
Minority interests		(2,500)	(1,122)	-123
Total return for the period attributable to Unitholders before distribution	(i)	**136,722**	**8,749**	**n.m.**

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

		Actual S$'000	Forecast[1] S$'000	Better/ (Worse) % +/-
Total return for the period attributable to Unitholders before distribution		136,722	8,749	n.m.
Net effect of non-tax deductible / chargeable items and other adjustments	(j)	(123,876)	2,260	n.m.
Total amount distributable to Unitholders for the period	(i)	**12,846**	**11,009**	**17**
Distribution per unit (in cents) - for the period		2.12	1.82	16

Footnote

(1) *The forecast is extracted from the Offer Information Statement dated 12 March 2007, prorated for 1 October 2007 to 31 December 2007 and is based on the assumptions set out in the Offer Information Statement.*

(a) **Revenue and Gross Profit Analysis – 4Q 2007 Actual vs Forecast**

	Revenue				Gross Profit				REVPAU Analysis		
	Actual	Forecast[1]	Better/ (Worse)		Actual	Forecast[1]	Better/ (Worse)		Actual	Forecast[1]	Better/ (Worse) +/-
	S$'M	S$'M	S$'M	%	S$'M	S$'M	S$'M	%	S$/day	S$/day	%
Singapore	8.2	6.3	1.9	*30*	4.5	3.3	1.2	*36*	214	164	*30*
China	10.7	10.8	(0.1)	*-1*	4.7	4.7	-	-	149	158	*-6*
Indonesia	5.0	5.3	(0.3)	*-6*	1.8	1.7	0.1	*6*	73	77	*-5*
Philippines	7.8	6.3	1.5	*24*	1.6	2.2	(0.6)	*-27*	141	113	*25*
Vietnam	8.5	7.4	1.1	*15*	5.5	4.5	1.0	*22*	140	116	*21*
Australia	0.6	0.5	0.1	*20*	0.2	0.2	-	-	147	116	*27*
Japan	2.1	2.4	(0.3)	*-13*	0.9	1.4	(0.5)	*-36*	146	173	*-16*
	42.9	**39.0**	**3.9**	***10***	**19.2**	**18.0**	**1.2**	***7***	**138**	**124**	***11***

Footnote

(1) *The forecast is extracted from the Offer Information Statement dated 12 March 2007, prorated for 1 October 2007 to 31 December 2007 and is based on the assumptions set out in the Offer Information Statement.*

Revenue is higher by S$3.9 million or 10% as compared to the forecast. The increase in revenue was due to a 11% growth in the overall REVPAU from S$124 assumed in the forecast to S$138 in 4Q 2007. In line with the increased revenue, gross profit increased by S$1.2 million or 7%.

In Singapore, revenue and gross profit of the Group's serviced residence increased by 30% and 36% respectively. This was mainly due to an increase in the REVPAU from S$164 assumed in the forecast to S$214 in 4Q 2007, mainly driven by increase in the average daily rates. The improvement in the gross profit was due mainly to higher rates achieved.

In China, revenue of the Group's serviced residence declined by S$0.1 million or 1% as compared to the forecast. This was due to growing competition arising from the increase in supply of serviced residence in Shanghai and Beijing. Despite lower revenue, gross profit for 4Q 2007 was at the same level as the forecast due to improved cost management.

In Indonesia, revenue decreased by 6% as compared to the forecast due to a decrease in the REVPAU from S$77 assumed in the forecast to S$73 in 4Q 2007. Despite the drop in revenue, gross profit for 4Q 2007 was higher than the forecast by S$0.1 million or 6%, as a result of lower staff costs and depreciation expense.

In Philippines, revenue increased by S$1.5 million or 24% 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$0.6 million mainly due to higher utilities and higher depreciation expense as a result of alignment of the depreciation rates to the Group's policy.

In Vietnam, revenue of the Group's serviced residence increased by S$1.1 million or 15% 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$140 in 4Q 2007. In line with the increased revenue, gross profit increased by S$1.0 million or 22% as compared to the forecast, due mainly to higher rates achieved.

In Australia, revenue of the Group's serviced residence for 4Q 2007 is higher by S$0.1 million as compared to the forecast as a result of an increase in the REVPAU from S$116 assumed in the forecast to S$147 in 4Q 2007. Gross profit for 4Q 2007 was at the same level as the forecast.

In Japan, revenue and gross profit declined by S$0.3 million and S$0.5 million respectively as compared to the forecast. This was mainly attributed to slower corporate traffic than expected coupled with increased competition from several newly opened properties.

(b) Finance costs were S$0.7 million lower than the forecast. This was mainly due to lower borrowings as compared to the forecast.

(c) This relates to an adjustment to reclassify realized exchange loss in 3Q 2007 to unrealized exchange loss in 4Q 2007.

(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.5 on Page 4.

(e) This was due to the reconfiguration and refurbishment of Ascott Beijing and Somerset Olympic Tower.

(f) This relates to the surplus on revaluation of serviced residence properties, mainly from the properties in Singapore, China, Philippines and Vietnam.

(g) The foreign exchange loss recognised in 4Q 2007 was mainly due to the 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$, partly offset by (1) unrealized revaluation gain on US$ bank loan in subsidiaries' books, as a result of the depreciation of US$ against RMB, and (2) unrealized revaluation gain on US$ shareholder's loan in Philippines subsidiary's books, as a result of the depreciation of US$ against Peso.

(h) Income tax expense was higher by S$13.7 million as compared to the forecast. This was mainly due to deferred tax provided on the change in value of serviced residence properties and unrealized exchange gain on US$ shareholder's loan, current tax on higher operating profit achieved and the unrealized revaluation gain on US$ bank loan recorded in a China subsidiary's books (refer to Para g), which is taxable in China.

(i) Total return attributable to unitholders was S$136.7 million, an increase of S$128.0 million over the forecast of S$8.7 million. Total unitholders' distribution for the period was S$1.8 million or 17% higher than the forecast as a result of better operating performance.

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

	Actual S$'000	Forecast S$'000	Better/ (Worse) +/- %
Trustee's fees *	9	12	25
Depreciation (net of MI)	2,665	1,149	-132
Net change in fair value of financial derivative (Para d above)	1,745	-	n.m.
Renovation cost written off (Para e above)	3,323	-	n.m.
Change in value of serviced residence properties (net of tax and MI) (Para f above)	(136,949)	-	n.m.
Unrealized exchange loss (net of tax) (Para g above)	4,051	-	n.m.
Partial manager's management fee payable in units	802	541	-48

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

10. PROSPECTS

The global economy in 2008 may be affected by the lower growth expected in the United States, which may in turn have some impact on the Asian hospitality industry.

The Group's geographical diversity and extended stay business model allows it to continue to enjoy a high degree of income stability.

The Group will continue to actively manage its portfolio to optimise its potential for organic growth and continue to source for yield-accretive acquisitions.

The Group's operating performance in 2008 is expected to continue to grow.

11. DISTRIBUTIONS

11(a) **Current financial period**
Any distributions declared for the current financial period? Yes
Period of distribution : Distribution for 1 July 2007 to 31 December 2007

Distribution Type	Distribution Rate (cents)
Taxable Income	1.29
Tax Exempt Income	1.21
Capital	1.60
Total	**4.10**

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.

For FY 2008, ART will continue to distribute 100% of its taxable income and Net Overseas Income.

11(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding 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
Total	**1.431**	**1.739**	**3.170**

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
Total	**1.739**

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(c) Book closure date : 1 February 2008

11(d) Date payable : 28 February 2008

12. INTERESTED PERSON TRANSACTIONS

Name of Interested Person	**Aggregate value* of all interested person transactions during the financial year under review (excluding transactions less than $100,000)**
	S$'000
The Ascott Group Limited & its subsidiaries	39,940

* The aggregate value is for the contract period.

13. SEGMENT REVENUE AND RESULTS

YTD Dec 2007	Singapore S$'000	China S$'000	Vietnam S$'000	Indonesia S$'000	Philippines S$'000	Japan S$'000	Australia S$'000	Total S$'000
Revenue	30,620	40,384	30,731	19,916	25,602	6,415	1,169	154,837
Direct expenses	(13,998)	(23,382)	(11,626)	(12,640)	(19,497)	(3,232)	(764)	(85,139)
Gross Profit	16,622	17,002	19,105	7,276	6,105	3,183	405	69,698
Share of after-tax profit of Associate								150
Finance income								776
Finance costs								(15,289)
Unallocated net expenses								(6,660)
Net income before changes in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange gain								**48,675**
Change in fair value of financial derivative								(7,588)
Renovation cost written off								(3,323)
Change in value of serviced residence properties								147,412
Foreign exchange gain – Unrealized								3,463
Total return for the period before tax								**188,639**
Income tax expense								(22,005)
Total return for the period after tax								**166,634**
Minority interests								(6,097)
Total return for the period attributable to unitholders								**160,537**
								========

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)
Gross Profit	9,498	12,233	11,107	8,122	1,670	42,630
Share of after-tax profit of Associate						152
Finance income						422
Finance costs						(10,610)
Unallocated net expenses						(3,724)
Net income before changes 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 Dec 2007 S$'000	(19/1/06 to 31/12/06) [(1)] S$'000	Better/ (Worse) +/- %
(a) Revenue reported for first half year	69,599	34,872	100
(b) Total return after taxation before minority interests reported for first half year	17,420	7,549	131
(c) Revenue reported for second half year	85,238	54,939	55
(d) Total return after taxation before minority interests reported for second half year	149,157	25,812	478

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-month period from 1 March 2006 to 31 December 2006. ART had no income from 19 January 2006 to 28 February 2006.

15. BREAKDOWN OF TOTAL DISTRIBUTIONS

	YTD Dec 2007 S$'000	(19/1/06 to 31/12/06) S$'000
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 – paid	-	14,895
1 January 2007 to 25 March 2007 – paid	7,491	-
26 March 2007 to 30 June 2007 – paid	12,702	-
1 July 2007 to 31 December 2007 – to be paid	24,876	-

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 January 2008