

**ASCOTT RESIDENCE TRUST
2019 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
TABLE OF CONTENTS**

Item No.	Description	Page No.
	Summary of Group Results	1
	Introduction	2
1(a)(i)	Consolidated Statement of Total Return and Reconciliation Statement	3 – 4, 8 – 9
1(a)(ii)	Explanatory Notes to Consolidated Statement of Total Return	5 – 7
1(b)(i)	Statement of Financial Position	10 – 11
1(b)(ii)	Explanatory Notes to Statement of Financial Position	12 – 15
1(c)	Consolidated Statement of Cash Flows	16 – 19
1(d)(i)	Statement of Movements in Stapled Securityholders' Funds	20 – 25
1(d)(ii)	Details of Any Change in the Units / Stapled Securities	26
2 & 3	Audit Statement	26 - 27
4 & 5	Changes in Accounting Policies	27
6	Earnings Per Stapled Security ("EPS") and Distribution Per Stapled Security ("DPS")	28
7	Net Asset Value ("NAV") Per Stapled Security / Net Tangible Assets ("NTA") Per Stapled Security	29
8	Group Performance Review	29 – 35
9	Variance from Forecast	35
10	Outlook and Prospects	35
11 & 12	Distributions	36
13	General mandate for Interested Person Transactions	36
14	Confirmation pursuant to Rule 720(1) of the Listing Manual	37
15 & 16	Segment Revenue and Results	37
17	Breakdown of Revenue and Total Return	37
18	Breakdown of Total Distributions	38
19	Confirmation pursuant to Rule 704(13) of the Listing Manual	38

ASCOTT RESIDENCE TRUST

2019 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

Summary of Group Results

	4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %
Revenue	134,101	136,509	(2)	514,956	514,273	–
Gross Profit ⁽¹⁾	65,292	63,405	3	252,611	239,360	6
Unitholders' Distribution ^{(2), (3)}	49,341	46,468	6	165,557	154,783	7
Distribution Per Stapled Security ("DPS") (cents)	2.27	2.15	6	7.61	7.16	6
For information only DPS (cents) (adjusted for one-off items ⁽⁴⁾)	1.65	1.76	(6)	6.40	6.41	–

(1) FRS 116 *Leases* is effective from 1 January 2019. The adoption of this standard changes the nature of expense for the Group's portfolio of operating leases and replaced the straight-line operating lease expense to change in fair value for right-of-use assets and interest expense on lease liabilities. Please see paragraph 5 for more details. Gross profit (excluding FRS 116 impact) for 4Q 2019 and YTD Dec 2019 is S\$60.1 million and S\$232.0 million respectively.

(2) Unitholders' distribution for 4Q 2019 included a one-off partial distribution of divestment gain of S\$13.5 million to replace lost income and to share divestment gains with unitholders.

Unitholders' distribution for 4Q 2018 included a one-off partial distribution of divestment gain of S\$6.5 million.

(3) Unitholders' distribution for YTD Dec 2019 included a realised exchange gain of S\$5.7 million arising from the repayment of foreign currency bank loans with the divestment proceeds from Ascott Raffles Place Singapore, and the partial distribution of divestment gain of S\$17.5 million.

Unitholders' distribution for YTD Dec 2018 included a realised exchange gain of S\$1.6 million arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds, and the partial distribution of divestment gain of S\$6.5 million.

(4) DPS for 4Q 2019 was adjusted to exclude the divestment gain (as mentioned above) and DPS for 4Q 2018 was adjusted to exclude the divestment gain (as mentioned above) and contribution from Ascott Raffles Place Singapore.

DPS for YTD Dec 2019 and YTD Dec 2018 was adjusted to exclude the divestment gain, realised exchange gain and contribution from Ascott Raffles Place.

DISTRIBUTION AND BOOK CLOSURE DATE

Distribution	For 1 January 2019 to 30 June 2019	For 1 July 2019 to 31 December 2019
Distribution Rate	3.431 cents per Unit	4.180 cents per Unit
Book Closure Date	7 August 2019	30 December 2019
Payment Date	29 August 2019	10 February 2020

ASCOTT RESIDENCE TRUST

2019 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

INTRODUCTION

Ascott Residence Trust (“ART”) is a stapled group comprising Ascott Real Estate Investment Trust (“Ascott Reit”), a real estate investment trust, and Ascott Business Trust (“Ascott BT”), a business trust (collectively, the “Group”). Ascott Residence Trust Management Limited is the manager of Ascott Reit and Ascott Business Trust Management Pte. Ltd. is the trustee-manager of Ascott BT (collectively, the “Managers”).

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, rental housing properties and other hospitality assets. It has a portfolio of serviced residences, rental housing and hospitality properties across Asia Pacific, Europe and United States of America (“US”). ART’s investment policy covers any country in the world.

On 31 March 2006, Ascott Reit was listed on the Singapore Exchange Securities Trading Limited (“SGX”) with an initial portfolio of 12 properties in five countries (Singapore, China, Indonesia, the Philippines and Vietnam). In 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe. In 2012, Ascott Reit acquired four properties in Kyoto, Singapore, Guangzhou and Germany. Ascott Reit also completed the divestment of Somerset Grand Cairnhill Singapore. In 2013, Ascott Reit acquired three properties in China and a portfolio of 11 rental housing properties in Japan. In 2014, Ascott Reit acquired nine properties in four countries (Australia, China, Japan and Malaysia).

In 2015, Ascott Reit acquired a property in Melbourne, Australia, a portfolio of four rental housing properties in Osaka, Japan, the remaining 40% interest in Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto and its first property in New York, the US. On 29 April 2016, Ascott Reit completed the acquisition of Sheraton Tribeca New York Hotel. In 2017, Ascott Reit acquired two properties in Germany, a property in Singapore and its third property in US and divested a portfolio of 18 rental housing properties in Japan.

In January 2018, Ascott Reit completed the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi’an. Ascott Reit announced its maiden development project at Nepal Hill, Singapore to build the first coliving property, lyf one-north Singapore, in September 2018. The project will be completed by 2020. On 4 January 2019, Ascott Reit took possession of the site for the development of lyf one-north Singapore.

On 9 May 2019, Ascott Reit divested Ascott Raffles Place Singapore for an aggregate sale consideration of S\$353.3 million which is 64.3% above the book value of the property. Ascott Reit announced the acquisition of Felix Hotel, its first limited-service business hotel in Australia, on 27 March 2019. The property was rebranded as Citadines Connect Sydney Airport upon completion of the acquisition on 1 May 2019.

On 21 October 2019, the proposed combination with Ascendas Hospitality Trust (“A-HTRUST”) was approved by the Ascott Reit unitholders at the extraordinary general meeting and scheme meeting (the “Combination”). A-HTRUST is a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (“A-HTRUST REIT”) and Ascendas Hospitality Business Trust (“A-HTRUST BT”). With the Combination, the enlarged entity is the proxy hospitality trust in Asia Pacific. On 31 December 2019, Ascott Reit completed the combination with A-HTRUST. Following the completion, A-HTRUST was delisted from SGX and unstapled. On completion, Ascott Reit acquired A-HTRUST REIT and Ascott BT acquired A-HTRUST BT.

ART has an active business trust component which derive certain of its income from non-passive income sources. Pursuant to the Property Funds Appendix, a Real Estate Investment Trust should not derive more than 10 per cent of its revenue from non-passive income sources. The Ascott BT Group has been put in place to hold such assets so as to facilitate compliance by ART with the Property Funds Appendix.

On 31 October 2019, Ascott Reit completed the divestment of The Ascott Vietnam (Investments) Pte Ltd, which owns Somerset West Lake Hanoi. As at 31 December 2019, ART’s portfolio comprises 86 operating properties¹ with 16,089 apartment units in 39 cities across 15 countries.

ART 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. Since its listing, Ascott Reit has paid 100% of its distributable income.

¹ Exclude lyf one-north Singapore (under development).

1(a)(i) Consolidated Statement of Total Return for 4Q 2019 and 4Q 2018

	Note	ASCOTT REIT GROUP			ASCOTT BT GROUP			ASCOTT RESIDENCE TRUST		
		4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %	4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %	4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %
Revenue	A.1	134,101	136,509	(2)	–	–	n.m.	134,101	136,509	(2)
Direct expenses	A.2	(68,809)	(73,104)	6	–	–	n.m.	(68,809)	(73,104)	6
Gross Profit	A.1	65,292	63,405	3	–	–	n.m.	65,292	63,405	3
Finance income	A.3	791	366	116	–	–	n.m.	791	366	116
Other operating income	A.4	193	940	(79)	–	–	n.m.	193	940	(79)
Finance costs	A.3	(12,612)	(11,864)	(6)	–	–	n.m.	(12,612)	(11,864)	(6)
Manager's management fees		(6,045)	(6,228)	3	(8)	–	n.m.	(6,053)	(6,228)	3
Trustee's fee		(146)	(147)	1	–	–	n.m.	(146)	(147)	1
Professional fees	A.5	(689)	(733)	6	–	–	n.m.	(689)	(733)	6
Audit fees	A.6	(568)	(454)	(25)	(40)	–	n.m.	(608)	(454)	(34)
Foreign exchange loss	A.7	(2,393)	(3,808)	37	–	–	n.m.	(2,393)	(3,808)	37
Other operating expenses	A.8	(616)	(879)	30	–	–	n.m.	(616)	(879)	30
Share of results of associate (net of tax)		8	20	60	–	–	n.m.	8	20	60
Net income before changes in fair value of financial derivatives, investment properties and assets held for sale		43,215	40,618	6	(48)	–	n.m.	43,167	40,618	6
Net change in fair value of financial derivatives	A.9	(113)	(200)	44	–	–	n.m.	(113)	(200)	44
Net change in fair value of investment properties and assets held for sale	A.10	106,191	8,803	n.m.	–	–	n.m.	106,191	8,803	n.m.
Profit upon divestment	A.11	1,019	3,700	(72)	–	–	n.m.	1,019	3,700	(72)
Assets written off	A.12	(4,038)	(288)	n.m.	–	–	n.m.	(4,038)	(288)	n.m.
Transaction costs relating to the Combination	A.13	(7,081)	–	n.m.	(12,620)	–	n.m.	(19,701)	–	n.m.
Impairment of goodwill	A.14	(60,866)	–	n.m.	(79,233)	–	n.m.	(140,099)	–	n.m.
Total return for the period before tax		78,327	52,633	49	(91,901)	–	n.m.	(13,574)	52,633	(126)
Income tax expense	A.15	(21,532)	(18,962)	(14)	–	–	n.m.	(21,532)	(18,962)	(14)
Total return for the period after tax		56,795	33,671	69	(91,901)	–	n.m.	(35,106)	33,671	(204)
Attributable to:										
Stapled Securityholders and perpetual securities holders		58,789	36,383		(91,901)	–		(33,112)	36,383	
Non-controlling interests		(1,994)	(2,712)		–	–		(1,994)	(2,712)	
Total return for the period		56,795	33,671	69	(91,901)	–	n.m.	(35,106)	33,671	(204)

Consolidated Distribution Statements for 4Q 2019 and 4Q 2018

	Note	ASCOTT REIT GROUP			ASCOTT BT GROUP			ASCOTT RESIDENCE TRUST		
		4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %	4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %	4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %
Total return for the period attributable to Stapled Securityholders and perpetual securities holders		58,789	36,383	62	(91,901)	–	n.m.	(33,112)	36,383	(191)
Add/ (less):										
Depreciation and amortisation		3,308	3,198	(3)	–	–	n.m.	3,308	3,198	(3)
Manager's management fee payable / paid partially in Units / Stapled Securities		4,351	4,538	4	4	–	n.m.	4,355	4,538	4
Trustee's fees ¹		10	35	71	–	–	n.m.	10	35	71
Unrealised foreign exchange loss		2,715	4,237	36	–	–	n.m.	2,715	4,237	36
Net change in fair value of financial derivatives	A.9	113	200	44	–	–	n.m.	113	200	44
Net change in fair value of investment properties and assets held for sale	A.10	(106,191)	(8,803)	n.m.	–	–	n.m.	(106,191)	(8,803)	n.m.
Profit upon divestment	A.11	(1,019)	(3,700)	(72)	–	–	n.m.	(1,019)	(3,700)	(72)
Operating lease expense recognised on a straight-line basis		–	754	n.m.	–	–	n.m.	–	754	n.m.
Interest expense on lease liabilities ²		2,779	–	n.m.	–	–	n.m.	2,779	–	n.m.
Lease payments for right-of-use assets ²		(4,571)	–	n.m.	–	–	n.m.	(4,571)	–	n.m.
Assets written off	A.12	4,038	288	n.m.	–	–	n.m.	4,038	288	n.m.
Transaction costs relating to the Combination	A.13	7,081	–	n.m.	12,620	–	n.m.	19,701	–	n.m.
Impairment of goodwill	A.14	60,866	–	n.m.	79,233	–	n.m.	140,099	–	n.m.
Tax expense relating to the divestment of assets held for sale		9,125	–	n.m.	–	–	n.m.	9,125	–	n.m.
Deferred tax expense		3,161	12,180	74	–	–	n.m.	3,161	12,180	74
Effect of non-controlling interests arising from the above		(3,728)	(4,481)	(17)	–	–	n.m.	(3,728)	(4,481)	(17)
Partial distribution of divestment gain		13,500	6,500	108	–	–	n.m.	13,500	6,500	108
Other adjustments		(36)	(22)	64	–	–	n.m.	(36)	(22)	64
Net effect of non-tax deductible / chargeable items and other adjustments		(4,498)	14,924	130	91,857	–	n.m.	87,359	14,924	(485)
Total amount distributable for the period		54,291	51,307	6	(44)	–	n.m.	54,247	51,307	6
Amount distributable to:										
- Stapled Securityholders		49,341	46,468		(44)	–		49,297	46,468	
- Perpetual securities holders		4,950	4,839		–	–		4,950	4,839	
		54,291	51,307	6	(44)	–	n.m.	54,247	51,307	6
Comprises:										
- from operations		54,889	65,959		(44)	–		54,845	65,959	
- from unitholders' contributions		(5,548)	(19,491)		–	–		(5,548)	(19,491)	
		49,341	46,468	6	(44)	–	n.m.	49,297	46,468	6

¹ This relates to the Singapore properties only and is not tax deductible.

² Due to adoption of FRS 116 Leases. Please refer to paragraph 5 for more details.

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

A.1 Revenue and Gross profit

Revenue for 4Q 2019 of S\$134.1 million comprised S\$17.9 million (13% of total revenue) from properties on Master Leases, S\$20.5 million (15%) from properties on management contracts with minimum guaranteed income and S\$95.7 million (72%) from properties on management contracts.

Revenue for 4Q 2019 decreased by S\$2.4 million or 2% as compared to 4Q 2018. This was mainly attributed to the decrease in revenue of S\$2.5 million from the divestment of Ascott Raffles Place Singapore and Somerset West Lake Hanoi.

The Group achieved a revenue per available unit ("REVPAU") of S\$160 for 4Q 2019, a decrease of 2% as compared to 4Q 2018 mainly due to weaker exchange rates in 4Q 2019.

Gross profit for 4Q 2019 of S\$65.3 million comprised S\$16.2 million (25% of total gross profit) from properties on Master Leases, S\$8.4 million (13%) from properties on management contracts with minimum guaranteed income and S\$40.7 million (62%) from properties on management contracts.

As compared to 4Q 2018, gross profit increased by S\$1.9 million or 3% mainly due to the adoption of FRS 116 Leases with effect from 1 January 2019, partially offset by lower revenue. Please refer to paragraph 5 for more details on the impact arising from the adoption of this accounting standard.

On a same store basis and excluding the FRS 116 adjustments, gross profit decreased by S\$1.7 million.

Please refer to Para 8(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

	ASCOTT RESIDENCE TRUST		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Better / (Worse) %
Depreciation and amortisation ¹	(3,308)	(3,198)	(3)
Staff costs	(15,612)	(15,453)	(1)

¹ Depreciation and amortisation were higher in 4Q 2019 mainly due to renovation of the properties.

A.3 Finance income / Finance costs

Finance income was higher in 4Q 2019 due to more fixed deposit placements.

Finance costs were higher in 4Q 2019 due to the interest expense of S\$2.8 million recognised on the lease liability arising from the adoption of FRS 116.

Excluding the FRS 116 adjustments, finance costs were lower by S\$2.0 million in 4Q 2019 mainly due to refinancing of medium-term notes at lower interest rates and repayment of bank loans with the divestment proceeds from Ascott Raffles Place Singapore.

A.4 Other operating income

Other operating income was higher in 4Q 2018 due to compensation received for construction of metro tunnel in the vicinity of one of the properties, and reversal of accruals no longer required.

A.5 Professional fees

Professional fees were lower in 4Q 2019 due to reversal of accruals no longer required.

A.6 Audit fees

Audit fees were higher in 4Q 2019 mainly due to the combination with A-HTRUST.

A.7 Foreign exchange loss

The foreign exchange loss recognised in 4Q 2019 mainly comprised unrealised exchange loss of S\$2.7 million and realised exchange gain exchange of S\$0.3 million (mainly arising from gain on the repayment of GBP denominated shareholder's loans).

The unrealised exchange loss mainly arise from EUR and USD denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of EUR against SGD and depreciation of USD against SGD as at balance sheet date respectively.

The foreign exchange loss recognised in 4Q 2018 mainly comprised unrealised exchange loss of S\$4.2 million and realised exchange gain of S\$0.4 million (mainly arising from gain on the foreign currency forward contracts).

The unrealised exchange loss mainly arise from EUR denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of EUR against SGD as at balance sheet date.

A.8 Other operating expenses

Other operating expenses were higher in 4Q 2018 mainly due to one-off costs incurred on custom duty tax for a Vietnam property.

A.9 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts (entered into to hedge distribution income).

A.10 Net change in fair value of investment properties and assets held for sale

This relates to the surplus on revaluation of investment properties and assets held for sale. The surplus resulted mainly from higher valuation of the Group's properties in China, Europe, Japan and Singapore, partially offset by lower valuation from the properties in Indonesia, Philippines and Vietnam.

For Singapore, the higher surplus on revaluation mainly arise due to the fair value gain recognised for Somerset Liang Court Singapore pursuant to the announcement on 21 November 2019. The Group has entered into a put and call option agreement relating to the sale of the Group's interest in its share in the land on which Somerset Liang Court Singapore is located which is attributable to part of the gross floor area ("GFA") of the strata lot owned by the Group. Upon completion of the sale, the Group will retain its remaining interest in the share of the land attributable to the retained GFA. The entire site on which Somerset Liang Court Singapore is located will be redeveloped into an integrated development, which will include a new serviced residence property.

The fair value gain of Somerset Liang Court Singapore comprised the gain from the partial sale of GFA of S\$40.9 million (derived based on the sale price of S\$163.3 million, net of its carrying value and transaction related expenses) and the gain of S\$43.4 million on the retained GFA (which will be redeveloped into a new serviced residence property to be owned by the Group).

For China, the higher fair value mainly relates to the surplus on revaluation of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan pursuant to the signing of the sale and purchase agreements on 18 December 2019.

A.11 Profit upon divestment

In 4Q 2019, this relates to the profit from divestment of Somerset West Lake Hanoi on 31 October 2019 and the profit from divestment of Ascott Raffles Place Singapore (arising from reversal of accrued transaction costs no longer required).

Profit upon divestment in 4Q 2018 relates to the profit from divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an arising from reversal of accrued transaction costs no longer required.

A.12 Assets written off

In 4Q 2019, this mainly relates to the disposal of assets arising from the replacement of air conditioners at Citadines Ramblas Barcelona in Spain.

Assets written off in 4Q 2018 mainly relates to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Grand Hanoi, Vietnam.

A.13 Transaction costs relating to the Combination

The transaction costs were incurred for the combination with A-HTRUST.

While these transaction costs were recognised in the Statement of Total Return, it does not have any impact on Unitholder's distribution.

A.14 Impairment of goodwill

The combination with A-HTRUST was through the acquisition by Ascott Reit of all the issued and paid-up stapled units in A-HTRUST by way of a trust scheme of arrangement for a consideration of S\$1.0868 for each A-HTRUST stapled unit. This represents the write-off of premium over net assets of A-HTRUST as at 31 December 2019.

A.15 Income tax expense

Taxation for 4Q 2019 was higher by S\$2.6 million as compared to the corresponding period last year. This was mainly due to tax provided on the gain arising from the divestment of two serviced residence properties in China (namely, Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan), partially offset by lower deferred tax liability provided on the fair value surplus recognised.

1(a)(i) Consolidated Statement of Total Return for YTD Dec 2019 and YTD Dec 2018

	ASCOTT REIT GROUP			ASCOTT BT GROUP			ASCOTT RESIDENCE TRUST		
	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %
Revenue	514,956	514,273	–	–	–	n.m.	514,956	514,273	–
Direct expenses	(262,345)	(274,913)	5	–	–	n.m.	(262,345)	(274,913)	5
Gross Profit	252,611	239,360	6	–	–	n.m.	252,611	239,360	6
Finance income	2,080	1,194	74	–	–	n.m.	2,080	1,194	74
Other operating income	626	1,479	(58)	–	–	n.m.	626	1,479	(58)
Finance costs	(51,817)	(47,116)	(10)	–	–	n.m.	(51,817)	(47,116)	(10)
Manager's management fees	(23,416)	(23,900)	2	(8)	–	n.m.	(23,424)	(23,900)	2
Trustee's fee	(582)	(546)	(7)	–	–	n.m.	(582)	(546)	(7)
Professional fees	(2,591)	(2,920)	11	–	–	n.m.	(2,591)	(2,920)	11
Audit fees	(2,194)	(2,398)	9	(40)	–	n.m.	(2,234)	(2,398)	7
Foreign exchange gain / (loss)	1,871	(6,097)	131	–	–	n.m.	1,871	(6,097)	131
Other operating expenses	(1,993)	(1,999)	–	–	–	n.m.	(1,993)	(1,999)	–
Share of results of associate (net of tax)	(7)	(21)	67	–	–	n.m.	(7)	(21)	67
Net income before changes in fair value of financial derivatives, investment properties and assets held for sale	174,588	157,036	11	(48)	–	n.m.	174,540	157,036	11
Net change in fair value of financial derivatives	(926)	–	n.m.	–	–	n.m.	(926)	–	n.m.
Net change in fair value of investment properties and assets held for sale	250,221	35,499	n.m.	–	–	n.m.	250,221	35,499	n.m.
Profit upon divestment	1,019	3,211	(68)	–	–	n.m.	1,019	3,211	(68)
Assets written off	(4,040)	(364)	n.m.	–	–	n.m.	(4,040)	(364)	n.m.
Transaction costs relating to the Combination	(7,081)	–	n.m.	(12,620)	–	n.m.	(19,701)	–	n.m.
Impairment of goodwill	(60,866)	–	n.m.	(79,233)	–	n.m.	(140,099)	–	n.m.
Total return for the period before tax	352,915	195,382	81	(91,901)	–	n.m.	261,014	195,382	34
Income tax expense	(44,692)	(43,541)	(3)	–	–	n.m.	(44,692)	(43,541)	(3)
Total return for the period after tax	308,223	151,841	103	(91,901)	–	n.m.	216,322	151,841	42
Attributable to:									
Stapled Securityholders and perpetual securities holders	308,163	147,593		(91,901)	–		216,262	147,593	
Non-controlling interests	60	4,248		–	–		60	4,248	
Total return for the period	308,223	151,841	103	(91,901)	–	n.m.	216,322	151,841	42

Consolidated Distribution Statements for YTD Dec 2019 and YTD Dec 2018

	ASCOTT REIT GROUP			ASCOTT BT GROUP			ASCOTT RESIDENCE TRUST		
	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better / (Worse) %
Total return for the period attributable to Stapled Securityholders and perpetual securities holders	308,163	147,593	109	(91,901)	–	n.m.	216,262	147,593	47
Add / (less):									
Depreciation and amortisation	12,498	12,744	2	–	–	n.m.	12,498	12,744	2
Manager's management fee payable / paid partially in Units / Stapled Securities	17,060	17,505	3	4	–	n.m.	17,064	17,505	3
Trustee's fees ¹	87	111	22	–	–	n.m.	87	111	22
Unrealised foreign exchange loss	4,182	8,988	53	–	–	n.m.	4,182	8,988	53
Net change in fair value of financial derivatives	926	–	n.m.	–	–	n.m.	926	–	n.m.
Net change in fair value of investment properties and assets held for sale	(250,221)	(35,499)	n.m.	–	–	n.m.	(250,221)	(35,499)	n.m.
Profit upon divestment	(1,019)	(3,211)	(68)	–	–	n.m.	(1,019)	(3,211)	(68)
Operating lease expense recognised on a straight-line basis	–	3,104	n.m.	–	–	n.m.	–	3,104	n.m.
Interest expense on lease liabilities ²	11,202	–	n.m.	–	–	n.m.	11,202	–	n.m.
Lease payments for right-of-use assets ²	(17,795)	–	n.m.	–	–	n.m.	(17,795)	–	n.m.
Assets written off	4,040	364	n.m.	–	–	n.m.	4,040	364	n.m.
Transaction costs relating to the Combination	7,081	–	n.m.	12,620	–	n.m.	19,701	–	n.m.
Impairment of goodwill	60,866	–	n.m.	79,233	–	n.m.	140,099	–	n.m.
Tax expense relating to the divestment of assets held for sale	9,125	–	n.m.	–	–	n.m.	9,125	–	n.m.
Deferred tax expense	8,761	18,375	52	–	–	n.m.	8,761	18,375	52
Effect of non-controlling interests arising from the above	(6,763)	(2,411)	181	–	–	n.m.	(6,763)	(2,411)	181
Partial distribution of divestment gain	17,500	6,500	169	–	–	n.m.	17,500	6,500	169
Other adjustments	(395)	(180)	119	–	–	n.m.	(395)	(180)	119
Net effect of non-tax deductible / chargeable items and other adjustments	(122,865)	26,390	566	91,857	–	n.m.	(31,008)	26,390	217
Total amount distributable for the period	185,298	173,983	7	(44)	–	n.m.	185,254	173,983	6
Amount distributable:									
- Stapled Securityholders	165,557	154,783		(44)	–		165,513	154,783	
- Perpetual securities holders	19,741	19,200		–	–		19,741	19,200	
	185,298	173,983	7	(44)	–	n.m.	185,254	173,983	6
Comprises:									
- from operations ³	63,533	132,252		(44)	–		63,489	132,252	
- from unitholders' contributions	102,024	22,531		–	–		102,024	22,531	
	165,557	154,783	7	(44)	–	n.m.	165,513	154,783	7

¹ This relates to the Singapore properties only and is not tax deductible.

² Due to adoption of FRS 116 Leases. Please refer to paragraph 5 for more details.

³ Unitholders' distribution from trust operations was higher in YTD Dec 2018 due to dividend income recognised at Ascott Reit arising from the profit from divestment of the two China properties.

1(b)(i) Statement of Financial Position

	Note	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
		31/12/19 S\$'000	31/12/18 S\$'000	31/12/19 S\$'000	31/12/18 S\$'000	31/12/19 S\$'000	31/12/18 S\$'000
Non-Current Assets							
Investment properties	B.1	5,659,587	4,679,295	552,265	–	6,096,138	4,679,295
Other non-current assets	B.2	–	65,535	–	–	–	65,535
Investment property under development	B.2	74,860	–	–	–	74,860	–
Property, plant and equipment	B.3	44,258	48,564	584,583	–	628,841	48,564
Investment securities	B.4	2,534	–	–	–	–	–
Associate		3,006	3,040	–	–	3,006	3,040
Financial derivative assets	B.5	11,010	8,294	6,524	–	17,534	8,294
Deferred tax assets		3,212	4,309	4,335	–	7,547	4,309
		5,798,467	4,809,037	1,147,707	–	6,827,926	4,809,037
Current Assets							
Inventories		372	328	297	–	669	328
Assets held for sale	B.6	253,292	215,000	–	–	253,292	215,000
Trade and other receivables	B.7	90,231	56,919	12,504	–	62,459	56,919
Financial derivative assets	B.5	1,378	–	1,559	–	2,937	–
Cash and cash equivalents	B.8	245,884	227,847	29,619	–	275,503	227,847
		591,157	500,094	43,979	–	594,860	500,094
Total Assets		6,389,624	5,309,131	1,191,686	–	7,422,786	5,309,131
Non-Current Liabilities							
Interest bearing liabilities	B.14	(1,683,053)	(1,835,316)	(328,806)	–	(2,011,859)	(1,835,316)
Financial derivative liabilities	B.5	(4,181)	(6,850)	(1,833)	–	(6,014)	(6,850)
Trade and other payables	B.9	(8,820)	–	(9,735)	–	(18,555)	–
Deferred income	B.10	(605)	–	(3,781)	–	(4,386)	–
Deferred tax liabilities	B.11	(153,154)	(117,865)	(46,998)	–	(200,152)	(117,865)
Lease liabilities	B.12	(274,098)	–	(110,802)	–	(274,098)	–
		(2,123,911)	(1,960,031)	(501,955)	–	(2,515,064)	(1,960,031)

1(b)(i) Statement of Financial Position

	Note	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
		31/12/19 S\$'000	31/12/18 S\$'000	31/12/19 S\$'000	31/12/18 S\$'000	31/12/19 S\$'000	31/12/18 S\$'000
Current Liabilities							
Interest bearing liabilities	B.14	(311,656)	(70,137)	(25,498)	–	(337,154)	(70,137)
Financial derivative liabilities	B.5	(1,765)	(280)	(416)	–	(2,181)	(280)
Trade and other payables		(139,524)	(141,252)	(73,959)	–	(173,207)	(141,252)
Deferred income	B.10	(159)	–	(1,697)	–	(1,856)	–
Liabilities held for sale	B.6	(13,445)	–	–	–	(13,445)	–
Lease liabilities	B.12	(17,928)	–	(4,912)	–	(17,928)	–
Provision for taxation	B.13	(18,549)	(6,522)	(1,093)	–	(19,642)	(6,522)
		(503,026)	(218,191)	(107,575)	–	(565,413)	(218,191)
Total Liabilities		(2,626,937)	(2,178,222)	(609,530)	–	(3,080,477)	(2,178,222)
Net Assets		3,762,687	3,130,909	582,156	–	4,342,309	3,130,909
Represented by:							
Stapled Securityholders' funds		3,282,909	2,644,051	577,644	–	3,860,553	2,644,051
Perpetual securities holders	B.15	396,299	397,127	–	–	396,299	397,127
Non-controlling interests		83,479	89,731	4,512	–	85,457	89,731
Total Equity	1(d)(i)	3,762,687	3,130,909	582,156	–	4,342,309	3,130,909

1(b)(ii) Explanatory Notes to Statement of Financial Position

B.1 Investment properties

The increase in the Group's investment properties as at 31 December 2019 was mainly due to the recognition of the existing operating lease arrangements as right-of-use assets of S\$292.0 million upon the adoption of FRS 116 Leases with effect from 1 January 2019, acquisition of Citadines Connect Sydney Airport, combination with Ascendas Hospitality Trust and the increase in valuation on 31 December 2019.

These increases are partially offset by the reclassification of the interest in partial gross floor area of the land on which Somerset Liang Court Singapore is located, Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan from "investment properties" to "assets held for sale", divestment of Somerset West Lake and foreign currency translation differences of S\$33.9 million. The translation differences arise from translating the Group's investment properties as a result of the depreciation of EUR, USD and AUD against SGD, partially offset by appreciation of JPY against SGD.

The investment properties of Ascott BT Group included a right-of-use asset relating to the operating lease for Sotetsu Grand Fresa Tokyo-Bay Ariake ("Ariake Hotel") on adoption of FRS 116. Ascendas Ariake Godo Kaisha ("AAGK"), a subsidiary of Ascendas Hospitality Business Trust, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kasha, a subsidiary of Ascendas Hospitality Real Estate Investment Trust. FRS 116 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Group as the intra-group transaction will be eliminated upon consolidation.

B.2 Investment property under development / Other non-current assets

Investment property under development as at 31 December 2019 relates to the reclassification of the costs previously paid for lyf one-north Singapore from "other non-current assets" as at 31 December 2018 upon the possession of the land in January 2019 and the additional capital expenditure and interest capitalised in 2019.

Other non-current assets as at 31 December 2018 comprised of the cost of acquisition of land for the lyf one-north site, capitalised costs relating to the site and interest incurred on acquisition of the leasehold land.

B.3 Property, plant and equipment

The increase in property, plant and equipment as at 31 December 2019 was mainly due to the combination with A-HTRUST, partially offset by the reclassification of property, plant and equipment to "assets held for sale".

B.4 Investment securities

The Ascott Reit Group owns 1% interest in Ascendas Hospitality Australia Investment Fund No. 1. The effective interest held by the Group is 100%. Upon consolidation, the investment securities will be eliminated and adjusted against the non-controlling interests.

B.5 Financial derivative assets / liabilities

The financial derivatives relate to the fair value of interest rate swaps (entered into to hedge interest rate risk), fair value of cross currency swaps (entered into to hedge foreign currency risk) and fair value of foreign currency forward contracts (entered into to hedge distribution income).

B.6 Assets held for sale and Liabilities held for sale

The assets held for sale as at 31 December 2018 relate to Ascott Raffles Place Singapore.

The assets held for sale as at 31 December 2019 relate to:

- (a) the Group's interest in the partial gross floor area of the land on which Somerset Liang Court Singapore is located, pursuant to the announcement on 21 November 2019. Please refer to Note A.10 under the Explanatory Notes to Consolidated Statement of Total Return for more details; and
- (b) the assets and liabilities of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan pursuant to the signing of the sale and purchase agreements on 18 December 2019. The divestments are expected to be completed within 12 months and accordingly, all the assets and liabilities were reclassified to assets held for sale and liabilities held for sale respectively.

B.7 Trade and other receivables

The increase in Ascott Reit Group's trade and other receivables as at 31 December 2019 was mainly due to the intercompany loan extended to Ascott BT arising from the combination with A-HTRUST.

B.8 Cash and cash equivalents

The increase in the Group's cash and cash equivalents as at 31 December 2019 was mainly due to proceeds from divestment and cash generated from operations.

B.9 Trade and other payables (non-current)

Trade and other payables (non-current) mainly comprise rental and other deposits and arise from the combination with A-HTRUST.

B.10 Deferred income (current and non-current)

Deferred income of the Group arises from the combination with A-HTRUST and relates to the following:

- (a) cash reimbursement received from Accor for its 50% share of the AUD30.0 million capital expenditure incurred by the Accor Australia hotels for refurbishment works which was completed in 2013. The reimbursement by Accor is conditional upon the non-termination of the hotel management agreement signed between Ascendas Hotel Investment Company Pty Limited and Accor prior to 30 June 2017 and on a pro-rata basis if the termination occurs after 30 June 2017 but before 30 June 2022; and
- (b) the difference between the considerations received for rental deposits and its fair value at initial recognition.

B.11 Deferred tax liabilities

The increase in deferred tax liabilities of the Group as at 31 December 2019 mainly arise due to the combination with Ascendas Hospitality Trust.

B.12 Lease liabilities

The lease liabilities as at 31 December 2019 refer to the liabilities arising from the adoption of FRS 116 *Leases* with effect from 1 January 2019.

The lease liabilities of Ascott BT Group relate to the lease liability relating to the operating lease for Ariake Hotel. See paragraph B.1 for more details. There is no impact for the Group as the intra-group transaction will be eliminated upon consolidation.

B.13 Provision for taxation

The increase in the provision for taxation as at 31 December 2019 was mainly due to the tax provided on the gain arising from the divestment of two China properties which were reclassified to "assets held for sale".

B.14 Interest bearing liabilities

	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
	31/12/19 S\$'000	31/12/18 S\$'000	31/12/19 S\$'000	31/12/18 S\$'000	31/12/19 S\$'000	31/12/18 S\$'000
Amount repayable in one year or less or on demand						
- Secured	174,719	69,760	–	–	174,719	69,760
- Unsecured	137,555	494	25,500	–	163,055	494
Less: Unamortised transaction costs	(618)	(117)	(2)	–	(620)	(117)
	311,656	70,137	25,498	–	337,154	70,137
Amount repayable after one year						
- Secured	561,916	849,503	–	–	561,916	849,503
- Unsecured	1,129,255	995,208	329,886	–	1,459,141	995,208
Less: Unamortised transaction costs	(8,118)	(9,395)	(1,080)	–	(9,198)	(9,395)
	1,683,053	1,835,316	328,806	–	2,011,859	1,835,316
Total	1,994,709	1,905,453	354,304	–	2,349,013	1,905,453

The increase in current interest-bearing liabilities as at 31 December 2019 was mainly due to the reclassification of the JPY 5 billion medium term note (due in August 2020), reclassification of subsidiaries' bank loans which fall due in the next 12 months from "non-current liabilities" and combination with A-HTRUST.

The increase in non-current interest-bearing liabilities as at 31 December 2019 was mainly due to the combination with A-HTRUST.

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' investment properties and the assignment of the rights, titles and interests with respect to these properties
- Assignment of rental proceeds from the investment properties and insurance policies relating to these properties
- Pledge of shares of some subsidiaries
- Corporate guarantee from Ascott Reit, Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Business Trust

Capital management

As at 31 December 2019, the Group's gearing was 33.6%, well below the 45% gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. In this regard, the lease liabilities recognised by virtue of FRS 116 were excluded as these operating leases were entered into in the ordinary course of business and were in effect before 1 January 2019. The average cost of debts was 2.0% per annum, with an interest cover of 5.6 times. S\$2,031.4 million or 86% of the Group's borrowings are on fixed interest rates, of which S\$259.8 million is due in the next 12 months.

Out of the Group's total borrowings, 14% falls due in 2020, 11% falls due in 2021, 30% falls due in 2022, 20% falls due in 2023 and the balance falls due after 2023.

The Managers adopt a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2020, ahead of their maturity dates.

B.15 Perpetual securities

On 27 October 2014, Ascott Reit issued S\$150.0 million of fixed rate perpetual securities with an initial distribution rate of 5.00% per annum, with the first distribution rate reset falling on 27 October 2019 and subsequent resets occurring every five years thereafter. The redemption notice relating to the redemption of the \$150.0 million perpetual securities on its first call date on 27 October 2019 was made on 30 August 2019. The payment was effected on 29 October 2019, and accordingly the perpetual securities have been cancelled and redeemed in full.

On 30 June 2015, Ascott Reit issued S\$250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum, with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter.

On 4 September 2019, Ascott Reit issued S\$150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum, with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter. The proceeds were used to redeem the S\$150.0 million perpetual securities with its first call date on 27 October 2019.

Distributions are payable semi-annually in arrears at the discretion of Ascott Reit and will be non-cumulative. The perpetual securities have no fixed redemption date and redemption is at the option of Ascott Reit in accordance with the terms of issue of the perpetual securities.

1(c) **Consolidated Statement of Cash Flows for 4Q 2019 and 4Q 2018**

	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
	4Q 2019	4Q 2018	4Q 2019	4Q 2018	4Q 2019	4Q 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating Activities						
Total return for the period before tax	78,327	52,633	(91,901)	–	(13,574)	52,633
<u>Adjustments for:</u>						
Depreciation and amortisation	3,308	3,198	–	–	3,308	3,198
Loss on disposal of property, plant and equipment	34	37	–	–	34	37
Assets written off	4,038	288	–	–	4,038	288
Operating lease expense recognised on a straight-line basis	–	754	–	–	–	754
Finance costs	12,612	11,864	–	–	12,612	11,864
Finance income	(791)	(366)	–	–	(791)	(366)
Provision for doubtful debts addition	27	55	–	–	27	55
Manager's management fees payable / paid partially in Units / Stapled Securities	4,351	4,538	4	–	4,355	4,538
Unrealised foreign exchange loss	2,715	4,237	–	–	2,715	4,237
Net change in fair value of investment properties and assets held for sale	(106,191)	(8,803)	–	–	(106,191)	(8,803)
Net change in fair value of financial derivatives	113	200	–	–	113	200
Profit upon divestment	(1,019)	(3,700)	–	–	(1,019)	(3,700)
Transaction costs relating to the Combination	7,081	–	12,620	–	19,701	–
Impairment of goodwill	60,866	–	79,233	–	140,099	–
Share of results of associate	(8)	(20)	–	–	(8)	(20)
Operating profit before working capital changes	65,463	64,915	(44)	–	65,419	64,915
Changes in working capital	(31,274)	2,688	35,001	–	3,727	2,688
Cash generated from operations	34,189	67,603	34,957	–	69,146	67,603
Income tax paid	(5,917)	(7,301)	–	–	(5,917)	(7,301)
Cash flows from operating activities	28,272	60,302	34,957	–	63,229	60,302
Balance carried forward	28,272	60,302	34,957	–	63,229	60,302

1(c) Consolidated Statement of Cash Flows for 4Q 2019 and 4Q 2018

	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
	4Q 2019 S\$'000	4Q 2018 S\$'000	4Q 2019 S\$'000	4Q 2019 S\$'000	4Q 2019 S\$'000	4Q 2018 S\$'000
Balance brought forward	28,272	60,302	34,957	–	63,229	60,302
Investing Activities						
Acquisition of subsidiaries, net of cash acquired	(6,668)	–	(8,839)	–	(15,507)	–
Acquisition of property, plant and equipment	(2,768)	(3,693)	–	–	(2,768)	(3,693)
Acquisition of investment property under development	–	(60,264)	–	–	–	(60,264)
Capital expenditure on investment properties and assets held for sale	(3,983)	(10,657)	–	–	(3,983)	(10,657)
Capital expenditure on investment property under development	(3,628)	–	–	–	(3,628)	–
Deposit received for divestment of subsidiaries / investment property	3,878	5,000	–	–	3,878	5,000
Disposal of subsidiaries, net of cash disposed of	9,516	–	–	–	9,516	–
Payment of transaction costs for disposal of assets held for sale	–	(4,670)	–	–	–	(4,670)
Payment of transaction costs relating to the Combination	(1,292)	–	–	–	(1,292)	–
Interest received	791	366	–	–	791	366
Proceeds from sale of property, plant and equipment	16	210	–	–	16	210
Cash flows used in investing activities	(4,138)	(73,708)	(8,839)	–	(12,977)	(73,708)
Financing Activities						
Distribution to perpetual securities holders	(9,626)	(9,626)	–	–	(9,626)	(9,626)
Dividend paid to non-controlling interests	(954)	(278)	–	–	(954)	(278)
Interest paid ¹	(14,004)	(14,223)	–	–	(14,004)	(14,223)
Payment of lease liabilities ¹	(1,732)	(567)	–	–	(1,732)	(567)
Proceeds from bank borrowings and issue of medium term notes	19,590	212,146	–	–	19,590	212,146
Redemption of perpetual securities	(150,000)	–	–	–	(150,000)	–
Payment of transaction costs on issue of perpetual securities	(132)	–	–	–	(132)	–
Repayment of bank borrowings and medium term notes	–	(164,680)	–	–	–	(164,680)
Change in restricted cash deposits for bank facilities	38	13	–	–	38	13
Payment of transaction costs on bank borrowings	–	(156)	–	–	–	(156)
Cash flows (used in) / from financing activities	(156,820)	22,629	–	–	(156,820)	22,629
(Decrease) / increase in cash and cash equivalents	(132,686)	9,223	26,118	–	(106,568)	9,223
Cash and cash equivalents at beginning of the period	383,391	216,807	–	–	383,391	216,807
Effect of exchange rate changes on balances held in foreign currencies	(4,494)	(514)	–	–	(4,494)	(514)
Cash and cash equivalents reclassified to assets held for sale	(2,321)	–	–	–	(2,321)	–
Cash and cash equivalents at end of the period	243,890	225,516	26,118	–	270,008	225,516
Restricted cash deposits	1,994	2,331	3,501	–	5,495	2,331
Cash and cash equivalents in the Statement of Financial Position	245,884	227,847	29,619	–	275,503	227,847

¹ Increase due to adoption of FRS 116 *Leases*. Please refer to the Consolidated Distribution Statement for the interest expense on lease liabilities and paragraph 5 for more details on the impact arising from the adoption of this accounting standard. In 4Q 2018, the payment of operating lease expense was captured under the “Changes in working capital”.

1(c) Consolidated Statement of Cash Flows for YTD Dec 2019 and YTD Dec 2018

	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000
Operating Activities						
Total return for the period before tax	352,915	195,382	(91,901)	–	261,014	195,382
Adjustments for:						
Depreciation and amortisation	12,498	12,744	–	–	12,498	12,744
Loss on disposal of property, plant and equipment	18	134	–	–	18	134
Assets written off	4,040	364	–	–	4,040	364
Operating lease expense recognised on a straight-line basis	–	3,104	–	–	–	3,104
Finance costs	51,817	47,116	–	–	51,817	47,116
Finance income	(2,080)	(1,194)	–	–	(2,080)	(1,194)
Provision for doubtful debts addition	159	43	–	–	159	43
Manager's management fees payable / paid partially in Units / Stapled Securities	17,060	17,505	4	–	17,064	17,505
Unrealised foreign exchange loss	4,182	8,988	–	–	4,182	8,988
Net change in fair value of investment properties and assets held for sale	(250,221)	(35,499)	–	–	(250,221)	(35,499)
Net change in fair value of financial derivatives	926	–	–	–	926	–
Profit upon divestment	(1,019)	(3,211)	–	–	(1,019)	(3,211)
Transaction costs relating to the Combination	7,081	–	12,620	–	19,701	–
Impairment of goodwill	60,866	–	79,233	–	140,099	–
Share of results of associate	7	21	–	–	7	21
Operating profit before working capital changes	258,249	245,497	(44)	–	258,205	245,497
Changes in working capital	(41,000)	923	35,001	–	(5,999)	923
Cash generated from operations	217,249	246,420	34,957	–	252,206	246,420
Income tax paid	(23,211)	(19,753)	–	–	(23,211)	(19,753)
Cash flows from operating activities	194,038	226,667	34,957	–	228,995	226,667
Balance carried forward	194,038	226,667	34,957	–	228,995	226,667

1(c) Consolidated Statement of Cash Flows for YTD Dec 2019 and YTD Dec 2018

	ASCOTT REIT GROUP		ASCOTT BT GROUP		ASCOTT RESIDENCE TRUST	
	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000
Balance brought forward	194,038	226,667	34,957	–	228,995	226,667
Investing Activities						
Acquisition of subsidiaries, net of cash acquired	(6,668)	–	(8,839)	–	(15,507)	–
Acquisition of investment property	(58,106)	–	–	–	(58,106)	–
Acquisition of property, plant and equipment	(9,786)	(14,247)	–	–	(9,786)	(14,247)
Acquisition of investment property under development	–	(65,045)	–	–	–	(65,045)
Capital expenditure on investment properties and assets held for sale	(13,585)	(13,334)	–	–	(13,585)	(13,334)
Capital expenditure on investment property under development	(8,286)	–	–	–	(8,286)	–
Deposit received for divestment of subsidiaries / investment property	3,878	5,000	–	–	3,878	5,000
Disposal of subsidiaries, net of cash disposed of	13,649	90,175	–	–	13,649	90,175
Proceeds on disposal of assets held for sale	348,333	–	–	–	348,333	–
Payment of transaction costs for disposal of assets held for sale	(2,756)	(4,670)	–	–	(2,756)	(4,670)
Payment of transaction costs relating to the Combination	(1,292)	–	–	–	(1,292)	–
Interest received	2,080	1,194	–	–	2,080	1,194
Proceeds from sale of property, plant and equipment	41	255	–	–	41	255
Cash flows from / (used in) investing activities	267,502	(672)	(8,839)	–	258,663	(672)
Financing Activities						
Distribution to Unitholders	(160,464)	(149,116)	–	–	(160,464)	(149,116)
Distribution to perpetual securities holders	(19,200)	(19,200)	–	–	(19,200)	(19,200)
Dividend paid to non-controlling interests	(3,085)	(3,464)	–	–	(3,085)	(3,464)
Interest paid	(48,928)	(43,413)	–	–	(48,928)	(43,413)
Payment of lease liabilities	(7,518)	(2,931)	–	–	(7,518)	(2,931)
Proceeds from bank borrowings and issue of medium term notes	547,444	472,719	–	–	547,444	472,719
Proceeds from issuance of perpetual securities	150,000	–	–	–	150,000	–
Redemption of perpetual securities	(150,000)	–	–	–	(150,000)	–
Payment of transaction costs on issue of perpetual securities	(1,169)	–	–	–	(1,169)	–
Repayment of bank borrowings and medium term notes	(745,138)	(507,721)	–	–	(745,138)	(507,721)
Change in restricted cash deposits for bank facilities	337	(239)	–	–	337	(239)
Payment of transaction costs on bank borrowings	(2,056)	(500)	–	–	(2,056)	(500)
Cash flows (used in) financing activities	(439,777)	(253,865)	–	–	(439,777)	(253,865)
Increase / (decrease) in cash and cash equivalents	21,763	(27,870)	26,118	–	47,881	(27,870)
Cash and cash equivalents at beginning of the period	225,516	255,253	–	–	225,516	255,253
Effect of exchange rate changes on balances held in foreign currencies	(715)	(1,867)	–	–	(715)	(1,867)
Cash and cash equivalents reclassified to assets held for sale	(2,674)	–	–	–	(2,674)	–
Cash and cash equivalents at end of the period	243,890	225,516	26,118	–	270,008	225,516
Restricted cash deposits	1,994	2,331	3,501	–	5,495	2,331
Cash and cash equivalents in the Statement of Financial Position	245,884	227,847	29,619	–	275,503	227,847

1(d)(i) Statement of Movements in Stapled Securityholders' Funds for 4Q 2019 and YTD Dec 2019

	Attributable to Stapled Securityholders					Total S\$'000	Perpetual securities holders S\$'000	Non- controlling interests S\$'000	Total S\$'000
	Stapled Securities in issue S\$'000	Revenue Reserve S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000				
ASCOTT REIT GROUP									
At 1 January 2019	1,744,738	1,104,734	(212,000)	3,576	3,003	2,644,051	397,127	89,731	3,130,909
Adjustment on initial recognition of FRS 116	–	9,802	–	–	–	9,802	–	–	9,802
Total return for the period	–	249,374	–	–	–	249,374	–	2,053	251,427
Total return attributable to perpetual securities holders	–	(14,791)	–	–	–	(14,791)	14,791	–	–
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(16,255)	–	–	(16,255)	–	1,209	(15,046)
Effective portion of change in fair values of cash flow hedges	–	–	–	–	(6,414)	(6,414)	–	–	(6,414)
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	–	–	–	–	(1,071)	(1,071)	–	–	(1,071)
Total comprehensive income, net of tax	–	–	(16,255)	–	(7,485)	(23,740)	–	1,209	(22,531)
<u>Contributions by and distributions to owners</u>									
Manager's management fees payable in Stapled Securities	12,669	–	–	–	–	12,669	–	–	12,669
Distribution to Unitholders	(88,817)	(71,647)	–	–	–	(160,464)	–	–	(160,464)
Issue of perpetual securities	–	–	–	–	–	–	150,000	–	150,000
Issue expenses relating to perpetual securities	–	–	–	–	–	–	(1,502)	–	(1,502)
Distribution to perpetual securities holders	–	–	–	–	–	–	(9,574)	–	(9,574)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(2,131)	(2,131)
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	(76,148)	(71,647)	–	–	–	(147,795)	138,924	(2,131)	(11,002)
<u>Change in ownership interests in subsidiaries and other capital transactions</u>									
Change in ownership interests in subsidiaries with a change in control	–	–	–	–	–	–	–	–	–
Transfer between reserves	–	(350)	–	350	–	–	–	–	–
Total change in ownership interests in subsidiaries and other capital transactions	–	(350)	–	350	–	–	–	–	–
At 30 September 2019	1,668,590	1,277,122	(228,255)	3,926	(4,482)	2,716,901	550,842	90,862	3,358,605

1(d)(i) Statement of Movements in Stapled Securityholders' Funds for 4Q 2019 and YTD Dec 2019

ASCOTT REIT GROUP	Attributable to Stapled Securityholders						Perpetual securities holders S\$'000	Non-controlling interests S\$'000	Total S\$'000
	Stapled Securities in issue S\$'000	Revenue Reserve S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000	Total S\$'000			
At 30 September 2019	1,668,590	1,277,122	(228,255)	3,926	(4,482)	2,716,901	550,842	90,862	3,358,605
Total return for the period	–	58,789	–	–	–	58,789	–	(1,994)	56,795
Total return attributable to perpetual securities holders	–	(4,950)	–	–	–	(4,950)	4,950	–	–
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(10,293)	–	–	(10,293)	–	(56)	(10,349)
Effective portion of change in fair values of cash flow hedges	–	–	–	–	761	761	–	–	761
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	–	–	–	–	(25)	(25)	–	–	(25)
Total comprehensive income, net of tax	–	–	(10,293)	–	736	(9,557)	–	(56)	(9,613)
<u>Contributions by and distributions to owners</u>									
Manager's management fees payable in Stapled Securities	4,351	–	–	–	–	4,351	–	–	4,351
Issue of Stapled Securities for the Combination	510,899	–	–	–	–	510,899	–	–	510,899
Manager's acquisition fees payable in Stapled Securities	3,822	–	–	–	–	3,822	–	–	3,822
Redemption of perpetual securities	–	–	–	–	–	–	(150,000)	–	(150,000)
Issue expenses relating to perpetual securities	–	–	–	–	–	–	133	–	133
Distribution to perpetual securities holders	–	–	–	–	–	–	(9,626)	–	(9,626)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(954)	(954)
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	519,072	–	–	–	–	519,072	(159,493)	(954)	358,625
<u>Change in ownership interests in subsidiaries and other capital transactions</u>									
Change in ownership interests in subsidiaries with a change in control	–	–	3,009	–	–	3,009	–	(4,734)	(1,725)
Change in ownership interests in subsidiaries with no change in control	–	(355)	–	–	–	(355)	–	355	–
Transfer between reserves	–	(89)	–	89	–	–	–	–	–
Total change in ownership interests in subsidiaries and other capital transactions	–	(444)	3,009	89	–	2,654	–	(4,379)	(1,725)
At 31 December 2019	2,187,662	1,330,517	(235,539)	4,015	(3,746)	3,282,909	396,299	83,479	3,762,687

1(d)(i) Statement of Movements in Stapled Securityholders' Funds for 4Q 2019 and YTD Dec 2019

	Attributable to Stapled Securityholders						Perpetual securities holders S\$'000	Non-controlling interests S\$'000	Total S\$'000
	Stapled Securities in issue S\$'000	Revenue Reserve S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000	Total S\$'000			
ASCOTT BT GROUP									
At date of constitution	–	–	–	–	–	–	–	–	–
Total return for the period	–	(91,901)	–	–	–	(91,901)	–	–	(91,901)
<u>Contributions by and distributions to owners</u>									
Manager's management fees payable in Stapled Securities	4	–	–	–	–	4	–	–	4
Issue of Stapled Securities for the Combination	664,662	–	–	–	–	664,662	–	–	664,662
Manager's acquisition fees payable in Stapled Securities	4,879	–	–	–	–	4,879	–	–	4,879
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	669,545	–	–	–	–	669,545	–	–	669,545
<u>Change in ownership interests in subsidiaries and other capital transactions</u>									
Acquisition of subsidiaries	–	–	–	–	–	–	–	4,512	4,512
Total change in ownership interests in subsidiaries and other capital transactions	–	–	–	–	–	–	–	4,512	4,512
At 31 December 2019	669,545	(91,901)	–	–	–	577,644	–	4,512	582,156

1(d)(i) **Statement of Movements in Stapled Securityholders' Funds for 4Q 2019 and YTD Dec 2019**

	Attributable to Stapled Securityholders					Total S\$'000	Perpetual security holders S\$'000	Non- controlling interests S\$'000	Total S\$'000
	Stapled Securities in issue S\$'000	Revenue Reserve S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000				
ASCOTT RESIDENCE TRUST									
At 30 September 2019	1,668,590	1,277,122	(228,255)	3,926	(4,482)	2,716,901	550,842	90,862	3,358,605
Total return for the period	–	(33,112)	–	–	–	(33,112)	–	(1,994)	(35,106)
Total return attributable to perpetual securities holders	–	(4,950)	–	–	–	(4,950)	4,950	–	–
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(10,293)	–	–	(10,293)	–	(56)	(10,349)
Effective portion of change in fair values of cash flow hedges	–	–	–	–	761	761	–	–	761
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	–	–	–	–	(25)	(25)	–	–	(25)
Total comprehensive income, net of tax	–	–	(10,293)	–	736	(9,557)	–	(56)	(9,613)
<u>Contributions by and distributions to owners</u>									
Manager's management fees payable in Stapled Securities	4,355	–	–	–	–	4,355	–	–	4,355
Issue of Stapled Securities for the Combination	1,175,561	–	–	–	–	1,175,561	–	–	1,175,561
Manager's acquisition fees payable in Stapled Securities	8,701	–	–	–	–	8,701	–	–	8,701
Redemption of perpetual securities	–	–	–	–	–	–	(150,000)	–	(150,000)
Issue expenses relating to perpetual securities	–	–	–	–	–	–	133	–	133
Distribution to perpetual securities holders	–	–	–	–	–	–	(9,626)	–	(9,626)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(954)	(954)
Total contributions by and distributions to Stapled Securityholders and non-controlling interests	1,188,617	–	–	–	–	1,188,617	(159,493)	(954)	1,028,170
<u>Change in ownership interests in subsidiaries and other capital transactions</u>									
Acquisition of subsidiaries	–	–	–	–	–	–	–	1,978	1,978
Change in ownership interests in subsidiaries with a change in control	–	–	3,009	–	–	3,009	–	(4,734)	(1,725)
Change in ownership interests in subsidiaries with no change in control	–	(355)	–	–	–	(355)	–	355	–
Transfer between reserves	–	(89)	–	89	–	–	–	–	–
Total change in ownership interests in subsidiaries and other capital transactions	–	(444)	3,009	89	–	2,654	–	(2,401)	253
At 31 December 2019	2,857,207	1,238,616	(235,539)	4,015	(3,746)	3,860,553	396,299	85,457	4,342,309

1(d)(i) **Statement of Movements in Unitholders' Funds for 4Q 2018 and YTD Dec 2018**

ASCOTT REIT GROUP	Attributable to Unitholders								
	Stapled Securities in issue	Revenue Reserve	Foreign currency translation reserve	Capital reserve	Hedging reserve	Total	Perpetual securities holders	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	1,771,310	1,083,116	(170,205)	2,148	(1,240)	2,685,129	397,127	89,427	3,171,683
Total return for the period	–	111,210	–	–	–	111,210	–	6,960	118,170
Total return attributable to perpetual securities holders	–	(14,361)	–	–	–	(14,361)	14,361	–	–
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(26,594)	–	–	(26,594)	–	(777)	(27,371)
Effective portion of change in fair values of cash flow hedges	–	–	–	–	8,227	8,227	–	–	8,227
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	–	–	–	–	906	906	–	–	906
Total comprehensive income, net of tax	–	–	(26,594)	–	9,133	(17,461)	–	(777)	(18,238)
<u>Contributions by and distributions to owners</u>									
Manager's management fees payable in Units	13,016	–	–	–	–	13,016	–	–	13,016
Distribution to Unitholders	(44,126)	(104,990)	–	–	–	(149,116)	–	–	(149,116)
Distribution to perpetual securities holders	–	–	–	–	–	–	(9,574)	–	(9,574)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(3,186)	(3,186)
Total contributions by and distributions to Unitholders and non-controlling interests	(31,110)	(104,990)	–	–	–	(136,100)	(9,574)	(3,186)	(148,860)
<u>Change in ownership interests in subsidiaries and other capital transactions</u>									
Change in ownership interests in subsidiaries with a change in control	–	–	720	–	–	720	–	–	720
Transfer between reserves	–	(1,235)	–	1,235	–	–	–	–	–
Total change in ownership interests in subsidiaries and other capital transactions	–	(1,235)	720	1,235	–	720	–	–	720
At 30 September 2018	1,740,200	1,073,740	(196,079)	3,383	7,893	2,629,137	401,914	92,424	3,123,475

1(d)(i) **Statement of Movements in Unitholders' Funds for 4Q 2018 and YTD Dec 2018**

ASCOTT REIT GROUP	Attributable to Unitholders					Total S\$'000	Perpetual securities holders S\$'000	Non- controlling interests S\$'000	Total S\$'000
	Stapled Securities in issue S\$'000	Revenue Reserve S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000				
At 30 September 2018	1,740,200	1,073,740	(196,079)	3,383	7,893	2,629,137	401,914	92,424	3,123,475
Total return for the period	–	36,383	–	–	–	36,383	–	(2,712)	33,671
Total return attributable to perpetual securities holders	–	(4,839)	–	–	–	(4,839)	4,839	–	–
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(15,336)	–	–	(15,336)	–	(60)	(15,396)
Effective portion of change in fair values of cash flow hedges	–	–	–	–	(4,784)	(4,784)	–	–	(4,784)
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	–	–	–	–	(106)	(106)	–	–	(106)
Total comprehensive income, net of tax	–	–	(15,336)	–	(4,890)	(20,226)	–	(60)	(20,286)
<u>Contributions by and distributions to owners</u>									
Manager's management fees payable in Units	4,538	–	–	–	–	4,538	–	–	4,538
Distribution to perpetual securities holders	–	–	–	–	–	–	(9,626)	–	(9,626)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(278)	(278)
Total contributions by and distributions to Unitholders and non-controlling interests	4,538	–	–	–	–	4,538	(9,626)	(278)	(5,366)
<u>Change in ownership interests in subsidiaries and other capital transactions</u>									
Change in ownership interests in subsidiaries with a change in control	–	–	(585)	–	–	(585)	–	–	(585)
Change in ownership interests in subsidiaries with no change in control	–	(357)	–	–	–	(357)	–	357	–
Transfer between reserves	–	(193)	–	193	–	–	–	–	–
Total change in ownership interests in subsidiaries and other capital transactions	–	(550)	(585)	193	–	(942)	–	357	(585)
At 31 December 2018	1,744,738	1,104,734	(212,000)	3,576	3,003	2,644,051	397,127	89,731	3,130,909

1(d)(ii) Details of any change in the Units / Stapled Securities

	Ascott Reit Units		Ascott BT Units		Stapled Securities ⁽³⁾	
	4Q 2019 '000	4Q 2018 '000	4Q 2019 '000	4Q 2018 '000	4Q 2019 '000	4Q 2018 '000
Balance as at beginning of period / At date of constitution	2,176,818	2,162,024	– ⁽¹⁾	–	–	–
Issue of new Units / Stapled Securities:						
- partial payment of Manager's management fees in Units	1,993	2,568	–	–	–	–
- distribution <i>in specie</i>	–	–	2,178,811 ⁽²⁾	–	2,178,811	–
- partial consideration paid in Stapled Securities pursuant to the Combination	904,278	–	904,278	–	904,278	–
Balance as at end of period	3,083,089	2,164,592	3,083,089	–	3,083,089	–

	Ascott Reit Units		Ascott BT Units		Stapled Securities ⁽³⁾	
	YTD Dec 2019 '000	YTD Dec 2018 '000	YTD Dec 2019 '000	YTD Dec 2018 '000	YTD Dec 2019 '000	YTD Dec 2018 '000
Balance as at beginning of period / At date of constitution	2,164,592	2,149,688	– ⁽¹⁾	–	–	–
Issue of new Units / Stapled Securities:						
- partial payment of Manager's management fees in Units	14,219	14,904	–	–	–	–
- distribution <i>in specie</i>	–	–	2,178,811 ⁽²⁾	–	2,178,811	–
- partial consideration paid in Stapled Securities pursuant to the Combination	904,278	–	904,278	–	904,278	–
Balance as at end of period	3,083,089	2,164,592	3,083,089	–	3,083,089	–

⁽¹⁾ Less than 1,000. Ascott Reit established a wholly-owned business trust, Ascott BT, on 9 September 2019 in connection with the Combination. As at the date of establishment, there was one issued and outstanding Ascott BT unit which was held by the trustee of Ascott Reit.

⁽²⁾ On 21 October 2019, the unitholders of Ascott Reit approved the Ascott Reit Scheme (as defined in the Composite Document dated 26 September 2019). Terms defined in the Composite Document have the same meanings when used in this Announcement.

On 31 December 2019, pursuant to and on the terms of the Ascott Reit Scheme, each Unitholder of Ascott Reit as at the Ascott Reit Scheme Entitlement Date of 30 December 2019, 5.00 pm, was issued one Ascott BT Unit for each Ascott Reit Unit held by it.

⁽³⁾ Each Ascott BT Unit was stapled to one Ascott Reit Unit so as to form one Stapled Security in accordance with the Stapling Deed.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

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 as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

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 adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2019. FRS 116 *Leases* has a more significant impact on the Group as described below.

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has adopted FRS 116 using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 will be recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019, with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition.

The Group has recognised the existing operating lease arrangements at 31 December 2018 as ROU assets with corresponding lease liabilities under FRS 116. ROU assets which meet the definition of investment properties under the principles of FRS 40 *Investment Property* are included as part of investment properties.

The nature of expenses related to these expenses has changed as FRS 116 replaced the straight-line operating lease expense (previously recognised in "direct expenses") with change in fair value for ROU assets and interest expense on lease liabilities.

No significant impact is expected for other leases in which the Group is a lessor.

The impact on the Group's financial statements arising from the adoption of FRS 116 is as follows:

	GROUP
	S\$'000
Statement of Financial Position as at 1 Jan 2019	
Increase in investment properties	301,083
Increase in lease liabilities	(301,083)
Decrease in trade and other payables	9,802
Increase in net assets	9,802
Increase in Unitholders' Funds	9,802

6. **Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the financial period**

In computing the EPS, the weighted average number of Stapled Securities for the period is used for the computation.

	GROUP		GROUP	
	4Q 2019 S\$'000	4Q 2018 S\$'000	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000
Total return for the period attributable to Stapled Securityholders and perpetual securities holders	(33,112)	36,383	216,262	147,593
Less: Total return attributable to perpetual securities holders	(4,950)	(4,839)	(19,741)	(19,200)
Total return for the period attributable to Stapled Securityholders	(38,062)	31,544	196,521	128,393

	4Q 2019	4Q 2018	YTD Dec 2019	YTD Dec 2018
Earnings per Stapled Security (EPS)				
Weighted average number of Stapled Securities for the period ⁽¹⁾ ('000)				
– Basic	2,178,031	2,163,615	2,174,217	2,159,455
– Diluted	2,185,718	2,173,286	2,185,718	2,173,286
EPS (cents) (based on the weighted average number of Stapled Securities for the period)				
– Basic	(1.75)	1.46	9.04	5.95
– Basic ⁽²⁾	0.77	1.35	11.31	5.23
– Diluted	(1.74)	1.45	8.99	5.91

⁽¹⁾ As the Combination was completed on 31 December 2019, there are no earnings derived from A-HTRUST in 4Q 2019 and YTD Dec 2019. As such, the consideration units issued pursuant to the Combination are not included in the weighted average number of Stapled Securities used for the computation of EPS.

⁽²⁾ Exclude the effects of the net change in fair value of investment properties, net of tax and non-controlling interests, transaction costs relating to the Combination and impairment of goodwill.

In computing the DPS, the number of Stapled Securities as at the end of each period is used for the computation.

	4Q 2019	4Q 2018	YTD Dec 2019	YTD Dec 2018
Distribution per Stapled Security (DPS)				
Number of Stapled Securities entitled to distribution ⁽¹⁾ ('000)	2,178,811	2,164,592	2,178,811	2,164,592
DPS (cents)	2.27	2.15	7.61	7.16

⁽¹⁾ The consideration units issued pursuant to the Combination are not entitled to the permitted distribution. The DPS for 4Q 2019 pertained to the permitted distribution before the completion of the Combination. Permitted distribution is calculated based on the amount available for distribution from 1 July 2019 to 31 December 2019.

7. **Net asset value (“NAV”) Per Stapled Security / Net Tangible Assets (“NTA”) Per Stapled Security**

NAV / NTA per Stapled Security ⁽¹⁾ (S\$)
 Adjusted NAV / NTA per Stapled Security (excluding the distributable
 income to Stapled Securityholder) (S\$)

GROUP	
31/12/19	31/12/18
1.25	1.22
1.22	1.18

⁽¹⁾ NAV / NTA per Stapled Security is computed based on net asset value / net tangible asset over the issued Stapled Securities at the end of the period.

8. **Group Performance Review**

8(a) **Revenue and Gross Profit Analysis – 4Q 2019 vs. 4Q 2018 (Local Currency (“LC”))**

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		4Q 2019	4Q 2018	Better/ (Worse)		4Q 2019	4Q 2018	Better/ (Worse)		4Q 2019	4Q 2018	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
Master Leases												
Australia	AUD	1.9	1.9	–	–	1.8	1.8	–	–	–	–	–
France	EUR	5.5	5.5	–	–	5.0	4.9	0.1	2	–	–	–
Germany	EUR	2.6	2.6	–	–	2.4	2.4	–	–	–	–	–
Singapore	S\$	3.9	5.4	(1.5)	(28)	3.3	4.6	(1.3)	(28)	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	3.0	2.7	0.3	11	1.1	0.8	0.3	38	87	82	6
Spain	EUR	1.2	1.3	(0.1)	(8)	0.5	0.6	(0.1)	(17)	81	91	(11)
United Kingdom	GBP	8.2	8.1	0.1	1	3.5	3.4	0.1	3	139	137	1
Management contracts												
Australia	AUD	8.8	7.4	1.4	19	3.2	3.1	0.1	3	137	158	(13)
China	RMB	62.8	67.2	(4.4)	(7)	21.1	23.9	(2.8)	(12)	437	472	(7)
Indonesia	USD	2.9	2.7	0.2	7	1.0	1.1	(0.1)	(9)	77	69	12
Japan	JPY	1,134.0	1,201.0	(67.0)	(6)	576.8	666.7	(89.9)	(13)	12,290	12,642	(3)
Malaysia	MYR	3.2	3.6	(0.4)	(11)	0.7	0.9	(0.2)	(22)	171	191	(11)
Philippines	PHP	258.4	238.0	20.4	9	96.0	67.6	28.4	42	5,188	4,758	9
Singapore	S\$	6.9	6.4	0.5	8	3.0	2.5	0.5	20	213	198	8
United States of America	USD	23.1	24.1	(1.0)	(4)	9.8	7.4	2.4	32	245	255	(4)
Vietnam	VND ¹	178.3	175.5	2.8	2	97.3	91.1	6.2	7	1,699	1,555	9

¹ Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

² REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

8(a) **Revenue and Gross Profit Analysis – 4Q 2019 vs. 4Q 2018 (S\$)**

	<u>Revenue</u>				<u>Gross Profit</u>				<u>REVPAU Analysis¹</u>		
	4Q 2019	4Q 2018	Better/ (Worse)		4Q 2019	4Q 2018	Better/ (Worse)		4Q 2019	4Q 2018	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
<u>Master Leases</u>											
Australia	1.8	1.9	(0.1)	(5)	1.7	1.8	(0.1)	(6)	–	–	–
France	8.3	8.7	(0.4)	(5)	7.5	7.7	(0.2)	(3)	–	–	–
Germany	3.9	4.0	(0.1)	(3)	3.7	3.7	-	-	–	–	–
Singapore	3.9	5.4	(1.5)	(28)	3.3	4.6	(1.3)	(28)	–	–	–
Sub-total	17.9	20.0	(2.1)	(11)	16.2	17.8	(1.6)	(9)	–	–	–
<u>Management contracts with minimum guaranteed income</u>											
Belgium	4.5	4.2	0.3	7	1.6	1.3	0.3	23	132	129	2
Spain	1.7	2.0	(0.3)	(15)	0.7	0.9	(0.2)	(22)	122	143	(15)
United Kingdom	14.3	14.3	–	–	6.1	6.0	0.1	2	242	243	(1)
Sub-total	20.5	20.5	–	–	8.4	8.2	0.2	2	193	196	(2)
<u>Management contracts</u>											
Australia	8.2	7.3	0.9	12	3.0	3.1	(0.1)	(3)	128	157	(19)
China	12.2	13.3	(1.1)	(8)	4.1	4.7	(0.6)	(13)	85	93	(9)
Indonesia	4.0	3.7	0.3	8	1.4	1.5	(0.1)	(7)	105	94	12
Japan	14.3	14.6	(0.3)	(2)	7.3	8.1	(0.8)	(10)	155	153	1
Malaysia	1.1	1.2	(0.1)	(8)	0.2	0.3	(0.1)	(33)	56	63	(11)
Philippines	6.9	6.1	0.8	13	2.5	1.7	0.8	47	138	123	12
Singapore	6.9	6.4	0.5	8	3.0	2.5	0.5	20	213	198	8
United States of America	31.6	33.0	(1.4)	(4)	13.4	10.1	3.3	33	335	349	(4)
Vietnam	10.5	10.4	0.1	1	5.8	5.4	0.4	7	100	92	9
Sub-total	95.7	96.0	(0.3)	–	40.7	37.4	3.3	9	154	157	(2)
Group	134.1	136.5	(2.4)	(2)	65.3	63.4	1.9	3	160	163	(2)

¹ REVPAU for Japan refers to serviced residences and excludes rental housing.

Group

Please refer to para 1(a)(ii)(A.1) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

Australia

Revenue and gross profit remained stable as compared to 4Q 2018.

In SGD terms, both revenue and gross profit decreased by S\$0.1 million due to depreciation of AUD against SGD.

France

Revenue remained stable as compared to 4Q 2018. Gross profit increased by EUR 0.1 million or 2% due to lower business tax.

In SGD terms, revenue decreased by S\$0.4 million or 5% due to depreciation of EUR against SGD. Gross profit decreased by S\$0.2 million or 3%.

Germany

Both revenue and gross profit remained at the same level as 4Q 2018.

In SGD terms, revenue decreased by S\$0.1 million or 3% due to depreciation of EUR against SGD. Gross profit, in SGD terms, remained stable.

Singapore

Both revenue and gross profit decreased due to the divestment of Ascott Raffles Place in May 2019. On a same store basis, revenue and gross profit increased by S\$0.5 million, as compared to 4Q 2018, due to higher variable rent earned by Ascott Orchard as a result of stronger corporate and leisure demand.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.3 million or 11% and REVPAU increased by 6% in 4Q 2019 due to stronger demand.

Gross profit increased by EUR 0.3 million or 38% due to higher revenue.

In SGD terms, revenue increased by S\$0.3 million or 7% as compared to 4Q 2018 due to stronger underlying performance, partially offset by depreciation of EUR against SGD. Gross profit, in SGD terms, increased by S\$0.3 million or 23%.

Spain

Revenue decreased by EUR 0.1 million or 8% and REVPAU decreased by 11% in 4Q 2019 due to replacement of air conditioners and weaker demand. Gross profit decreased by EUR 0.1 million or 17% due to lower revenue, coupled with higher operation & maintenance expense.

In SGD terms, revenue decreased by S\$0.3 million or 15% and gross profit decreased by S\$0.2 million or 22% due to lower underlying performance and depreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 0.1 million or 1% and REVPAU increased by 1% as compared to 4Q 2018 due to higher corporate and leisure demand.

Gross profit increased by GBP 0.1 million or 3% due to higher revenue and lower marketing expense, partially offset by higher management fee and staff costs.

In SGD terms, revenue remained at the same level as 4Q 2018 due to stronger underlying performance, offset by depreciation of GBP against SGD. Gross profit, in SGD terms, increased by S\$0.1 million or 2%.

C. Management contracts

Australia

Revenue increased by AUD 1.4 million or 19% due to the acquisition of Citadines Connect Sydney Airport in May 2019. REVPAU decreased by 13% in 4Q 2019 due to the acquisition of Citadines Connect Sydney Airport, which had lower REVPAU as compared to the existing properties in Australia.

On a same store basis, revenue and gross profit decreased mainly due to softer leisure and corporate demand in Melbourne and REVPAU was lower by 9%.

In SGD terms, revenue increased by S\$0.9 million or 12%. Gross profit decreased by S\$0.1 million or 3% due to depreciation of AUD against SGD, partially offset by higher underlying performance.

China

Revenue decreased by RMB 4.4 million or 7% and REVPAU decreased by 7% due to softer corporate demand on the back of trade tensions and competition from new supply in second-tier cities. Gross profit decreased by RMB 2.8 million or 12%.

Excluding the FRS 116 adjustments, gross profit decreased by RMB 4.0 million or 17% due to lower revenue, partially offset by lower staff costs.

In SGD terms, revenue decreased by S\$1.1 million or 8% due to depreciation of RMB against SGD and lower underlying performance. Gross profit decreased by S\$0.6 million or 13%.

Indonesia

Revenue increased by USD 0.2 million or 7% and REVPAU increased by 12% as compared to 4Q 2018 due to higher revenue from the refurbished apartments at Somerset Grand Citra. Gross profit decreased by USD 0.1 million or 9% due to higher staff costs, operation & maintenance expense and marketing expense.

In SGD terms, revenue increased by S\$0.3 million or 8% due to stronger underlying performance. Gross profit decreased by S\$0.1 million or 7%.

Japan

Revenue decreased by JPY 67.0 million or 6% due to increased competition from new supply, which affected the serviced residence properties and a rental housing property in Fukuoka. REVPAU decreased by 3% as compared to 4Q 2018.

Gross profit decreased by JPY 89.9 million or 13% due to lower revenue, coupled with higher staff costs, operation & maintenance expense and marketing expense.

In SGD terms, revenue decreased by S\$0.3 million or 2% due to lower underlying performance mitigated by appreciation of JPY against SGD. Gross profit decreased by S\$0.8 million or 10%.

Malaysia

Revenue decreased by MYR 0.4 million or 11% and REVPAU decreased by 11% as compared to 4Q 2018 due to keen competition. Gross profit decreased by MYR 0.2 million or 22% due to lower revenue, partially offset by lower staff costs and marketing expense.

In SGD terms, revenue decreased by S\$0.1 million or 8% due to lower underlying performance. Gross profit decreased by S\$0.1 million or 33%.

The Philippines

Revenue increased by PHP 20.4 million or 9% and REVPAU increased by 9% due to stronger corporate demand. Gross profit increased by PHP 28.4 million or 42%. Excluding the FRS 116 adjustments, gross profit increased by PHP 17.7 million or 26% due to higher revenue, lower operation & maintenance expense and depreciation expense, partially offset by higher staff costs.

In SGD terms, revenue increased by S\$0.8 million or 13% due to stronger underlying performance and appreciation of PHP against SGD. Gross profit increased by S\$0.8 million or 47%.

Singapore

Revenue increased by S\$0.5 million or 8% and REVPAU increased by 8% due to higher market demand.

In line with the revenue increase, gross profit increased by S\$0.5 million or 20%.

The United States of America

Revenue decreased by USD 1.0 million or 4% and REVPAU decreased by 4% as compared to 4Q 2018 due to competition from new supply.

Gross profit increased by USD 2.4 million. Had the FRS 116 adjustments for 4Q 2019 and the straight-line recognition of operating lease expense for 4Q 2018 been excluded, gross profit would have decreased by USD 1.0 million or 13%. The lower gross profit was attributed to lower revenue and higher depreciation expense, partially offset by lower marketing expense.

In SGD terms, revenue decreased by S\$1.4 million or 4% due to lower underlying performance. Gross profit increased by S\$3.3 million or 33%.

Vietnam

Revenue increased by VND 2.8 billion or 2% and REVPAU increased by 9% as compared to 4Q 2018 mainly due to stronger corporate demand in Hanoi, partially offset by the divestment of Somerset West Lake Hanoi. Gross profit increased by VND 6.2 billion or 7% due to higher revenue, lower staff costs and depreciation expense.

Excluding the contribution from Somerset West Lake Hanoi (which was divested on 31 October 2019) for 4Q 2019 and 4Q 2018, revenue and gross profit increased by 7% and 11 % respectively.

In SGD terms, revenue increased by S\$0.1 million or 1% and gross profit increased by S\$0.4 million or 7% due to stronger underlying performance.

8(b) Revenue and Gross Profit Analysis – YTD Dec 2019 vs. YTD Dec 2018 (Local Currency (“LC”))

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		YTD Dec 2019	YTD Dec 2018	Better/ (Worse)		YTD Dec 2019	YTD Dec 2018	Better/ (Worse)		YTD Dec 2019	YTD Dec 2018	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
Master Leases												
Australia	AUD	7.6	7.5	0.1	1	7.2	7.0	0.2	3	–	–	–
France	EUR	21.7	22.4	(0.7)	(3)	19.8	20.7	(0.9)	(4)	–	–	–
Germany	EUR	10.1	9.8	0.3	3	9.3	9.0	0.3	3	–	–	–
Singapore	S\$	18.6	21.9	(3.3)	(15)	15.8	18.7	(2.9)	(16)	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	10.5	9.3	1.2	13	3.6	2.8	0.8	29	79	71	11
Spain	EUR	5.8	5.4	0.4	7	2.8	2.6	0.2	8	105	98	7
United Kingdom	GBP	32.2	29.8	2.4	8	13.8	12.8	1.0	8	138	127	9
Management contracts												
Australia	AUD	31.0	27.5	3.5	13	11.6	11.6	–	–	134	149	(10)
China	RMB	257.2	265.6	(8.4)	(3)	102.8	101.9	0.9	1	449	470	(4)
Indonesia	USD	11.5	11.5	–	–	4.0	4.3	(0.3)	(7)	76	73	4
Japan ³	JPY	4,564.6	4,561.3	3.3	–	2,392.0	2,511.7	(119.7)	(5)	12,107	11,690	4
Malaysia	MYR	13.5	14.9	(1.4)	(9)	2.7	4.3	(1.6)	(37)	180	198	(9)
Philippines	PHP	976.9	873.6	103.3	12	341.0	245.2	95.8	39	4,892	4,370	12
Singapore	S\$	26.7	24.8	1.9	8	11.5	10.3	1.2	12	207	192	8
United States of America	USD	78.7	82.0	(3.3)	(4)	30.0	19.4	10.6	55	210	218	(4)
Vietnam	VND ¹	710.8	687.4	23.4	3	383.3	365.5	17.8	5	1,626	1,549	5

¹ Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

² REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

³ Revenue and gross profit for Infini Garden have been classified under “Management contracts” category as the master lease arrangement has expired on 30 June 2018. For comparison purpose, the revenue and gross profit for Infini Garden for YTD Jun 2018 have been reclassified from “Master lease” category to “Management contracts” category.

8(b) **Revenue and Gross Profit Analysis – YTD Dec 2019 vs. YTD Dec 2018 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis ¹		
	YTD Dec 2019	YTD Dec 2018	Better/ (Worse)		YTD Dec 2019	YTD Dec 2018	Better/ (Worse)		YTD Dec 2019	YTD Dec 2018	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
Master Leases											
Australia	7.3	7.6	(0.3)	(4)	6.8	7.1	(0.3)	(4)	–	–	–
France	33.3	35.8	(2.5)	(7)	30.3	33.1	(2.8)	(8)	–	–	–
Germany	15.4	15.6	(0.2)	(1)	14.2	14.3	(0.1)	(1)	–	–	–
Singapore	18.6	21.9	(3.3)	(15)	15.8	18.7	(2.9)	(16)	–	–	–
Sub-total	74.6	80.9	(6.3)	(8)	67.1	73.2	(6.1)	(8)	–	–	–
Management contracts with minimum guaranteed income											
Belgium	16.1	14.8	1.3	9	5.6	4.4	1.2	27	122	113	8
Spain	8.8	8.7	0.1	1	4.2	4.1	0.1	2	160	156	3
United Kingdom	56.2	53.6	2.6	5	24.1	23.1	1.0	4	241	229	5
Sub-total	81.1	77.1	4.0	5	33.9	31.6	2.3	7	194	184	5
Management contracts											
Australia	29.5	27.8	1.7	6	11.0	11.8	(0.8)	(7)	128	150	(15)
China	50.9	54.2	(3.3)	(6)	20.4	20.8	(0.4)	(2)	89	96	(7)
Indonesia	15.7	15.5	0.2	1	5.5	5.7	(0.2)	(4)	103	99	4
Japan ²	57.0	55.6	1.4	3	29.9	30.6	(0.7)	(2)	151	142	6
Malaysia	4.5	5.0	(0.5)	(10)	0.9	1.4	(0.5)	(36)	59	66	(11)
Philippines	25.6	22.4	3.2	14	8.9	6.3	2.6	41	128	112	14
Singapore	26.7	24.8	1.9	8	11.5	10.3	1.2	12	207	192	8
United States of America	107.4	110.4	(3.0)	(3)	40.9	26.1	14.8	57	286	294	(3)
Vietnam	41.9	40.6	1.3	3	22.6	21.6	1.0	5	96	91	5
Sub-total	359.2	356.3	2.9	1	151.6	134.6	17.0	13	144	145	(1)
Group	514.9	514.3	0.6	–	252.6	239.4	13.2	6	152	151	1

¹ REVPAU for Japan refers to serviced residences and excludes rental housing.

² Revenue and gross profit for Infini Garden have been classified under “Management contracts” category as the master lease arrangement has expired on 30 June 2018. For comparison purpose, the revenue and gross profit for Infini Garden for YTD Jun 2018 have been reclassified from “Master lease” category to “Management contracts” category.

For the year ended 31 December 2019 (“YTD Dec 2019”), revenue increased by S\$0.6 million as compared to the corresponding period last year (“YTD Dec 2018”). The increase in revenue was mainly due to higher revenue of S\$2.6 million from the existing properties and additional contribution of S\$3.9 million from the acquisition of Citadines Connect Sydney Airport, partially offset by decrease in revenue of S\$5.9 million from the divestment of Ascott Raffles Place Singapore and Somerset West Lake Hanoi.

REVPAU increased by 1%, from S\$151 in YTD Dec 2018 to S\$152 in YTD Dec 2019.

Gross profit for YTD Dec 2019 increased by S\$13.2 million or 6% as compared to YTD Dec 2018 due to higher revenue and the FRS 116 adjustments. On a same store basis and excluding the FRS 116 adjustments, gross profit decreased by S\$3.2 million.

(c) **Change in value of investment properties and assets held for sale**

The change in value of investment properties and assets held for sale will affect the net asset value but has no impact on the unitholders' 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 investment properties.

As at 31 December 2019, independent full valuations were carried out by HVS (except for the A-HTRUST properties, Somerset Liang Court Singapore, Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan). In determining the fair value of the Group's portfolio, the discounted cash flow approach and residual land method was used. The valuation method used is consistent with that used for the 30 June 2019 valuation and prior years.

The valuation of Somerset Liang Court Singapore was based on the independent valuation conducted by Knight Frank Pte Ltd relating to the partial sale of GFA and the independent valuation conducted by HVS for the retained GFA. Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan were valued at their respective sale consideration. Please see paragraph A.10 for more details.

The Group's portfolio (excluding the A-HTRUST properties) was revalued at S\$4.9 billion, resulting in a surplus of S\$106.2 million which was recognised in the Consolidated Statement of Total Return in 4Q 2019. The surplus resulted mainly from higher valuation of the Group's properties in China, Europe, Japan and Singapore, partially offset by lower valuation from the properties in Indonesia, Philippines and Vietnam. The net impact on the Consolidated Statement of Total Return was S\$104.4 million (net of tax and non-controlling interests).

9. **Variance from forecast**

The Group has not disclosed any forecast to the market.

10. **Commentary of the significant trends and the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

The combination with Ascendas Hospitality Trust (Combination) was completed on 31 December 2019. Following the Combination, the new Ascott Reit-Business Trust stapled units commenced trading on the Singapore Exchange on 2 January 2020. With an increased market capitalisation of approximately S\$4.0 billion and over 75% of earnings before interest, taxes, depreciation and amortisation (EBITDA) from developed markets, ART is positioned for inclusion into the FTSE EPRA Nareit Developed Index.

As an enlarged entity, ART's total asset value stood at S\$7.4 billion, cementing its position as the proxy hospitality trust in Asia Pacific. The Combination has enhanced ART's income resilience and augmented its financial flexibility to fund future growth. Post Combination, ART has an enlarged debt headroom¹ of S\$1.5 billion and continues to have a low effective borrowing cost of 2.0% per annum and investment grade credit rating of 'BBB'.

Concerns over the developing Novel Coronavirus situation will impact the demand for travel. While the extent of the impact is uncertain, ART's geographically diversified presence and mix of stable and growth income streams are expected to mitigate the impact. For the quarter ended 31 December 2019, master leases and management contracts with minimum guaranteed income (stable income) contributed 38% of ART's gross profit, offering downside protection and income resilience. Post Combination, ART's proportion of stable income is expected to increase with the addition of more properties on master leases. Furthermore, ART's properties, predominantly serviced residences focused on business travellers, have a longer average length of stay, offering stability to the portfolio.

In the second quarter of 2020, the divestment of partial gross floor area of Somerset Liang Court Singapore is expected to complete before redevelopment works commence. Upon completion of the construction, estimated in 2024, the new Somerset serviced residence will be part of an iconic riverfront integrated development, operating under a hotel licence. ART's maiden development project, the 324²-unit purpose built lyf one-north Singapore, is also slated to complete construction by the end of 2020 and is on track to open in 2021.

Looking ahead, ART will continue to grow through yield-accretive acquisitions and seek ways to create value to enhance the portfolio and returns to Stapled Securityholders. The divestment of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan, expected to complete by the first half of 2020, were sold at over 30% above their combined book values. The acquisition of Quest Macquarie Park in Sydney, Australia, a property under a master lease, will add to the stream of stable income to ART when the transaction completes by the first quarter of 2020.

¹ Refers to the amount of additional debt before reaching aggregate leverage limit of 45% set by MAS for real estate investment trusts

² Number of units subject to change

11. **DISTRIBUTIONS**

11(a) **Current financial period**

Any distributions declared for the current financial period? Yes
Period of distribution : Distribution for 1 July 2019 to 31 December 2019

Distribution Type	Distribution Rate (cents)
Taxable Income	0.616
Tax Exempt Income	2.935
Capital	0.400
Other gains	0.229
Total	4.180

Note: The above is to be distributed to unitholders of Ascott Reit as at 5.00 p.m. on 30 December 2019.

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

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes
Period of distribution : Distribution for 1 July 2018 to 31 December 2018

Distribution Type	Distribution Rate (cents)
Taxable Income	0.718
Tax Exempt Income	2.758
Capital	0.490
Total	3.966

11(c) 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 Stapled Securities holders.

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For Stapled Securities holders who are liable to tax on profits from sale of Ascott Reit Units, the amount of capital distribution will be applied to reduce the cost base of their Ascott Reit Units for tax purposes.

Other Gains Distribution

Distribution of other gains is not taxable in the hand of Stapled Securities holders.

11(c) Book closure date : 30 December 2019

11(d) Date payable : 10 February 2020

12. **If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

13. **General mandate for Interested Person Transactions (“IPT”)**

The Group has not obtained a general mandate from Unitholders for IPT.

14. **Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Managers confirm that they have procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

15. **Segment Revenue and Results**

	Revenue		Gross Profit	
	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000
Singapore	45,235	46,632	27,298	29,028
Australia	36,746	35,432	17,864	18,856
Belgium	16,122	14,835	5,571	4,413
China	50,932	54,165	20,369	20,779
France	33,312	35,767	30,254	33,045
Germany	15,442	15,609	14,221	14,325
Indonesia	15,740	15,530	5,479	5,738
Japan	57,012	55,602	29,876	30,617
Malaysia	4,462	4,996	881	1,433
Philippines	25,635	22,409	8,947	6,289
Spain	8,830	8,656	4,225	4,106
United Kingdom	56,181	53,643	24,121	23,047
United States of America	107,374	110,438	40,893	26,118
Vietnam	41,933	40,559	22,612	21,566
Group	514,956	514,273	252,611	239,360

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8 on the review.

17. **Breakdown of Revenue and Total Return**

	YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000	Better/ (Worse) %
(a) Revenue reported for first half year	248,409	243,283	2
(b) Total return after taxation reported for first half year	212,925	79,608	167
(c) Revenue reported for second half year	266,547	270,990	(2)
(d) Total return after taxation reported for second half year	3,397	72,233	(95)

18. **Breakdown of Total Distributions**

1 January 2018 to 30 June 2018 - paid
1 July 2018 to 31 December 2018 - paid
1 January 2019 to 30 June 2019 - paid
1 July 2019 to 31 December 2019 - to be paid

YTD Dec 2019 S\$'000	YTD Dec 2018 S\$'000
–	68,943
–	85,840
74,623	–
90,934	–

19. **Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Ascott Residence Trust Management Limited, being the manager of Ascott Reit, and Ascott Business Trust Management Pte. Ltd., being the trustee-manager of Ascott Business Trust (collectively, the “Managers”) confirm that there is no person occupying a managerial position in the Managers or in any of its or Ascott Residence Trust’s principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Managers or substantial Stapled Securityholder of Ascott Residence Trust.

On behalf of the Board of Directors

Tan Beng Hai
Chairman

Beh Siew Kim
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 Real Estate Investment Trust

BY ORDER OF THE BOARD
Ascott Business Trust Management Pte. Ltd.
(Company registration no. 201925299R)
As Trustee-Manager of Ascott Business Trust

Karen Chan
Company Secretary

30 January 2020