



ASCOTT RESIDENCE TRUST
2009 FULL YEAR UNAUDITED FINANCIAL STATEMENTS
AND DISTRIBUTION ANNOUNCEMENT
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ASCOTT RESIDENCE TRUST
2009 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

| | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | Better/ (Worse) % | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | Better/ (Worse) % |
|-------------------------------|--------------------------------|--------------------------------|----------------------------------|---|---|----------------------------------|
| Revenue | 46,057 | 47,205 | -2 | 175,522 | 192,381 | -9 |
| Gross Profit | 21,856 | 20,417 | 7 | 84,553 | 95,493 | -11 |
| Unitholders' Distribution | 11,533 | 10,315 | 12 | 45,207 | 53,659 | -16 |
| Distribution Per Unit (cents) | 1.87 | 1.69 | 11 | 7.32 | 8.78 | -17 |

DISTRIBUTION AND BOOK CLOSURE DATE

| | | |
|-------------------|------------------------------------|-------------------------------------|
| Distribution | For 1 January 2009 to 30 June 2009 | For 1 July 2009 to 31 December 2009 |
| Distribution rate | 3.55 cents | 3.77 cents |
| Book Closure Date | 31 July 2009 | 29 January 2010 |
| Payment Date | Paid on 28 August 2009 | 26 February 2010 |

ASCOTT RESIDENCE TRUST

2009 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

INTRODUCTION

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

Ascott Reit’s objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences or rental housing properties in the Pan-Asian Region.

Ascott Reit was directly held by The Ascott Limited (formerly known as The Ascott Group Limited) up to and including 30 March 2006 (the “Private Trust”). On 31 March 2006 (the “Listing Date”), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) with an initial portfolio of 12 properties (“Initial Properties”) with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

At 31 December 2009, Ascott Reit’s portfolio comprises 38 properties with 3,644 apartment units in 11 cities across seven countries (Singapore, Australia, China, Indonesia, Japan, the Philippines and Vietnam).

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

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

| | Note | GROUP | | Better / (Worse) % +/- | GROUP | | Better / (Worse) % +/- |
|--|------|-----------------------|-----------------------|---------------------------------|----------------------------|----------------------------|---------------------------------|
| | | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | |
| Revenue | A.1 | 46,057 | 47,205 | -2 | 175,522 | 192,381 | -9 |
| Direct expenses | A.2 | (24,201) | (26,788) | 10 | (90,969) | (96,888) | 6 |
| Gross Profit | A.1 | 21,856 | 20,417 | 7 | 84,553 | 95,493 | -11 |
| Finance income | | 233 | 303 | -23 | 723 | 1,056 | -32 |
| Other operating income | | 49 | 14 | 250 | 534 | 96 | 456 |
| Finance costs | A.3 | (6,158) | (5,802) | -6 | (23,741) | (20,827) | -14 |
| Manager's management fees | | (1,926) | (2,104) | 8 | (7,451) | (8,123) | 8 |
| Trustee's fee | | (49) | (52) | 6 | (198) | (203) | 2 |
| Professional fees | | (244) | (160) | -53 | (977) | (1,143) | 15 |
| Audit fees | | (172) | (154) | -12 | (850) | (804) | -6 |
| Foreign exchange gain / (loss) - realised | | 51 | 103 | -50 | (246) | (427) | 42 |
| Other operating expenses | A.4. | (633) | (103) | -515 | (812) | (809) | 0 |
| Share of (loss) / profit of associate (net of tax) | | (4) | 49 | -108 | (8) | 6 | -233 |
| Net income before change in fair value of financial derivatives and serviced residence properties, and unrealised foreign exchange loss | | 13,003 | 12,511 | 4 | 51,527 | 64,315 | -20 |
| Net change in fair value of financial derivatives | A.5 | (1,036) | 2,657 | -139 | (3,072) | 1,357 | -326 |
| Renovation cost written off | | - | (1,742) | 100 | - | (1,742) | 100 |
| Change in value of serviced residence properties | A.6 | 11,664 | (93,951) | 112 | (49,361) | (93,951) | 47 |
| Foreign exchange (loss) / gain - unrealised | A.7 | (3,345) | (3,820) | 12 | 27 | (5,437) | 100 |
| Total return for the period / year before tax | | 20,286 | (84,345) | 124 | (879) | (35,458) | 98 |
| Income tax expense | A.8 | (5,090) | 7,722 | -166 | (14,630) | (2,461) | -494 |
| Total return for the period / year after tax | | 15,196 | (76,623) | 120 | (15,509) | (37,919) | 59 |
| Attributable to: | | | | | | | |
| Unitholders | | 13,423 | (76,519) | | (21,133) | (42,180) | |
| Minority interests | | 1,773 | (104) | | 5,624 | 4,261 | |
| Total return for the period / year | | 15,196 | (76,623) | 120 | (15,509) | (37,919) | 59 |

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

| | Note | GROUP | | Better / (Worse) % +/- | GROUP | | Better / (Worse) % +/- |
|---|------|-----------------|-----------------|------------------------|----------------------|----------------------|------------------------|
| | | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | |
| Total return for the period / year attributable to unitholders | | 13,423 | (76,519) | 118 | (21,133) | (42,180) | 50 |
| Net effect of non-tax deductible / chargeable items and other adjustments | A.9 | (1,890) | 86,834 | -102 | 66,340 | 95,839 | -31 |
| Total amount distributable to Unitholders for the period / year | | 11,533 | 10,315 | 12 | 45,207 | 53,659 | -16 |
| Comprises : | | | | | | | |
| - from operations | | 10,214 | 7,117 | | 15,080 | 24,606 | |
| - from unitholders' contributions | | 1,319 | 3,198 | | 30,127 | 29,053 | |
| | | 11,533 | 10,315 | 12 | 45,207 | 53,659 | -16 |

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

A.1 Revenue and Gross profit

Revenue in 4Q 2009 at S\$46.1 million was lower by S\$1.1 million or 2% as compared to 4Q 2008. This was mainly due to weaker demand of serviced residences in Singapore as in 4Q 2008, these serviced residences benefited from the higher rental rates contracted in the earlier months of 2008 before the global financial crisis. The decrease in revenue was partially offset by contribution from Somerset West Lake acquired subsequent to 4Q 2008. Gross profit in 4Q 2009 increased by S\$1.5 million (7%) to S\$21.9 million because in 4Q 2008, there was an one-off contribution of S\$1.3 million made by Somerset Liang Court ("SLC") to the MCST of Liang Court property for SLC's share of the refurbishment costs in relation to common areas.

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

A.2 Direct expenses include the following items:

| | GROUP | | Better / (Worse) % +/- | GROUP | | Better / (worse) % +/- |
|-------------------------------|-----------------|-----------------|------------------------|----------------------|----------------------|------------------------|
| | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | |
| Depreciation and amortisation | (1,395) | (1,315) | -6 | (6,088) | (5,270) | -16 |
| Staff costs | (5,249) | (5,065) | -4 | (16,735) | (17,718) | 6 |

A.3 Finance costs

Finance costs for 4Q 2009 increased by S\$0.4 million (6%) as compared to 4Q 2008 mainly due to additional bank loans taken up for acquisition of property and distribution to unitholders subsequent to 4Q 2008.

A.4. Other operating expenses

The increase in other operating expenses is mainly due to assets written off as a result of refurbishment of serviced residences and in 4Q 2008, there was a write-back of overprovision of expenses.

A.5 Net change in fair value of financial derivatives

The 4Q 2009 loss of S\$1.0 million relates to unrealised changes in the fair value of (1) a cross currency swap, entered into to effectively convert a subsidiary's US\$ bank loan to S\$ bank loan at the Group level, and (2) an interest rate cap, entered into by a subsidiary to hedge a floating rate loan.

A.6 Change in value of serviced residence properties

The 4Q 2009 surplus of S\$11.7 million relates to increase in the valuation of serviced residence properties, mainly from the properties in Philippines and Japan. The valuation of the serviced residence properties was conducted on 31 December 2009 by HVS International Pte Ltd. Refer to Para 8(i)(c).

A.7 Foreign exchange loss - unrealised

The foreign exchange loss recognised in 4Q 2009 was mainly due to (1) unrealised revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of the US\$ against S\$, partly offset by (2) unrealised revaluation gain on S\$ bank loan in Australia subsidiary's' books, as a result of the appreciation of A\$ against S\$.

A.8 Income tax expense

Taxation for 4Q 2009 was a tax charge of S\$5.1 million as compared to a tax credit of S\$7.7 million in the corresponding period last year. This was mainly due to deferred tax liability provided on the change in value of serviced residence properties and unrealised exchange gain on US\$ shareholder's loan in Philippines subsidiary's books, partly offset by lower current tax provided on lower operating profit achieved. In 4Q 2008, there was a reversal of deferred tax liability arising from the change in value of serviced residence properties and deferred tax benefit provided on unrealised exchange loss on US\$ shareholder's loan.

A.9 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

| | GROUP | | Better / (Worse) % +/- | GROUP | | Better / (Worse) % +/- |
|--|-----------------------|-----------------------|---------------------------------|----------------------------|----------------------------|---------------------------------|
| | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | |
| Trustee's fees* | 13 | 14 | 7 | 50 | 51 | 2 |
| Depreciation and amortisation | 1,395 | 1,315 | -6 | 6,088 | 5,270 | -16 |
| Net change in fair value of financial derivatives (Note A.5) | 1,036 | (2,657) | -139 | 3,072 | (1,357) | -326 |
| Renovation cost written off | - | 1,742 | 100 | - | 1,742 | 100 |
| Change in value of serviced residence properties (Note A.6) | (11,664) | 93,951 | 112 | 49,361 | 93,951 | 47 |
| Unrealised foreign exchange loss / (gain) (Note A.7) | 3,345 | 3,820 | 12 | (27) | 5,437 | 100 |
| Manager's management fee payable / paid partially in units | 964 | 1,052 | 8 | 3,726 | 4,061 | 8 |
| Income tax expense | 2,465 | (10,664) | -123 | 5,627 | (10,664) | -153 |
| Minority interests | (111) | (1,486) | -93 | (1,362) | (1,801) | -24 |

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

1(b)(i) BALANCE SHEET

| | Note | GROUP | | REIT | |
|--------------------------------|-----------|---------------------|---------------------|---------------------|---------------------|
| | | 31/12/09 S\$'000 | 31/12/08 S\$'000 | 31/12/09 S\$'000 | 31/12/08 S\$'000 |
| Non-Current Assets | | | | | |
| Plant and equipment | | 28,555 | 27,637 | 4,928 | 3,478 |
| Serviced residence properties | 1(b)(ii) | 1,528,311 | 1,565,309 | 395,372 | 400,022 |
| Interest in subsidiaries | | - | - | 114,540 | 105,827 |
| Interest in associate | | 3,416 | 3,568 | 3,884 | 4,028 |
| Financial derivatives | | 195 | - | - | - |
| Deferred tax assets | | 213 | 2,838 | - | - |
| | | 1,560,690 | 1,599,352 | 518,724 | 513,355 |
| Current Assets | | | | | |
| Inventories | | 345 | 491 | - | - |
| Trade receivables | | 5,856 | 5,701 | 624 | 1,295 |
| Other receivables and deposits | | 21,862 | 25,950 | 613,657 | 652,527 |
| Cash and bank balances | | 63,228 | 56,110 | 8,930 | 11,895 |
| | | 91,291 | 88,252 | 623,211 | 665,717 |
| Total Assets | | 1,651,981 | 1,687,604 | 1,141,935 | 1,179,072 |
| Non-Current Liabilities | | | | | |
| Interest bearing liabilities | 1(b)(iii) | (555,389) | (506,918) | (144,777) | (141,240) |
| Financial derivatives | 1(b)(iv) | (19,051) | (15,521) | (14,623) | (11,638) |
| Deferred tax liabilities | | (7,113) | (3,665) | - | - |
| | | (581,553) | (526,104) | (159,400) | (152,878) |
| Current Liabilities | | | | | |
| Trade payables | | (1,947) | (2,983) | (175) | (56) |
| Other payables | | (70,360) | (72,034) | (91,075) | (39,459) |
| Interest bearing liabilities | 1(b)(iii) | (95,712) | (117,515) | (89,856) | (92,868) |
| Provision for taxation | | (5,612) | (4,004) | (728) | (570) |
| | | (173,631) | (196,536) | (181,834) | (132,953) |
| Total Liabilities | | (755,184) | (722,640) | (341,234) | (285,831) |
| Net Assets | | 896,797 | 964,964 | 800,701 | 893,241 |
| Represented by: | | | | | |
| Unitholders' funds | 1(d)(i) | 825,061 | 899,030 | 800,701 | 893,241 |
| Minority interests | 1(d)(i) | 71,736 | 65,934 | - | - |
| Total Equity | 1(d)(i) | 896,797 | 964,964 | 800,701 | 893,241 |

1(b)(ii) Serviced residence properties

The decrease in the Group's serviced residence properties as at 31 December 2009 was mainly due to the decrease in the valuation of properties and the foreign currency differences arising from translating the Group's overseas serviced residence properties, held by subsidiaries with non-Singapore dollar functional currencies, to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly US dollar, against Singapore dollar. The decrease was partially offset by the acquisition of Somerset West Lake in Vietnam.

1(b)(iii) Interest bearing liabilities

| | GROUP | | REIT | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31/12/09 S\$'000 | 31/12/08 S\$'000 | 31/12/09 S\$'000 | 31/12/08 S\$'000 |
| Amount repayable in one year or less or on demand | | | | |
| - Secured | 5,856 | 23,927 | - | - |
| - Unsecured | 89,888 | 93,613 | 89,888 | 92,893 |
| Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans | (32) | (25) | (32) | (25) |
| | 95,712 | 117,515 | 89,856 | 92,868 |
| Amount repayable after one year | | | | |
| - Secured | 507,717 | 510,375 | 144,931 | 141,526 |
| - Unsecured | 50,000 | - | - | - |
| Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured loans | (2,328) | (3,457) | (154) | (286) |
| | 555,389 | 506,918 | 144,777 | 141,240 |
| Total | 651,101 | 624,433 | 234,633 | 234,108 |

Details of collateral

The borrowings of the Group are generally secured by:

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

Capital Management

As at 31 December 2009, the Group's gearing was 41.2 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines, with an average cost of debts of 3.3 percent per annum and an interest cover of 3.5 times. 74 percent of the Group's borrowings are on fixed rates or swapped to fixed rates.

Out of the Group's total borrowings, 15 percent is due for refinancing by December 2010 while 85 percent is due in 2011 and beyond.

1(b)(iv) Financial derivatives

The financial derivatives of S\$19.1 million provision relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US\$ bank loan to S\$ bank loan at the Group level, and the fair value of interest rate swaps, entered into by subsidiaries to hedge floating rate loans.

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

| | | GROUP | | | |
|-----------------------------|-------------------------|-----------------------|----------------------------|----------------------------|--|
| Note | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | |
| Operating Activities | | | | | |
| | 20,286 | (84,345) | (879) | (35,458) | |
| | <u>Adjustments for:</u> | | | | |
| A.2 | 1,395 | 1,315 | 6,088 | 5,270 | |
| | 52 | 16 | 55 | 30 | |
| | 199 | - | 199 | - | |
| | 6,158 | 5,802 | 23,741 | 20,827 | |
| | (233) | (303) | (723) | (1,056) | |
| | 62 | (94) | (127) | 330 | |
| | 962 | 1,052 | 3,726 | 4,061 | |
| | 3,345 | 3,820 | (27) | 5,437 | |
| | 1,036 | (2,657) | 3,072 | (1,357) | |
| | - | 1,742 | - | 1,742 | |
| | (11,664) | 93,951 | 49,361 | 93,951 | |
| | 4 | (49) | 8 | (6) | |
| | 21,602 | 20,250 | 84,494 | 93,771 | |
| | 2,852 | 1,052 | (2,838) | (11,358) | |
| | 24,454 | 21,302 | 81,656 | 82,413 | |
| | (2,154) | (2,498) | (6,893) | (11,964) | |
| | 22,300 | 18,804 | 74,763 | 70,449 | |
| Investing Activities | | | | | |
| | (2,678) | (2,996) | (6,569) | (11,194) | |
| | (911) | - | (21,832) | - | |
| | - | - | - | (30,654) | |
| | (1,404) | (262) | (3,152) | (1,719) | |
| | 234 | 303 | 723 | 1,056 | |
| | 199 | - | 228 | 2 | |
| | (4,560) | (2,955) | (30,602) | (42,509) | |
| Financing Activities | | | | | |
| | - | - | (47,977) | (52,355) | |
| | (888) | (1,057) | (2,453) | (3,639) | |
| | (5,341) | (4,260) | (24,588) | (19,571) | |
| | 54,211 | 119,779 | 139,877 | 329,716 | |
| | 1,159 | 1,080 | 4,041 | 3,801 | |
| | (52,927) | (127,348) | (105,746) | (297,565) | |
| | (3,786) | (11,806) | (36,846) | (39,613) | |
| | 13,954 | 4,043 | 7,315 | (11,673) | |
| | 49,926 | 49,547 | 56,110 | 64,515 | |
| | (652) | 2,520 | (197) | 3,268 | |
| | 63,228 | 56,110 | 63,228 | 56,110 | |

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

| | Note | GROUP | | GROUP | |
|--|----------------|-----------------------|-----------------------|----------------------------|----------------------------|
| | | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 |
| <u>Unitholders' Contribution</u> | | | | | |
| Balance as at beginning of period / year | | 770,135 | 791,812 | 793,025 | 810,070 |
| Issue of new units | | 1,159 | 1,080 | 4,041 | 3,801 |
| Issue expenses | | | 133 | | 133 |
| Distribution to Unitholders | | - | - | (25,772) | (20,979) |
| Balance as at end of period / year | | 771,294 | 793,025 | 771,294 | 793,025 |
| <u>Operations</u> | | | | | |
| Balance as at beginning of period / year | | 42,019 | 176,243 | 98,780 | 173,280 |
| Total return for the period attributable to Unitholders | | 13,423 | (76,519) | (21,133) | (42,180) |
| Transfer to capital reserve | | (97) | (944) | (97) | (944) |
| Distribution to Unitholders | | - | - | (22,205) | (31,376) |
| Balance as at end of period / year | | 55,345 | 98,780 | 55,345 | 98,780 |
| <u>Foreign Currency Translation Reserve</u> | | | | | |
| Balance as at beginning of period / year | | 4,383 | (5,884) | 9,659 | (9,919) |
| Translation differences relating to financial statements of foreign subsidiaries | | (3,015) | 15,543 | (8,291) | 19,578 |
| Balance as at end of period / year | | 1,368 | 9,659 | 1,368 | 9,659 |
| <u>Capital Reserve</u> | | | | | |
| Balance as at beginning of period / year | | 1,445 | 495 | 1,449 | 480 |
| Transfer from operations | | 97 | 944 | 97 | 944 |
| Translation adjustment | | (59) | 10 | (63) | 25 |
| Balance as at end of period / year | | 1,483 | 1,449 | 1,483 | 1,449 |
| <u>Hedging Reserve</u> | | | | | |
| Balance as at beginning of period / year | | (4,189) | (1,203) | (3,883) | (970) |
| Change in fair value of financial derivatives | | (240) | (2,680) | (546) | (2,913) |
| Balance as at end of period / year | | (4,429) | (3,883) | (4,429) | (3,883) |
| Unitholders' Funds | 1(b)(i) | 825,061 | 899,030 | 825,061 | 899,030 |
| <u>Minority Interests</u> | | | | | |
| Balance as at beginning of period / year | | 73,531 | 66,018 | 65,934 | 65,672 |
| Translation differences relating to financial statements of foreign subsidiaries | | (3,568) | 20 | 178 | (3,999) |
| Total return for the period | | 1,773 | (104) | 5,624 | 4,261 |
| Balance as at end of period / year | 1(b)(i) | 71,736 | 65,934 | 71,736 | 65,934 |
| Equity | 1(b)(i) | 896,797 | 964,964 | 896,797 | 964,964 |

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

| | Note | REIT | | REIT | |
|---|----------------|-----------------------|-----------------------|----------------------------|----------------------------|
| | | 4Q 2009 S\$'000 | 4Q 2008 S\$'000 | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 |
| Unitholders' Contribution | | | | | |
| Balance as at beginning of period / year | | 770,135 | 791,812 | 793,025 | 810,070 |
| Issue of new units | | 1,159 | 1,080 | 4,041 | 3,801 |
| Issue expenses | | | 133 | - | 133 |
| Distribution to Unitholders | | - | - | (25,772) | (20,979) |
| Balance as at end of period / year | | 771,294 | 793,025 | 771,294 | 793,025 |
| Operations | | | | | |
| Balance as at beginning of period / year | | 72,998 | 79,087 | 100,216 | 105,970 |
| Total return for the period attributable to Unitholders | | (43,591) | 21,129 | (48,604) | 25,622 |
| Distribution to Unitholders | | - | - | (22,205) | (31,376) |
| Balance as at end of period / year | | 29,407 | 100,216 | 29,407 | 100,216 |
| Unitholders' Funds | 1(b)(i) | 800,701 | 893,241 | 800,701 | 893,241 |

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

| | REIT | | | |
|---|--------------------|--------------------|-------------------------|-------------------------|
| | 4Q 2009 '000 | 4Q 2008 '000 | YTD Dec 2009 '000 | YTD Dec 2008 '000 |
| Balance as at beginning of period / year | 616,107 | 608,411 | 610,814 | 606,227 |
| Issue of new units : | | | | |
| - partial payment of Manager's management fees | 909 | 2,403 | 6,202 | 4,587 |
| - payment of Manager's acquisition fee | 194 | - | 194 | - |
| Balance as at end of period / year | 617,210 | 610,814 | 617,210 | 610,814 |

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

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

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

Not applicable.

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

Except for the adoption of the Amendments to FRS 32 and FRS 1 (refer to item 5 below), the accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2008.

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

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

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

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

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

| | GROUP | | REIT | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31/12/09 S\$'000 | 31/12/08 S\$'000 | 31/12/09 S\$'000 | 31/12/08 S\$'000 |
| Decrease in net assets attributable to unitholders | (825,061) | (899,030) | (800,701) | (893,241) |
| Increase in Unitholder's Funds | 825,061 | 899,030 | 800,701 | 893,241 |

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

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

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

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

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

| | 4Q 2009 | 4Q 2008 | YTD Dec 2009 | YTD Dec 2008 |
|--|-------------|----------------------|---------------------|---------------------|
| Earnings per unit (EPU) | | | | |
| Number of units on issue at end of period | 617,209,754 | 610,814,472 | 617,209,754 | 610,814,472 |
| Weighted average number of units for the period | 616,683,753 | 610,004,628 | 614,571,415 | 607,972,711 |
| EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period) | 2.18 | (12.54) ¹ | (3.44) ¹ | (6.94) ¹ |

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

Note 1: Negative EPU for 4Q 2008, YTD December 2009 and YTD December 2008 was mainly due to the deficit on revaluation of serviced residence properties. Valuation was conducted by HVS International Pte Ltd on the Group's serviced residence properties in December 2008 and December 2009.

| | 4Q 2009 | 4Q 2008 | YTD Dec 2009 | YTD Dec 2008 |
|---|-------------|-------------|-----------------|-----------------|
| Distribution per unit (DPU) | | | | |
| Number of units on issue at end of period | 617,209,754 | 610,814,472 | 617,209,754 | 610,814,472 |
| DPU (cents) – Basic and diluted | 1.87 | 1.69 | 7.32 | 8.78 |

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

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

| | Group | | REIT | |
|-------------------|----------|----------|----------|----------|
| | 31/12/09 | 31/12/08 | 31/12/09 | 31/12/08 |
| NAV per unit (\$) | 1.34 | 1.47 | 1.30 | 1.46 |

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis – 4Q 2009 vs. 4Q 2008**

| | Ref | Revenue | | | | Ref | Gross Profit | | | | REVPAU Analysis | | | |
|-------------|-----|-------------|-------------|-----------------|-----------|------------|--------------|-------------|-----------------|----------|-----------------|------------|------------------|-----------|
| | | 4Q 2009 | 4Q 2008 | Better/ (Worse) | | | 4Q 2009 | 4Q 2008 | Better/ (Worse) | | 4Q 2009 | 4Q 2008 | Better / (worse) | |
| | | S\$'M | S\$'M | | % | | S\$'M | S\$'M | | % | S\$/day | S\$/day | +/- % | |
| Australia | | 1.9 | 2.4 | (0.5) | -21 | | 0.6 | 0.9 | (0.3) | -33 | | 133 | 172 | -23 |
| China | | 9.2 | 10.0 | (0.8) | -8 | | 3.5 | 3.9 | (0.4) | -10 | | 127 | 127 | - |
| Indonesia | | 6.2 | 5.1 | 1.1 | 22 | | 2.5 | 1.9 | 0.6 | 32 | | 69 | 72 | -4 |
| Japan | | 4.6 | 4.7 | (0.1) | -2 | | 2.7 | 2.2 | 0.5 | 23 | | 155* | 155* | - |
| Philippines | | 7.6 | 6.8 | 0.8 | 12 | | 3.4 | 2.9 | 0.5 | 17 | | 144 | 136 | 6 |
| Singapore | | 6.9 | 8.6 | (1.7) | -20 | | 3.6 | 3.0 | 0.6 | 20 | | 168 | 230 | -27 |
| Vietnam | | 9.7 | 9.6 | 0.1 | 1 | | 5.6 | 5.6 | - | - | | 122 | 143 | -15 |
| A.1 | | 46.1 | 47.2 | (1.1) | -2 | A.1 | 21.9 | 20.4 | 1.5 | 7 | | 124 | 133 | -7 |

* refers to serviced residences in Japan, excludes rental housing

Revenue in 4Q 2009 at S\$46.1 million was lower by S\$1.1 million or 2% as compared to 4Q 2008. This was mainly due to weaker demand of serviced residences in Singapore as in 4Q 2008, these serviced residences benefited from the higher rental rates contracted in the earlier months of 2008 before the global financial crisis. The decrease in revenue was partially offset by contribution from Somerset West Lake acquired subsequent to 4Q 2008. Gross profit in 4Q 2009 increased by S\$1.5 million (7%) to S\$21.9 million because in 4Q 2008, there was an one-off contribution of S\$1.3 million made by Somerset Liang Court (“SLC”) to the MCST of Liang Court property for SLC’s share of the refurbishment costs in relation to common areas.

The Group achieved a REVPAU of S\$124 in 4Q 2009, a decrease of 7% as compared to 4Q 2008. The reduction in REVPAU was due to reduction in average daily rates of the Group’s serviced residences.

For the Group’s serviced residences in Australia, revenue decreased by S\$0.5 million or 21% as compared to 4Q 2008. This was due to the weakening of market demand from financial institutions and mining industry and reduction in the level of food and beverage operation at Somerset St Georges Terrace to improve profitability. REVPAU decreased by 23% from S\$172 in 4Q 2008 to S\$133 in 4Q 2009. In line with the decrease in revenue, gross profit in 4Q 2009 decreased by S\$0.3 million or 33%.

For the Group’s serviced residences in China, revenue decreased by S\$0.8 million or 8% in 4Q 2009 as compared to 4Q 2008. This was mainly due to low business traffic coupled with oversupply in Beijing and Shanghai. REVPAU in RMB terms decreased by 4.6% from RMB627 in 4Q 2008 to RMB598 in 4Q 2009. Due to the strengthening of RMB against SGD in 4Q 2009 as compared to 4Q 2008, REVPAU in SGD terms for 4Q 2009 remained at the same level as 4Q 2008. In line with the decline in revenue, gross profit in 4Q 2009 decreased by S\$0.4 million or 10%.

For the Group’s serviced residences in Indonesia, revenue increased by S\$1.1 million or 22% as compared to 4Q 2008. This was due to the business interruption (“BI”) compensation received for the loss of revenue at Somerset Grand Citra for the first three quarters of FY 2009. Excluding this BI claim, revenue and REVPAU for 4Q 2009 as compared to 4Q 2008 was lower by 6% and 8% respectively. This was due to the closure of apartment units at Somerset Grand Citra for rectification works. In line with the increase in revenue, gross profit in 4Q 2009 increased by S\$0.6 million or 32%.

For Japan, revenue in 4Q 2009 decreased by S\$0.1 million or 2% as compared to 4Q 2008 due to weaker market demand for serviced residences, partially offset by the strengthening of JPY against SGD. Revenue and REVPAU of serviced residences for 4Q 2009 in JPY terms was lower by 15% and 13% respectively as compared to 4Q 2008. The rental housing properties continued to achieve high occupancy of 90% and higher rental rates as compared to 4Q 2008. Despite the decline in revenue, gross profit in 4Q 2009 increased by S\$0.5 million or 23% due to one-off expenses incurred in 4Q 2008.

For the Group's serviced residences in The Philippines, revenue increased by S\$0.8 million or 12% as compared to 4Q 2008. REVP AU increased by 6% from S\$136 in 4Q 2008 to S\$144 in 4Q 2009. This was due to the successful launch of the refurbished apartment units of Ascott Makati. In line with the increase in revenue, gross profit in 4Q 2009 increased by S\$0.5 million or 17%.

For the Group's serviced residences in Singapore, revenue decreased by S\$1.7 million or 20% as compared to 4Q 2008. REVP AU decreased by 27% from S\$230 in 4Q 2008 to S\$168 in 4Q 2009. This decrease was due to closure of apartment units for refurbishment and in 4Q 2008, the serviced residences benefited from the higher rental rates contracted in the earlier months of 2008 before the global financial crisis. Gross profit increased by S\$0.6 million or 20% as in 4Q 2008, there was an one-off contribution of S\$1.3 million made by Somerset Liang Court ("SLC") to the MCST of Liang Court property for SLC's share of the refurbishment costs in relation to common areas.

For the Group's serviced residences in Vietnam, revenue in 4Q 2009 increased by S\$0.1 million or 1% as compared to 4Q 2008 and gross profit for 4Q 2009 was at the same level as 4Q 2008. This was mainly due to the inclusion of Somerset West Lake in the portfolio. Excluding Somerset West Lake, revenue, gross profit and REVP AU for 4Q2009 decreased by 8%, 9% and 10% respectively. This was due to keen competition and weaker demand from business travelers as a result of global economic slowdown.

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

| | Revenue | | | | Gross Profit | | | | REVP AU Analysis | | |
|-------------|---------|-----------------------|-----------------------|-------------------------|--------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|---------------------------------|
| | Ref | YTD Dec 2009 S\$'M | YTD Dec 2008 S\$'M | Better/ (Worse) % | Ref | YTD Dec 2009 S\$'M | YTD Dec 2008 S\$'M | Better/ (Worse) % | YTD Dec 2009 S\$/day | YTD Dec 2008 S\$/day | Better / (worse) +/- % |
| Australia | | 7.4 | 6.5 | 0.9 14 | | 1.8 | 1.9 | (0.1) -5 | 136 | 153 | -11 |
| China | | 34.9 | 47.4 | (12.5) -26 | | 13.2 | 21.9 | (8.7) -40 | 119 | 161 | -26 |
| Indonesia | | 21.0 | 20.1 | 0.9 4 | | 8.0 | 7.1 | 0.9 13 | 69 | 74 | -7 |
| Japan | | 18.0 | 17.1 | 0.9 5 | | 11.0 | 10.3 | 0.7 7 | 149* | 150* | -1 |
| Philippines | | 28.9 | 28.3 | 0.6 2 | | 12.3 | 11.8 | 0.5 4 | 137 | 134 | 2 |
| Singapore | | 26.9 | 36.7 | (9.8) -27 | | 14.1 | 19.7 | (5.6) -28 | 167 | 249 | -33 |
| Vietnam | | 38.4 | 36.3 | 2.1 6 | | 24.2 | 22.8 | 1.4 6 | 126 | 144 | -13 |
| A.1 | | 175.5 | 192.4 | (16.9) -9 | A.1 | 84.6 | 95.5 | (10.9) -11 | 122 | 145 | -16 |

* refers to serviced residences in Japan, excludes rental housing

For the period ended 31 December 2009 ("YTD Dec 2009"), revenue, gross profit and REVP AU decreased by 9%, 11% and 16% respectively as compared to the period ended 31 December 2008 ("YTD Dec 2008"). REVP AU declined by S\$23 from S\$145 in YTD Dec 2008 to S\$122 in YTD Dec 2009, driven by reduction in both average daily rates and occupancies at the Group's serviced residences. This was mainly due to weaker demand of serviced residences in Singapore and China as a result of global economic slowdown and increased competition from new supply in Beijing and Shanghai.

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

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

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

As at 31 December 2009, independent full valuations were conducted by HVS International Pte Ltd for the Group's serviced residence properties, adopting the income approach using the Discounted Cash Flow analysis as the main method of valuation.

The Group's portfolio was revalued at S\$1,528.3 million, resulting in a surplus in the value of serviced residence properties of S\$11.7 million which was recognised in the Consolidated Statement of Total Return in 4Q 2009. The surplus resulted mainly from higher valuation of the Group's serviced residences in Japan and Philippines as compared to June 2009 valuation. The net impact on the Consolidated Statement of Total Return was S\$10.5 million (net of tax and minority interest).

9. **PROSPECTS**

We have seen a continued stability in hospitality demand extending from 3Q 2009 into 4Q 2009.

We expect improvement in hospitality demand in 2010 in line with the more positive economic sentiments. The extent of the economic recovery is uncertain. The Group remains confident of the longer term growth in the markets in which it operates.

We will continue to actively manage the existing portfolio to optimise its potential and to source for yield-accretive acquisitions.

The Group's operating performance in 2010 is expected to be profitable.

10. **DISTRIBUTIONS**

10(a) **Current financial period**

Any distributions declared for the current financial period? Yes
Period of distribution : Distribution for 1 July 2009 to 31 December 2009

| Distribution Type | Distribution Rate (cents) |
|-------------------|---------------------------|
| Taxable Income | 0.95 |
| Tax Exempt Income | - |
| Capital | 2.82 |
| Total | 3.77 |

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

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes
Name of distribution : Distribution for 1 July 2008 to 31 December 2008

| Distribution Type | Distribution Rate (cents) |
|-------------------|---------------------------|
| Taxable Income | 1.24 |
| Tax Exempt Income | 0.43 |
| Capital | 2.61 |
| Total | 4.28 |

10(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% for second half 2009 provided that the Singapore Government extends the 10% tax rate concession to distributions made after 17 February 2010. If the Singapore Government does not extend the tax concession, qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 17%.

For second half 2008, qualifying foreign non-individual investors received 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% (second half 2008: 18%).

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all unitholders

Capital Distribution

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

10(d) Book closure date : 29 January 2010

10(e) Date payable : 26 February 2010

11. **SEGMENT REVENUE AND RESULTS**

| YTD Dec 2009 | Singapore S\$'000 | China S\$'000 | Vietnam S\$'000 | Indonesia S\$'000 | Philippines S\$'000 | Japan S\$'000 | Australia S\$'000 | Total S\$'000 |
|--|----------------------|------------------|--------------------|----------------------|------------------------|------------------|----------------------|------------------|
| Revenue | 26,859 | 34,946 | 38,384 | 21,004 | 28,921 | 17,961 | 7,447 | 175,522 |
| Direct expenses | (12,713) | (21,720) | (14,230) | (13,024) | (16,584) | (7,007) | (5,691) | (90,969) |
| Gross Profit | 14,146 | 13,226 | 24,154 | 7,980 | 12,337 | 10,954 | 1,756 | 84,553 |
| Share of loss of associate (net of tax) | | | | | | | | (8) |
| Finance income | | | | | | | | 723 |
| Finance costs | | | | | | | | (23,741) |
| Unallocated net expenses | | | | | | | | (10,000) |
| Net income before changes in fair value of financial derivative and serviced residence properties, and unrealised foreign exchange loss | | | | | | | | 51,527 |
| Change in fair value of financial derivative | | | | | | | | (3,072) |
| Change in value of serviced residence properties | | | | | | | | (49,361) |
| Foreign exchange loss – Unrealised | | | | | | | | 27 |
| Total return for the year before tax | | | | | | | | (879) |
| Income tax expense | | | | | | | | (14,630) |
| Total return for the year after tax | | | | | | | | (15,509) |
| Minority interests | | | | | | | | (5,624) |
| Total return for the year attributable to unitholders | | | | | | | | (21,133) |

| YTD Dec 2008 | Singapore S\$'000 | China S\$'000 | Vietnam S\$'000 | Indonesia S\$'000 | Philippines S\$'000 | Japan S\$'000 | Australia S\$'000 | Total S\$'000 |
|--|----------------------|------------------|--------------------|----------------------|------------------------|------------------|----------------------|------------------|
| Revenue | 36,698 | 47,377 | 36,359 | 20,108 | 28,251 | 17,130 | 6,458 | 192,381 |
| Direct expenses | (16,947) | (25,502) | (13,572) | (13,059) | (16,434) | (6,818) | (4,556) | (96,888) |
| Gross Profit | 19,751 | 21,875 | 22,787 | 7,049 | 11,817 | 10,312 | 1,902 | 95,493 |
| Share of after-tax profit of associate | | | | | | | | 6 |
| Finance income | | | | | | | | 1,056 |
| Finance costs | | | | | | | | (20,827) |
| Unallocated net expenses | | | | | | | | (11,413) |
| Net income before changes in fair value of financial derivative and serviced residence properties, and unrealised foreign exchange loss | | | | | | | | 64,315 |
| Change in fair value of financial derivative | | | | | | | | 1,357 |
| Renovation cost written off | | | | | | | | (1,742) |
| Change in value of serviced residence properties | | | | | | | | (93,951) |
| Foreign exchange loss – Unrealised | | | | | | | | (5,437) |
| Total return for the year before tax | | | | | | | | (35,458) |
| Income tax expense | | | | | | | | (2,461) |
| Total return for the year after tax | | | | | | | | (37,919) |
| Minority interests | | | | | | | | (4,261) |
| Total return for the year attributable to unitholders | | | | | | | | (42,180) |

12. **BREAKDOWN OF SALES**

| | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 | Better/ (Worse) +/- % |
|---|----------------------------|----------------------------|--------------------------------|
| (a) Revenue reported for first half year | 85,095 | 91,614 | -7 |
| (b) Total return after taxation before minority interests reported for first half year | (36,587) | 18,199 | -301 |
| (c) Revenue reported for second half year | 90,427 | 100,767 | -10 |
| (d) Total return after taxation before minority interests reported for second half year | 21,078 | (56,118) | 138 |

13. **BREAKDOWN OF TOTAL DISTRIBUTIONS**

| | YTD Dec 2009 S\$'000 | YTD Dec 2008 S\$'000 |
|--|----------------------------|----------------------------|
| 1 January 2008 – 31 December 2008 – paid | - | 53,659 |
| 1 January 2009 to 30 June 2009 – paid | 21,852 | - |
| 1 July 2009 to 31 December 2009 – to be paid | 23,355 | - |

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

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

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries

Singapore
21 January 2010