ASCOTT RESIDENCE TRUST

A Member of CapitaLand

ASCOTT RESIDENCE TRUST
2018 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
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Summary of Group Results

	4Q 2018 S$'000	4Q 2017 S$'000	Better / (Worse) %	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000	Better / (Worse) %
Revenue	136,509	134,484	2	514,273	496,288	4
Gross Profit	63,405	61,781	3	239,360	226,918	5
Unitholders' Distribution [(1), (2)]	46,468	43,877	6	154,783	152,188	2
Distribution Per Unit ("DPU") (cents)	2.15	2.04	5	7.16	7.09	1
For information only DPU (cents) (adjusted for one-off items [(1), (2)])	1.85	1.74	6	6.79	6.23	9

(1) Unitholders' distribution for 4Q 2018 and 4Q 2017 included a one-off partial distribution of divestment gain of S$6.5 million.

(2) 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.

Unitholders' distribution for YTD Dec 2017 included a realised exchange gain of S$11.9 million arising from repayment of foreign currency bank loans with the proceeds from the Rights Issue (pending the deployment of the funds for their intended use to part finance the acquisition of Ascott Orchard Singapore) and divestments, and the partial distribution of divestment gain.

DISTRIBUTION AND BOOK CLOSURE DATE

Distribution	For 1 January 2018 to 30 June 2018	For 1 July 2018 to 31 December 2018
Distribution Rate	3.192 cents per Unit	3.966 cents per Unit
Book Closure Date	1 August 2018	8 February 2019
Payment Date	27 August 2018	28 February 2019

INTRODUCTION

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

Ascott Reit's objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences, rental housing properties and other hospitality assets. It has a portfolio of serviced residences and rental housing properties across Asia Pacific, Europe and United States of America. Ascott Reit's investment policy covers any country in the world.

Ascott Reit was directly held by The Ascott Limited up to and including 30 March 2006. On 31 March 2006, Ascott Reit was listed on the Singapore Exchange Securities Trading Limited with an initial portfolio of 12 properties with 2,068 apartment units in seven cities across 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 United States of America ("US"). On 29 April 2016, Ascott Reit completed the acquisition of Sheraton Tribeca New York Hotel.

On 6 March 2017, Ascott Reit announced the launch of an underwritten and renounceable rights issue to raise gross proceeds of approximately S$442.7 million (the "Rights Issue"). The gross proceeds from the Rights Issue was used to part finance the remaining purchase price for Ascott Orchard Singapore, which was completed on 10 October 2017, and the acquisition of two serviced residence properties in Germany, which was completed on 2 May 2017. On 16 August 2017, Ascott Reit completed the acquisition of DoubleTree by Hilton Hotel New York – Times Square South, its third property in the US. The four properties acquired in 2017 are collectively termed as the "2017 Acquisitions".

On 26 April 2017, Ascott Reit completed the divestment of 18 rental housing properties in Tokyo, Japan. On 3 July 2017, Ascott Reit announced the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, which was completed on 5 January 2018. The divestments are collectively referred to as the "Divestments".

On 20 September 2018, Ascott Reit announced the acquisition of a greenfield site from JTC Corporation for its maiden development project at Nepal Hill, Singapore. It will build the first coliving property in Nepal Hill to be named lyf one-north Singapore. The project will be completed by 2020.

As at 31 December 2018, Ascott Reit's portfolio comprises 73 properties with 11,430 apartment units in 37 cities across 14 countries.

Ascott Reit makes distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar. Since its listing, Ascott Reit has paid 100% of its distributable income.

1(a)(i) Consolidated Statement of Total Return

	Note	GROUP 4Q 2018 S$'000	GROUP 4Q 2017 S$'000	Better / (Worse) %	GROUP YTD Dec 2018 S$'000	GROUP YTD Dec 2017 S$'000	Better / (Worse) %
Revenue	A.1	136,509	134,484	2	514,273	496,288	4
Direct expenses	A.2	(73,104)	(72,703)	(1)	(274,913)	(269,370)	(2)
Gross Profit	A.1	63,405	61,781	3	239,360	226,918	5
Finance income	A.3	366	467	(22)	1,194	1,581	(24)
Other operating income	A.4	940	129	n.m.	1,479	558	165
Finance costs	A.3	(11,864)	(12,246)	3	(47,116)	(46,668)	(1)
Manager's management fees		(6,228)	(6,181)	(1)	(23,900)	(22,358)	(7)
Trustee's fee		(147)	(134)	(10)	(546)	(495)	(10)
Professional fees		(882)	(866)	(2)	(2,920)	(2,651)	(10)
Audit fees	A.5	(305)	(591)	48	(2,398)	(2,380)	(1)
Foreign exchange (loss) / gain	A.6	(3,808)	(3,794)	–	(6,097)	16,225	n.m.
Other operating expenses	A.7	(879)	(1,553)	43	(1,999)	(3,232)	38
Share of results of associate (net of tax)		20	20	–	(21)	(38)	45
Net income before changes in fair value of financial derivatives, serviced residence properties and assets held for sale		**40,618**	**37,032**	**10**	**157,036**	**167,460**	**(6)**
Net change in fair value of financial derivatives	A.8	(200)	344	n.m.	–	1,121	n.m.
Net change in fair value of serviced residence properties and assets held for sale	A.9	8,803	3,841	129	35,499	85,640	(59)
Profit upon divestment	A.10	3,700	33	n.m.	3,211	20,844	(85)
Assets written off	A.11	(288)	(616)	53	(364)	(621)	41
Total return for the period / year before tax		**52,633**	**40,634**	**30**	**195,382**	**274,444**	**(29)**
Income tax expense	A.12	(18,962)	(8,866)	(114)	(43,541)	(51,944)	16
Total return for the period / year after tax		**33,671**	**31,768**	**6**	**151,841**	**222,500**	**(32)**
Attributable to:							
Unitholders / perpetual securities holders		36,383	29,817		147,593	214,247	
Non-controlling interests		(2,712)	1,951		4,248	8,253	
Total return for the period / year		**33,671**	**31,768**	**6**	**151,841**	**222,500**	**(32)**

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

	Note	GROUP 4Q 2018 S$'000	GROUP 4Q 2017 S$'000	Better / (Worse) %	GROUP YTD Dec 2018 S$'000	GROUP YTD Dec 2017 S$'000	Better / (Worse) %
Total return for the period / year attributable to Unitholders / perpetual securities holders		36,383	29,817		147,593	214,247	
Net effect of non-tax deductible / chargeable items and other adjustments	A.13	14,924	18,899		26,390	(42,859)	
Total amount distributable for the period / year		**51,307**	**48,716**	**5**	**173,983**	**171,388**	2
Amount distributable:							
- Unitholders		46,468	43,877		154,783	152,188	
- Perpetual securities holders		4,839	4,839		19,200	19,200	
		51,307	**48,716**	**5**	**173,983**	**171,388**	2
Comprises:							
- from operations		65,959	46,897		132,252	95,042	
- from unitholders' contributions		(19,491)	(3,020)		22,531	57,146	
		46,468	**43,877**	**6**	**154,783**	**152,188**	2

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

A.1 Revenue and Gross profit

Revenue for 4Q 2018 of S$136.5 million comprised S$20.0 million (15% of total revenue) from serviced residences on Master Leases, S$20.5 million (15%) from serviced residences on management contracts with minimum guaranteed income and S$96.0 million (70%) from serviced residences on management contracts.

Revenue for 4Q 2018 increased by S$2.0 million or 2% as compared to 4Q 2017. This was mainly contributed by the additional revenue of S$0.4 million from the full quarter contribution from Ascott Orchard Singapore (acquired on 10 October 2017) and higher revenue from the existing properties of S$2.7 million, partially offset by the decrease in revenue of S$1.1 million from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an.

The Group achieved a revenue per available unit ("REVPAU") of S$163 for 4Q 2018, an increase of 5% as compared to 4Q 2017.

Gross profit for 4Q 2018 of S$63.4 million comprised S$17.8 million (28% of total gross profit) from serviced residences on Master Leases, S$8.2 million (13%) from serviced residences on management contracts with minimum guaranteed income and S$37.4 million (59%) from serviced residences on management contracts.

As compared to 4Q 2017, gross profit increased by S$1.6 million or 3% due to higher revenue.

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

A.2 Direct expenses include the following items:

	GROUP			GROUP		
	4Q 2018 S$'000	4Q 2017 S$'000	Better / (Worse) %	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000	Better / (Worse) %
Depreciation and amortisation[1]	(3,198)	(3,652)	12	(12,744)	(13,250)	4
Staff costs[2]	(14,360)	(14,067)	(2)	(54,578)	(51,570)	(6)

[1] Depreciation and amortisation was lower in 4Q 2018 mainly due to fully depreciated assets.
[2] Staff costs were higher in YTD Dec 2018 mainly due to the US acquisition in August 2017.

A.3 Finance income and Finance costs

Finance income was higher in 4Q 2017 due to fixed deposit placements with the deposit received for the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an and the balance proceeds from the Rights Issue.

Finance costs were lower in 4Q 2018 mainly due to refinancing of medium term notes at lower interest rates.

A.4 Other operating income

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

A.5 Audit fees

Audit fees were lower in 4Q 2018 mainly due to the Divestments, and reversal of excess accruals upon finalisation of the agreed fees.

A.6 Foreign exchange (loss) / gain

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. 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.

The realised exchange gain in 4Q 2018 mainly arise from gain on the foreign currency forward contracts.

The foreign exchange loss recognised in 4Q 2017 mainly comprised unrealised exchange loss of S$3.8 million (mainly arising 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.7 Other operating expenses

Other operating expenses were higher in 4Q 2017 mainly due to higher impairment loss on trade and other receivables, impairment loss on loan to associate and one-off costs incurred on the stamp duty assessment for the Perth property.

A.8 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts.

A.9 **Net change in fair value of serviced residence properties and assets held for sale**

This relates to the surplus on revaluation of serviced residence properties recognised in 4Q 2018. The surplus resulted mainly from higher valuation of the Group's serviced residences in United Kingdom, France, Belgium and Spain, partially offset by lower valuation from the serviced residences in Vietnam and Philippines. The valuations for the serviced residence properties were carried out on 31 December 2018. Please refer to paragraph 8(c) for more details.

A.10 **Profit upon divestment**

In 4Q 2018, this 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.11 **Assets written off**

In 4Q 2018, this relates to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Grand Hanoi, Vietnam.

Assets written off in 4Q 2017 mainly relates to the disposal of assets at Somerset Ho Chi Minh City and Somerset Grand Hanoi in Vietnam.

A.12 **Income tax expense**

Taxation for 4Q 2018 was higher by S$10.1 million as compared to the corresponding period last year. This was mainly due to the deferred tax liability provided on the fair value surplus.

A.13 **Net effect of non-tax deductible / (chargeable) items and other adjustments include the following:**

	GROUP			GROUP		
	4Q 2018 S$'000	4Q 2017 S$'000	Better / (Worse) %	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000	Better / (Worse) %
Depreciation and amortisation	3,198	3,652	12	12,744	13,250	4
Manager's management fee payable / paid partially in units	4,538	4,478	1	17,505	16,051	(9)
Trustee's fees *	35	46	24	111	89	(25)
Unrealised foreign exchange loss / (gain)	4,237	3,840	(10)	8,988	(2,441)	n.m.
Net change in fair value of financial derivatives (Note A.8)	200	(344)	n.m.	–	(1,121)	n.m.
Net change in fair value of serviced residence properties and assets held for sale (Note A.9)	(8,803)	(3,841)	129	(35,499)	(85,640)	(59)
Profit upon divestment (Note A.10)	(3,700)	(33)	n.m.	(3,211)	(20,844)	(85)
Operating lease expense recognised on a straight-line basis	754	817	8	3,104	3,499	11
Assets written off (Note A.11)	288	616	53	364	621	41
Deferred tax expense	12,180	2,200	(454)	18,375	25,048	27
Effect of non-controlling interests arising from the above	(4,481)	370	n.m.	(2,411)	1,841	n.m.
Partial distribution of divestment gain	6,500	6,500	-	6,500	6,500	-

* This relates to the Singapore properties only and is not tax deductible. The increase in trustee's fees for YTD Dec 2018 is mainly due to the acquisition of Ascott Orchard Singapore in October 2017.

1(b)(i) Statement of Financial Position

	Note	GROUP 31/12/18 S$'000	GROUP 31/12/17 S$'000	TRUST 31/12/18 S$'000	TRUST 31/12/17 S$'000
Non-Current Assets					
Plant and equipment		48,564	49,768	10,807	13,844
Serviced residence properties	B.1	4,679,295	4,908,400	739,193	950,156
Subsidiaries		–	–	276,546	340,889
Associate		3,040	2,992	3,062	2,993
Financial derivatives	B.2	8,294	7,169	1,879	2,090
Deferred tax assets		4,309	5,770	–	–
Other non-current assets	B.3	65,535	–	65,535	–
		4,809,037	**4,974,099**	**1,097,022**	**1,309,972**
Current Assets					
Inventories		328	214	–	–
Trade and other receivables	B.4	56,919	66,573	2,299,467	2,369,264
Assets held for sale	B.5	215,000	194,820	215,000	–
Cash and cash equivalents	B.6	227,847	257,345	40,112	12,598
		500,094	**518,952**	**2,554,579**	**2,381,862**
Total Assets		**5,309,131**	**5,493,051**	**3,651,601**	**3,691,834**
Non-Current Liabilities					
Interest bearing liabilities	B.9	(1,835,316)	(1,681,106)	(424,430)	(351,782)
Financial derivatives	B.2	(6,850)	(15,960)	(5,269)	(13,570)
Deferred tax liabilities	B.8	(117,865)	(119,211)	–	–
		(1,960,031)	**(1,816,277)**	**(429,699)**	**(365,352)**
Current Liabilities					
Trade and other payables	B.7	(141,252)	(237,069)	(927,844)	(917,940)
Liabilities held for sale	B.5	–	(1,065)	–	–
Interest bearing liabilities	B.9	(70,137)	(264,267)	–	(77,187)
Financial derivatives	B.2	(280)	(165)	(191)	(121)
Provision for taxation		(6,522)	(2,525)	–	–
		(218,191)	**(505,091)**	**(928,035)**	**(995,248)**
Total Liabilities		**(2,178,222)**	**(2,321,368)**	**(1,357,734)**	**(1,360,600)**
Net Assets		**3,130,909**	**3,171,683**	**2,293,867**	**2,331,234**
Represented by:					
Unitholders' funds	1(d)(i)	2,644,051	2,685,129	1,896,740	1,934,107
Perpetual securities holders	1(d)(i)	397,127	397,127	397,127	397,127
Non-controlling interests	1(d)(i)	89,731	89,427	–	–
Total Equity		**3,130,909**	**3,171,683**	**2,293,867**	**2,331,234**

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

B.1 Serviced residence properties

The decrease in the Group's serviced residence properties as at 31 December 2018 was mainly due to the reclassification of Ascott Raffles Place Singapore from "Serviced residence properties" to "Assets held for Sale" under Current Assets (pursuant to the planned divestment of the property as at 31 December 2018) and foreign currency translation differences arising from translating the Group's serviced residence properties as a result of the depreciation of foreign currencies, particularly RMB, USD, EUR and GBP. These decreases are partially offset by the increase in valuation on 31 December 2018.

B.2 Financial derivatives

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

B.3 Other non-current assets

Other non-current assets relate to the land value, stamp duty and capital expenditure paid for lyf one-north Singapore.

B.4 Trade and other receivables

The decrease in the trade and other receivables as at 31 December 2018 was mainly due to lower prepaid expenses arising from the completion of the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in January 2018. The transaction costs were previously recognised as prepayments as at 31 December 2017.

B.5 Assets held for sale and Liabilities held for sale

The assets held for sale as at 31 December 2018 relate to the reclassification of Ascott Raffles Place Singapore from serviced residence properties and plant and equipment under Non-Current Assets. Please refer to Note B.1 above.

The assets and liabilities held for sale as at 31 December 2017 relate to the assets and liabilities of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an which have been reclassified from the respective balance sheet captions to "Assets held for Sale" and "Liabilities held for Sale" (pursuant to the announcement for the divestment of these properties on 3 July 2017). As at 31 December 2018, the divestments were completed.

B.6 Cash and cash equivalents

The decrease in the Group's cash and cash equivalents as at 31 December 2018 was mainly due to repayment of bank borrowings with divestment proceeds and distribution paid to Unitholders.

B.7 Trade and other payables

The decrease in the trade and other payables as at 31 December 2018 was mainly due to the completion of the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in January 2018. The trade and other payables as at 31 December 2017 included the deposits received for the divestment of the two China properties.

B.8 Deferred tax liabilities

The decrease in deferred tax liabilities as at 31 December 2018 was mainly due to the transfer of the deferred tax liability provided on the divestment gain of the two China properties to current tax provision upon the completion of the divestment in January 2018, partially offset by deferred tax liability provided on the fair value surplus recognised in FY 2018.

B.9 Interest bearing liabilities

	GROUP		TRUST	
	31/12/18 S$'000	31/12/17 S$'000	31/12/18 S$'000	31/12/17 S$'000
Amount repayable in one year or less or on demand				
- Secured	69,760	26,518	–	–
- Unsecured	494	237,786	–	77,187
Less: Unamortised transaction costs	(117)	(37)	–	–
	70,137	264,267	–	77,187
Amount repayable after one year				
- Secured	849,503	929,691	216,083	212,039
- Unsecured	995,208	764,166	210,795	142,745
Less: Unamortised transaction costs	(9,395)	(12,751)	(2,448)	(3,002)
	1,835,316	1,681,106	424,430	351,782
Total	**1,905,453**	**1,945,373**	**424,430**	**428,969**

Details of collateral

The borrowings of the Group are generally secured by:

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

Capital management

As at 31 December 2018, the Group's gearing was 36.7%, well below the 45 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. The average cost of debts was 2.3 percent per annum, with an interest cover of 4.8 times. S$1,526.0 million or 80% of the Group's borrowings are on fixed interest rates, of which S$60.0 million is due in the next 12 months.

Out of the Group's total borrowings, 4 percent falls due in 2019, 15 percent falls due in 2020, 26 percent falls due in 2021, 25 percent falls due in 2022 and the balance falls due after 2022.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2019, ahead of their maturity dates.

1(c) Consolidated Statement of Cash Flows

	GROUP		GROUP	
	4Q 2018 S$'000	4Q 2017 S$'000	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000
Operating Activities				
Total return for the period / year before tax	52,633	40,634	195,382	274,444
Adjustments for:				
Depreciation and amortisation	3,198	3,652	12,744	13,250
Loss on disposal of plant and equipment	37	4	134	235
Assets written off	288	616	364	621
Operating lease expense recognised on a straight-line basis	754	817	3,104	3,499
Finance costs	11,864	12,246	47,116	46,668
Finance income	(366)	(467)	(1,194)	(1,581)
Provision for doubtful debts addition	55	518	43	527
Manager's management fees payable / paid partially in units	4,538	4,478	17,505	16,051
Unrealised foreign exchange loss / (gain)	4,237	3,840	8,988	(2,441)
Net change in fair value of serviced residence properties and assets held for sale	(8,803)	(3,841)	(35,499)	(85,640)
Net change in fair value of financial derivatives	200	(344)	–	(1,121)
Profit upon divestment	(3,700)	(33)	(3,211)	(20,844)
Share of results of associate	(20)	(20)	21	38
Operating profit before working capital changes	**64,915**	**62,100**	**245,497**	**243,706**
Changes in working capital	2,688	(16,570)	923	(42,165)
Cash generated from operations	**67,603**	**45,530**	**246,420**	**201,541**
Income tax paid	(7,301)	(6,629)	(19,753)	(20,202)
Cash flows from operating activities	**60,302**	**38,901**	**226,667**	**181,339**
Investing Activities				
Acquisition of plant and equipment	(3,693)	(4,328)	(14,247)	(13,665)
Acquisition of serviced residence properties, net of cash acquired	–	(384,750)	–	(627,963)
Capital expenditure on serviced residence properties	(10,657)	(3,244)	(13,334)	(12,577)
Acquisition of serviced residence property under development	(60,264)	–	(65,045)	–
Deposit received for divestment of serviced residence property	5,000	–	5,000	–
Deposit received for divestment of subsidiaries	–	3,962	–	104,909
Proceeds on disposal of assets held for sale	–	688	90,175	7,394
Payment of transaction costs for assets held for sale	(4,670)	–	(4,670)	–
Proceeds from divestment of serviced residence properties	–	32	–	150,088
Interest received	366	467	1,194	1,581
Proceeds from sale of plant and equipment	210	27	255	58
Cash flows used in investing activities	**(73,708)**	**(387,146)**	**(672)**	**(390,175)**
Balance carried forward	**(13,406)**	**(348,245)**	**225,995**	**(208,836)**

1(c) Consolidated Statement of Cash Flows

	GROUP		GROUP	
	4Q 2018 S$'000	4Q 2017 S$'000	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000
Balance brought forward	**(13,406)**	**(348,245)**	**225,995**	**(208,836)**
Financing Activities				
Distribution to Unitholders	–	–	(149,116)	(144,629)
Distribution to perpetual securities holders	(9,626)	(9,626)	(19,200)	(19,200)
Dividend paid to non-controlling interests	(278)	(1,326)	(3,464)	(2,948)
Interest paid	(14,223)	(15,239)	(43,413)	(46,554)
Payment of finance lease liabilities	(567)	(824)	(2,931)	(3,165)
Proceeds from bank borrowings and issue of medium term notes	212,146	433,048	472,719	680,988
Proceeds from issue of new units	–	–	–	442,671
Payment of issue expenses on issue of new units	–	–	–	(4,840)
Repayment of bank borrowings and medium term notes	(164,680)	(71,895)	(507,721)	(574,516)
Change in restricted cash deposits for bank facilities	13	17	(239)	(205)
Payment of transaction costs on bank borrowings	(156)	–	(500)	–
Cash flows from / (used in) financing activities	**22,629**	**334,155**	**(253,865)**	**327,602**
Increase / (decrease) in cash and cash equivalents	**9,223**	**(14,090)**	**(27,870)**	**118,766**
Cash and cash equivalents at beginning of the period / year	**216,807**	**273,010**	**255,253**	**141,187**
Effect of exchange rate changes on balances held in foreign currencies	(514)	(1,164)	(1,867)	(2,197)
Cash and cash equivalents reclassified to assets held for sale	–	(2,503)	–	(2,503)
Cash and cash equivalents at end of the period / year	**225,516**	**255,253**	**225,516**	**255,253**
Restricted cash deposits	2,331	2,092	2,331	2,092
Cash and cash equivalents in the Statement of Financial Position	**227,847**	**257,345**	**227,847**	**257,345**

1(d)(i) Statement of Movements in Unitholders' Funds

	Note	GROUP 4Q 2018 S$'000	GROUP 4Q 2017 S$'000	GROUP YTD Dec 2018 S$'000	GROUP YTD Dec 2017 S$'000
Unitholders' Contribution					
Balance as at beginning of period / year		1,740,200	1,766,832	1,771,310	1,451,627
New units issued / to be issued					
- Manager's management fees paid in units		4,538	4,478	17,554	16,022
- Rights Issue on 11 April 2017		–	–	–	442,671
- Acquisition fees paid in units		–	–	–	984
Issue expenses		–	–	–	(4,840)
Distribution to Unitholders		–	–	(44,126)	(135,154)
Balance as at end of period / year		**1,744,738**	**1,771,310**	**1,744,738**	**1,771,310**
Operations					
Balance as at beginning of period / year		1,073,740	1,058,536	1,083,116	898,132
Total return for the period / year attributable to Unitholders / perpetual securities holders		36,383	29,817	147,593	214,247
Total return attributable to perpetual securities holders		(4,839)	(4,839)	(19,200)	(19,200)
Change in ownership interests in subsidiaries with no change in control		(357)	(397)	(357)	(397)
Transfer between reserves		(193)	(1)	(1,428)	(191)
Distribution to Unitholders		–	–	(104,990)	(9,475)
Balance as at end of period / year		**1,104,734**	**1,083,116**	**1,104,734**	**1,083,116**
Foreign Currency Translation Reserve					
Balance as at beginning of period / year		(196,079)	(160,168)	(170,205)	(153,410)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(15,336)	(10,037)	(41,930)	(16,795)
Change in ownership interests in subsidiaries with a change in control		(585)	–	135	–
Balance as at end of period / year		**(212,000)**	**(170,205)**	**(212,000)**	**(170,205)**
Capital Reserve					
Balance as at beginning of period / year		3,383	2,147	2,148	1,957
Transfer between reserves		193	1	1,428	191
Balance as at end of period / year		**3,576**	**2,148**	**3,576**	**2,148**
Hedging Reserve					
Balance as at beginning of period / year		7,893	(3,726)	(1,240)	2,319
Effective portion of change in fair values of cash flow hedges		(4,890)	2,486	4,243	(3,559)
Balance as at end of period / year		**3,003**	**(1,240)**	**3,003**	**(1,240)**
Unitholders' Funds	**1(b)(i)**	**2,644,051**	**2,685,129**	**2,644,051**	**2,685,129**
Perpetual Securities					
Balance as at beginning of period / year		401,914	401,914	397,127	397,127
Total return attributable to perpetual securities holders		4,839	4,839	19,200	19,200
Distribution to perpetual securities holders		(9,626)	(9,626)	(19,200)	(19,200)
Balance as at end of period / year	**1(b)(i)**	**397,127**	**397,127**	**397,127**	**397,127**

1(d)(i) Statement of Movements in Unitholders' Funds

	Note	GROUP 4Q 2018 S$'000	GROUP 4Q 2017 S$'000	GROUP YTD Dec 2018 S$'000	GROUP YTD Dec 2017 S$'000
Non-controlling Interests					
Balance as at beginning of period / year		92,424	88,578	89,427	84,511
Total return for the period		(2,712)	1,951	4,248	8,253
Dividend paid to non-controlling interests		(278)	(1,326)	(3,464)	(2,948)
Acquisition of subsidiaries		–	–	–	3,119
Change in ownership interests in subsidiaries with no change in control		357	397	357	397
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(60)	(173)	(837)	(3,905)
Balance as at end of period / year	**1(b)(i)**	**89,731**	**89,427**	**89,731**	**89,427**
Equity	**1(b)(i)**	**3,130,909**	**3,171,683**	**3,130,909**	**3,171,683**

1(d)(i) Statement of Movements in Unitholders' Funds

	Note	TRUST 4Q 2018 S$'000	TRUST 4Q 2017 S$'000	TRUST YTD Dec 2018 S$'000	TRUST YTD Dec 2017 S$'000
Unitholders' Contribution					
Balance as at beginning of period / year		1,740,200	1,766,832	1,771,310	1,451,627
New units issued / to be issued					
- Manager's management fees paid in units		4,538	4,478	17,554	16,022
- Rights Issue on 11 April 2017		–	–	–	442,671
- Acquisition fees paid in units		–	–	–	984
Issue expenses		–	–	–	(4,840)
Distribution to Unitholders		–	–	(44,126)	(135,154)
Balance as at end of period / year		**1,744,738**	**1,771,310**	**1,744,738**	**1,771,310**
Operations					
Balance as at beginning of period / year		169,220	117,279	166,072	112,094
Total return for the period / year attributable to Unitholders / perpetual securities holders		(10,847)	53,632	111,652	82,653
Total return attributable to perpetual securities holders		(4,839)	(4,839)	(19,200)	(19,200)
Distribution to Unitholders		–	–	(104,990)	(9,475)
Balance as at end of period / year		**153,534**	**166,072**	**153,534**	**166,072**
Hedging Reserve					
Balance as at beginning of period / year		(1,786)	(3,572)	(3,275)	(3,884)
Effective portion of change in fair values of cash flow hedges		254	297	1,743	609
Balance as at end of period / year		**(1,532)**	**(3,275)**	**(1,532)**	**(3,275)**
Unitholders' Funds	**1(b)(i)**	**1,896,740**	**1,934,107**	**1,896,740**	**1,934,107**
Perpetual Securities					
Balance as at beginning of period / year		401,914	401,914	397,127	397,127
Total return attributable to perpetual securities holders		4,839	4,839	19,200	19,200
Distribution to perpetual securities holders		(9,626)	(9,626)	(19,200)	(19,200)
Balance as at end of period / year	**1(b)(i)**	**397,127**	**397,127**	**397,127**	**397,127**
Equity	**1(b)(i)**	**2,293,867**	**2,331,234**	**2,293,867**	**2,331,234**

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

	TRUST			
	4Q 2018 '000	4Q 2017 '000	YTD Dec 2018 '000	YTD Dec 2017 '000
Balance as at beginning of period / year	2,162,024	2,147,646	2,149,688	1,653,471
Issue of new units:				
- partial payment of Manager's management fees in units	2,568	2,042	14,904	13,692
- payment of Manager's acquisition fee	–	–	–	837
- Rights Issue on 11 April 2017	–	–	–	481,688
Balance as at end of period / year	**2,164,592**	**2,149,688**	**2,164,592**	**2,149,688**

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 2017.

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 2018. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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

In computing the EPU, the weighted average number of Units for the period is used for the computation.

	GROUP		GROUP	
	4Q 2018 S$'000	4Q 2017 S$'000	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000
Total return for the period / year attributable to Unitholders / perpetual securities holders	36,383	29,817	147,593	214,247
Less: Total return attributable to perpetual securities holders	(4,839)	(4,839)	(19,200)	(19,200)
Total return for the period / year attributable to Unitholders	**31,544**	**24,978**	**128,393**	**195,047**

Earnings per Unit (EPU)	4Q 2018	4Q 2017	YTD Dec 2018	YTD Dec 2017
Weighted average number of units for the period ('000)				
– Basic	2,163,615	2,148,978	2,159,455	2,062,761
– Diluted	2,173,286	2,156,848	2,173,286	2,074,248
EPU (cents) (based on the weighted average number of units for the period)				
– Basic	1.46	1.16	5.95	9.46
– Basic [1]	1.35	1.09	5.23	6.64
– Diluted	1.45	1.16	5.91	9.40

[1] Exclude the effects of the net change in fair value of serviced residence properties, net of tax and non-controlling interests.

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

Distribution per Unit (DPU)	4Q 2018	4Q 2017	YTD Dec 2018	YTD Dec 2017
Number of units on issue at end of period ('000)	2,164,592	2,149,688	2,164,592	2,149,688
DPU (cents)	2.15	2.04	7.16	7.09

7. Net asset value ("NAV") Per Unit / Net Tangible Assets ("NTA") Per Unit

	GROUP		TRUST	
	31/12/18	31/12/17	31/12/18	31/12/17
NAV / NTA per Unit [1] (S$)	1.22	1.25	0.88	0.90
Adjusted NAV / NTA per Unit (excluding the distributable income to Unitholders) (S$)	1.18	1.21	0.84	0.86

[1] NAV / NTA per Unit is computed based on net asset value / net tangible asset over the issued Units at the end of the period.

8. Group Performance Review

8(a) Revenue and Gross Profit Analysis – 4Q 2018 vs. 4Q 2017 (Local Currency ("LC"))

		Revenue[1]				Gross Profit[1]				REVPAU Analysis[2]		
		4Q 2018	4Q 2017	Better/ (Worse)		4Q 2018	4Q 2017	Better/ (Worse)		4Q 2018	4Q 2017	Better/ (Worse)
		LC'm		LC'm	%	LC'm		LC'm	%	LC/day		%
Master Leases												
Australia	AUD	1.9	1.9	–	–	1.8	1.8	–	–	–	–	–
France	EUR	5.5	5.7	(0.2)	(4)	4.9	5.2	(0.3)	(6)	–	–	–
Germany	EUR	2.6	2.4	0.2	8	2.4	2.2	0.2	9	–	–	–
Singapore	S$	5.4	4.9	0.5	10	4.6	4.2	0.4	10	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	2.7	2.6	0.1	4	0.8	0.9	(0.1)	(11)	82	72	14
Spain	EUR	1.2	1.1	0.1	9	0.6	0.5	0.1	20	91	81	12
United Kingdom	GBP	8.1	7.4	0.7	9	3.4	3.4	–	–	137	125	10
Management contracts												
Australia	AUD	7.4	7.3	0.1	1	3.1	3.1	–	–	158	154	3
China	RMB	67.2	71.7	(4.5)	(6)	23.9	21.2	2.7	13	472	446	6
Indonesia	USD	2.7	3.0	(0.3)	(10)	1.1	1.1	–	–	69	76	(9)
Japan[3]	JPY	1,201.0	1,165.5	35.5	3	666.7	596.7	70.0	12	12,642	12,312	3
Malaysia	MYR	3.6	4.1	(0.5)	(12)	0.9	1.3	(0.4)	(31)	191	218	(12)
Philippines	PHP	238.0	217.9	20.1	9	67.6	68.1	(0.5)	(1)	4,758	4,305	11
Singapore	S$	6.4	6.0	0.4	7	2.5	2.7	(0.2)	(7)	198	185	7
United States of America	USD	24.1	22.8	1.3	6	7.4	6.3	1.1	17	255	242	5
Vietnam	VND[1]	175.5	175.6	(0.1)	–	91.1	94.7	(3.6)	(4)	1,555	1,599	(3)

[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 in 4Q 2018 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 4Q 2017 have been reclassified from "Master lease" category to "Management contracts" category.

8(a) Revenue and Gross Profit Analysis – 4Q 2018 vs. 4Q 2017 (S$)

	Revenue				Gross Profit				REVPAU Analysis[1]		
	4Q 2018	4Q 2017	Better/ (Worse)		4Q 2018	4Q 2017	Better/ (Worse)		4Q 2018	4Q 2017	Better/ (Worse)
	S$'m		S$'m	%	S$'m		S$'m	%	S$/day		%
Master Leases											
Australia	1.9	2.0	(0.1)	(5)	1.8	1.9	(0.1)	(5)	–	–	–
France	8.7	9.1	(0.4)	(4)	7.7	8.3	(0.6)	(7)	–	–	–
Germany	4.0	3.8	0.2	5	3.7	3.5	0.2	6	–	–	–
Singapore	5.4	4.9	0.5	10	4.6	4.2	0.4	10	–	–	–
Sub-total	**20.0**	**19.8**	**0.2**	**1**	**17.8**	**17.9**	**(0.1)**	**(1)**	–	–	–
Management contracts with minimum guaranteed income											
Belgium	4.2	4.1	0.1	2	1.3	1.4	(0.1)	(7)	129	114	13
Spain	2.0	1.8	0.2	11	0.9	0.7	0.2	29	143	130	10
United Kingdom	14.3	13.4	0.9	7	6.0	6.1	(0.1)	(2)	243	225	8
Sub-total	**20.5**	**19.3**	**1.2**	**6**	**8.2**	**8.2**	–	–	**196**	**179**	**10**
Management contracts											
Australia	7.3	7.6	(0.3)	(4)	3.1	3.3	(0.2)	(6)	157	162	(3)
China	13.3	14.7	(1.4)	(10)	4.7	4.3	0.4	9	93	91	2
Indonesia	3.7	4.1	(0.4)	(10)	1.5	1.5	–	–	94	104	(10)
Japan[2]	14.6	14.1	0.5	4	8.1	7.2	0.9	13	153	149	3
Malaysia	1.2	1.3	(0.1)	(8)	0.3	0.4	(0.1)	(25)	63	70	(10)
Philippines	6.1	5.8	0.3	5	1.7	1.8	(0.1)	(6)	123	115	7
Singapore	6.4	6.0	0.4	7	2.5	2.7	(0.2)	(7)	198	185	7
United States of America	33.0	31.1	1.9	6	10.1	8.7	1.4	16	349	330	6
Vietnam	10.4	10.7	(0.3)	(3)	5.4	5.8	(0.4)	(7)	92	98	(6)
Sub-total	**96.0**	**95.4**	**0.6**	**1**	**37.4**	**35.7**	**1.7**	**5**	**157**	**151**	**4**
Group	**136.5**	**134.5**	**2.0**	**2**	**63.4**	**61.8**	**1.6**	**3**	**163**	**155**	**5**

[1] REVPAU for Japan refers to serviced residences and excludes rental housing.
[2] Revenue and gross profit for Infini Garden in 4Q 2018 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 4Q 2017 have been reclassified from "Master lease" category to "Management contracts" category.

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 2017.

In SGD terms, revenue and gross profit decreased by S$0.1 million or 5% due to depreciation of AUD against SGD.

France

Revenue decreased by EUR 0.2 million or 4% as compared to 4Q 2017 due to lower rent upon renewal of master leases. Gross profit decreased by EUR 0.3 million or 6%.

In SGD terms, revenue and gross profit decreased by S$0.4 million or 4% and S$0.6 million or 7% respectively.

Germany

Both revenue and gross profit increased by EUR 0.2 million due to higher variable rent earned by Madison Hamburg in 4Q 2018.

In SGD terms, revenue and gross profit increased by S$0.2 million due to stronger underlying performance.

Singapore

Revenue and gross profit increased by S$0.5 million or 10% and S$0.4 million or 10% respectively, as compared to 4Q 2017, due to the full quarter contribution from Ascott Orchard Singapore (acquired on 10 October 2017).

On a same store basis, revenue and gross profit remained stable.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.1 million or 4% and REVPAU increased by 14% in 4Q 2018 due to stronger market demand.

Gross profit decreased by EUR 0.1 million or 11% due to higher staff costs and marketing expense, partially offset by higher revenue and lower property tax expense.

In SGD terms, revenue increased by S$0.1 million or 2% as compared to 4Q 2017 due to stronger underlying performance, partially offset by depreciation of EUR against SGD. Gross profit, in SGD terms, decreased by S$0.1 million or 7%.

Spain

Both revenue and gross profit increased by EUR 0.1 million as there was weak demand arising from political instability in 4Q 2017.

In SGD terms, both revenue and gross profit increased by S$0.2 million due to stronger underlying performance.

United Kingdom

Revenue increased by GBP 0.7 million or 9% and REVPAU increased by 10% as compared to 4Q 2017 due to higher leisure demand.

Despite higher revenue, gross profit remained stable due to higher staff costs and marketing expense.

In SGD terms, revenue increased by S$0.9 million or 7% due to stronger underlying performance, partially offset by depreciation of GBP against SGD. Gross profit, in SGD terms, decreased by S$0.1 million or 2%.

C. Management contracts

Australia

Revenue increased by AUD 0.1 million or 1% and REVPAU increased by 3% in 4Q 2018 due to higher corporate and leisure demand in Melbourne. Gross profit remained at the same level as last year.

In SGD terms, revenue decreased by S$0.3 million or 4% due to depreciation of AUD against SGD, partially mitigated by stronger underlying performance. Gross profit decreased by S$0.2 million or 6% due to depreciation of AUD against SGD.

China

Revenue decreased by RMB 4.5 million or 6% due to the divestment of Citadines Gaoxin Xi'an and Citadines Biyun Shanghai. REVPAU increased by 6% due to the divestment of Citadines Gaoxin Xi'an and Citadines Biyun Shanghai, which had lower REVPAU as compared to the other properties in China. Gross profit increased by RMB 2.7 million or 13% due to lower depreciation expense and marketing expense, partially offset by lower revenue.

On a same store basis, excluding the contribution from Citadines Gaoxin Xi'an and Citadines Biyun Shanghai, revenue and REVPAU increased by 2% and 1% respectively due to higher long stay demand. Gross profit increased by 16% due to higher revenue, coupled with lower depreciation expense (arising from fully depreciated assets) and marketing expense.

In SGD terms, revenue decreased by S$1.4 million or 10% due to the divestments. Gross profit increased by S$0.4 million or 9% due to lower depreciation expense and marketing expense.

Indonesia

Revenue decreased by USD 0.3 million or 10% and REVPAU decreased by 9% as compared to 4Q 2017 due to ongoing renovation at Somerset Grand Citra. Gross profit remained stable due to lower revenue, offset by lower staff costs and operation and maintenance expense.

In SGD terms, revenue decreased by S$0.4 million or 10% due to weaker underlying performance. Gross profit remained stable.

Japan

Revenue increased by JPY 35.5 million or 3% and REVPAU increased by 3% as compared to 4Q 2017 due to higher corporate and leisure demand in Tokyo, partially offset by keen competition arising from new supply in Kyoto.

Gross profit increased by JPY 70.0 million or 12% due to higher revenue and lower operating expenses.

In SGD terms, revenue and gross profit increased by S$0.5 million or 4% and S$0.9 million or 13% respectively due to stronger underlying performance.

Malaysia

Revenue decreased by MYR 0.5 million or 12% and REVPAU decreased by 12% as compared to 4Q 2017 due to weaker leisure demand and keen competition. Gross profit decreased by MYR 0.4 million or 31% due to lower revenue.

In SGD terms, both revenue and gross profit decreased by S$0.1 million due to weaker underlying performance, partially offset by appreciation of MYR against SGD.

The Philippines

Revenue increased by PHP 20.1 million or 9% and REVPAU increased by 11% due to higher revenue from the refurbished apartments at Ascott Makati and higher corporate demand. Gross profit decreased by PHP 0.5 million or 1% due to higher depreciation expense (post renovation) and marketing expense, partially offset by higher revenue.

In SGD terms, revenue increased by S$0.3 million or 5% due to stronger underlying performance, partially offset by depreciation of PHP against SGD. Gross profit decreased by S$0.1 million or 6%.

Singapore

Revenue increased by S$0.4 million or 7% and REVPAU increased by 7% due to higher market demand.

Gross profit decreased by S$0.2 million or 7% due to higher staff costs and marketing expense, partially mitigated by higher revenue.

The United States of America

Revenue increased by USD 1.3 million or 6% and REVPAU increased by 5% as compared to 4Q 2017 due to higher revenue from the refurbished apartments at Sheraton Tribeca New York Hotel and stronger market demand. Gross profit increased by USD 1.1 million or 17%.

Excluding the straight-line recognition of operating lease expense, gross profit increased by USD 1.0 million or 14% due to higher revenue, partially offset by higher staff costs.

In SGD terms, revenue increased by S$1.9 million or 6% and gross profit Increased by S$1.4 million or 16% due to stronger underlying performance.

Vietnam

Revenue decreased by VND 0.1 billion and REVPAU decreased by 3% as compared to 4Q 2017 mainly due to fewer project groups in Hanoi, increased supply and competition. Gross profit decreased by VND 3.6 billion or 4% due to higher depreciation expense and operation and maintenance expense.

In SGD terms, revenue decreased by S$0.3 million or 3% and gross profit decreased by S$0.4 million or 7% respectively due to weaker underlying performance and depreciation of VND against SGD.

8(b) Revenue and Gross Profit Analysis – YTD Dec 2018 vs. YTD Dec 2017 (Local Currency ("LC"))

		Revenue[1]				Gross Profit[1]				REVPAU Analysis[2]		
		YTD Dec 2018	YTD Dec 2017	Better/ (Worse)		YTD Dec 2018	YTD Dec 2017	Better/ (Worse)		YTD Dec 2018	YTD Dec 2017	Better/ (Worse)
		LC'm		LC'm	%	LC'm		LC'm	%	LC/day		%
Master Leases												
Australia	AUD	7.5	7.3	0.2	3	7.0	6.9	0.1	1	–	–	–
France	EUR	22.4	23.1	(0.7)	(3)	20.7	21.1	(0.4)	(2)	–	–	–
Germany	EUR	9.8	8.1	1.7	21	9.0	7.5	1.5	20	–	–	–
Singapore	S$	21.9	10.8	11.1	103	18.7	9.4	9.3	99	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	9.3	8.5	0.8	9	2.7	2.7	–	–	71	63	13
Spain	EUR	5.3	5.5	(0.2)	(4)	2.6	2.8	(0.2)	(7)	98	99	(1)
United Kingdom	GBP	29.9	27.8	2.1	8	12.8	12.4	0.4	3	127	119	7
Management contracts												
Australia	AUD	27.6	27.5	0.1	–	11.6	11.3	0.3	3	149	147	1
China	RMB	265.6	297.8	(32.2)	(11)	101.9	104.1	(2.2)	(2)	470	416	13
Indonesia	USD	11.5	12.0	(0.5)	(4)	4.2	4.3	(0.1)	(2)	73	77	(5)
Japan[3]	JPY	4,561.4	4,708.6	(147.2)	(3)	2,511.8	2,586.5	(74.7)	(3)	11,690	11,721	–
Malaysia	MYR	14.8	16.8	(2.0)	(12)	4.4	5.5	(1.1)	(20)	198	223	(11)
Philippines	PHP	873.6	867.0	6.6	1	245.2	271.2	(26.0)	(10)	4,370	4,284	2
Singapore	S$	24.8	23.8	1.0	4	10.3	10.0	0.3	3	192	185	4
United States of America	USD	82.0	70.1	11.9	17	19.4	15.6	3.8	24	218	218	–
Vietnam	VND[1]	687.5	712.3	(24.8)	(3)	365.6	389.4	(23.8)	(6)	1,549	1,647	(6)

[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] Upon the expiry of the master lease arrangement, revenue and gross profit for Infini Garden have been classified under "Management contracts" category with effect from July 2018 onwards. For comparison purpose, the revenue and gross profit for Infini Garden for 1H 2018 and YTD Dec 2017 have been reclassified from "Master lease" category to "Management contracts" category.

8(b) Revenue and Gross Profit Analysis – YTD Dec 2018 vs. YTD Dec 2017 (S$)

	Revenue				Gross Profit				REVPAU Analysis[1]		
	YTD Dec 2018	YTD Dec 2017	Better/ (Worse)		YTD Dec 2018	YTD Dec 2017	Better/ (Worse)		YTD Dec 2018	YTD Dec 2017	Better/ (Worse)
	S$'m		S$'m	%	S$'m		S$'m	%	S$/day		%
Master Leases											
Australia	7.6	7.8	(0.2)	(3)	7.1	7.4	(0.3)	(4)	–	–	–
France	35.8	35.7	0.1	–	33.1	32.7	0.4	1	–	–	–
Germany	15.6	12.6	3.0	24	14.3	11.5	2.8	24	–	–	–
Singapore	21.9	10.8	11.1	103	18.7	9.4	9.3	99	–	–	–
Sub-total	**80.9**	**66.9**	**14.0**	21	**73.2**	**61.0**	**12.2**	**20**	–	–	–
Management contracts with minimum guaranteed income											
Belgium	14.8	13.1	1.7	13	4.4	4.2	0.2	5	113	98	15
Spain	8.7	8.6	0.1	1	4.1	4.1	–	–	156	155	1
United Kingdom	53.6	49.4	4.2	9	23.1	22.0	1.1	5	229	211	9
Sub-total	**77.1**	**71.1**	**6.0**	**8**	**31.6**	**30.3**	**1.3**	**4**	**184**	**170**	**8**
Management contracts											
Australia	27.8	29.0	(1.2)	(4)	11.8	11.9	(0.1)	(1)	150	156	(4)
China	54.2	60.8	(6.6)	(11)	20.8	21.3	(0.5)	(2)	96	85	13
Indonesia	15.5	16.8	(1.3)	(8)	5.7	5.9	(0.2)	(3)	99	107	(8)
Japan[2]	55.6	58.1	(2.5)	(4)	30.6	31.9	(1.3)	(4)	142	145	(2)
Malaysia	5.0	5.4	(0.4)	(7)	1.4	1.7	(0.3)	(18)	66	72	(8)
Philippines	22.4	23.8	(1.4)	(6)	6.3	7.5	(1.2)	(16)	112	118	(5)
Singapore	24.8	23.8	1.0	4	10.3	10.0	0.3	3	192	185	4
United States of America	110.4	97.2	13.2	14	26.1	21.6	4.5	21	294	302	(3)
Vietnam	40.6	43.4	(2.8)	(6)	21.6	23.8	(2.2)	(9)	91	100	(9)
Sub-total	**356.3**	**358.3**	**(2.0)**	(1)	**134.6**	**135.6**	**(1.0)**	**(1)**	**145**	**139**	**4**
Group	**514.3**	**496.3**	**18.0**	**4**	**239.4**	**226.9**	**12.5**	**5**	**151**	**144**	**5**

[1] REVPAU for Japan refers to serviced residences and excludes rental housing.
[2] Upon the expiry of the master lease arrangement, revenue and gross profit for Infini Garden have been classified under "Management contracts" category with effect from July 2018 onwards. For comparison purpose, the revenue and gross profit for Infini Garden for 1H 2018 and YTD Dec 2017 have been reclassified from "Master lease" category to "Management contracts" category.

For the year ended 31 December 2018 ("YTD Dec 2018"), revenue increased by S$18.0 million or 4% as compared to the corresponding period last year ("YTD Dec 2017"). The increase in revenue was mainly due to additional contribution of S$25.8 million from the 2017 Acquisitions and increase in revenue of S$2.4 million from the existing properties, partially offset by decrease in revenue of S$10.2 million from the Divestments.

REVPAU increased by 5%, from S$144 in YTD Dec 2017 to S$151 in YTD Dec 2018.

Gross profit for YTD Dec 2018 increased by S$12.5 million or 5% as compared to YTD Dec 2017 mainly due to contribution from the 2017 Acquisitions and higher contribution from the existing properties, partially offset by decrease from the Divestments.

(c) Change in value of serviced residence properties and assets held for sale

The change in value of serviced residence 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 serviced residence properties.

As at 31 December 2018, independent full valuations were carried out by Colliers International. In determining the fair value of the Group's portfolio, the discounted cash flow approach was used. The valuation method used is consistent with that used for the 30 June 2018 valuation and prior years.

The Group's portfolio was revalued at S$4,894.3 million, resulting in a surplus of S$8.8 million which was recognised in the Consolidated Statement of Total Return in 4Q 2018. The surplus resulted mainly from higher valuation of the Group's serviced residences in United Kingdom, France, Belgium and Spain, partially offset by lower valuation from the serviced residences in Vietnam and Philippines. The net impact on the Consolidated Statement of Total Return was S$2.4 million (net of tax and non-controlling interests).

9. <u>Variance from forecast</u>

The Group has not disclosed any forecast to the market.

10. <u>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</u>

On 9 January 2019, Ascott REIT announced the divestment of a serviced residence property in Singapore, Ascott Raffles Place Singapore, at a sale price of S$353.3 million (arrived at after a marketing process conducted by an independent property consultant). The sale price is 64.3% above the book value of the property and the estimated net gain from the sale is approximately S$134.0 million. The divestment is expected to complete on 9 May 2019.

The International Monetary Fund has revised its global economic growth forecast from 3.7% to 3.5% for 2019 in its January update to the World Economic Outlook, in view of risks and uncertainties arising from, *inter alia,* trade disputes, prolonged uncertainties about Brexit and tighter financial markets.

As for the hospitality industry, the number of international travellers is expected to increase by 6% in 2019, supported by development in transportation and infrastructure, the rise of middle-income class and advances in digital technology. However, competition arising from new supply and higher operating costs may remain a challenge. With a range of hospitality products and brands that caters to the varying needs of both business and leisure travellers and investments spanning over 14 countries, there is no earnings concentration risk in any single market; potential headwinds to Ascott REIT may be mitigated, providing resilient returns to its Unitholders.

While there are mixed views regarding further interest rate hikes in 2019, any possible increase is not expected to have any significant impact to Ascott REIT's total returns. As at 31 December 2018, 80% of its borrowings are on fixed rate terms and has a well-laddered debt maturity with less than 5% of loans expiring in 2019. Furthermore, Ascott REIT's 'BBB' investment grade status by Fitch Ratings provides credit assurance to stakeholders, enabling Ascott REIT to raise funds at attractive rates and terms.

In the near term, yield enhancement may continue to be challenging but remains a key focus of Ascott REIT. Proactive asset management, including asset enhancement initiatives and leveraging on technology, improves guests' satisfaction and boost property performances and valuation. In addition, the opportunistic divestment of Ascott Raffles Place Singapore at a price above its book value is a testament to the manager's commitment to recycle capital and unlock value. Coupled with ample debt headroom, the REIT will continue to evaluate and pursue yield accretive opportunities, as we remain committed to creating additional value for our unitholders.

Sources: International Monetary Fund (2019), IPK International (2018) and CBRE (2018)

11. DISTRIBUTIONS

11(a) **Current financial period**
Any distributions declared for the current 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(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 2017 to 31 December 2017

Distribution Type	Distribution Rate (cents)
Taxable Income	0.419
Tax Exempt Income	1.402
Capital	1.909
Total	**3.730**

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 unitholders.

Capital Distribution

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

11(c) Book closure date : 8 February 2019

11(d) Date payable : 28 February 2019

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 Manager confirms that it has 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 2018 S$'000	YTD Dec 2017 S$'000	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000
Singapore	46,632	34,497	29,028	19,371
Australia	35,432	36,760	18,856	19,348
Belgium	14,835	13,113	4,413	4,183
China	54,165	60,840	20,779	21,251
France	35,767	35,722	33,045	32,704
Germany	15,609	12,611	14,325	11,535
Indonesia	15,530	16,796	5,738	5,926
Japan	55,602	58,102	30,617	31,916
Malaysia	4,996	5,405	1,433	1,745
Philippines	22,409	23,842	6,289	7,456
Spain	8,656	8,563	4,106	4,154
United Kingdom	53,643	49,415	23,047	21,960
United States of America	110,438	97,175	26,118	21,619
Vietnam	40,559	43,447	21,566	23,750
Group	**514,273**	**496,288**	**239,360**	**226,918**

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 2018 S$'000	YTD Dec 2017 S$'000	Better/ (Worse) %
(a) Revenue reported for first half year	243,283	234,880	4
(b) Total return after taxation reported for first half year	79,608	93,301	(15)
(c) Revenue reported for second half year	270,990	261,408	4
(d) Total return after taxation reported for second half year	72,233	129,199	(44)

18. Breakdown of Total Distributions

	YTD Dec 2018 S$'000	YTD Dec 2017 S$'000
1 January 2017 to 30 June 2017 - paid	–	71,989
1 July 2017 to 31 December 2017 - paid	–	80,199
1 January 2018 to 30 June 2018 - paid	68,943	–
1 July 2018 to 31 December 2018 - to be paid	85,840	–

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 (the "Company"), being the manager of Ascott Reit, confirms that there is no person occupying a managerial position in the Company or in any of its or Ascott Reit's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of Ascott Reit.

On behalf of the Board
Ascott Residence Trust Management Limited

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 Residence Trust

Karen Chan
Company Secretary
29 January 2019