



ASCOTT RESIDENCE TRUST
2013 FULL YEAR UNAUDITED FINANCIAL STATEMENTS
AND DISTRIBUTION STATEMENT
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ASCOTT RESIDENCE TRUST
2013 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	4Q 2013 S\$'000	4Q 2012 S\$'000	Better/ (Worse) %	YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000	Better/ (Worse) %
Revenue	83,908	75,934	11	316,609	303,841	4
Gross Profit	41,615	38,509	8	161,158	159,147	1
Unitholders' Distribution	26,286	22,786	15	114,845	99,698	15
Distribution Per Unit (cents)	1.33 ⁽¹⁾	2.00	(34)	8.40 ⁽¹⁾	8.76	(4)

⁽¹⁾ Excluding the effects from the rights issue, DPU for 4Q 2013 and YTD Dec 2013 would be 1.96 cents and 9.03 cents respectively.

DISTRIBUTION AND BOOK CLOSURE DATE

Distribution	For 1 January 2013 to 5 February 2013	For 6 February 2013 to 30 June 2013	For 1 July 2013 to 31 December 2013
Distribution Rate	0.617 cents per Unit	4.081 cents per Unit	3.698 cents per Unit
Book Closure Date	5 February 2013	31 July 2013	29 January 2014
Payment Date	5 April 2013	28 August 2013	27 February 2014

ASCOTT RESIDENCE TRUST

2013 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, rental housing properties and other hospitality assets. It has a portfolio of serviced residences and rental housing properties across Asia Pacific and Europe. Ascott Reit’s investment policy covers any country in the world.

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).

In the year 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe.

In the year 2012, Ascott Reit acquired Citadines Kyoto, Ascott Raffles Place Singapore, Ascott Guangzhou and Madison Hamburg (the “2012 Acquisitions”) and divested Somerset Gordon Heights Melbourne. Ascott Reit also completed the divestment of Somerset Grand Cairnhill Singapore and simultaneously signed the put and call option agreement to acquire the New Cairnhill Serviced Residence when completed, which is expected to be in 4Q 2017.

On 28 June 2013, Ascott Reit completed the acquisitions of Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and a portfolio of 11 rental housing properties in Japan.

On 12 December 2013, 253,749,218 new units were listed on SGX-ST in relation to the underwritten and renounceable rights issue (“Rights Issue”). The net proceeds from the Rights Issue were used to repay certain borrowings, fund asset enhancement initiatives and for general corporate purposes (to partially fund the deposit for the acquisition of the New Cairnhill Serviced Residence). The use of proceeds from the Rights Issue is in accordance with the use as previously disclosed in Ascott Reit’s announcement dated 5 December 2013 in relation to the Rights Issue. The balance of the proceeds from the Rights Issue is approximately S\$84.8 million and further announcements will be made when the balance of the proceeds is materially disbursed.

On 23 December 2013, Ascott Reit entered into the sale and purchase agreement to acquire the New Cairnhill Serviced Residence following the satisfaction of the conditions under the New Cairnhill Serviced Residence put and call option agreement.

As at 31 December 2013, Ascott Reit’s portfolio comprises 81 properties with 8,692 apartment units in 32 cities across 12 countries in Asia Pacific and Europe.

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 2013 S\$'000	4Q 2012 S\$'000		YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000	
Revenue	A.1	83,908	75,934	11	316,609	303,841	4
Direct expenses	A.2	(42,293)	(37,425)	(13)	(155,451)	(144,694)	(7)
Gross Profit	A.1	41,615	38,509	8	161,158	159,147	1
Finance income		503	506	(1)	2,089	2,038	3
Other operating income	A.3	100	638	(84)	328	2,112	(84)
Finance costs	A.4	(15,509)	(10,362)	(50)	(44,646)	(42,343)	(5)
Manager's management fees	A.5	(4,054)	(3,543)	(14)	(14,727)	(14,129)	(4)
Trustee's fee		(87)	(80)	(9)	(327)	(311)	(5)
Professional fees	A.5	(1,040)	(967)	(8)	(2,784)	(1,912)	(46)
Audit fees	A.5	(431)	(400)	(8)	(2,060)	(1,757)	(17)
Foreign exchange gain	A.6	683	7,175	(90)	7,543	3,827	97
Other operating expenses		(291)	(645)	55	(970)	(1,149)	16
Share of (loss) / profit of associate (net of tax)		(2)	-	(100)	(2)	24	(108)
Net income before changes in fair value of financial derivatives, serviced residence properties and asset held for sale		21,487	30,831	(30)	105,602	105,547	1
Net change in fair value of financial derivatives	A.7	4,119	4,683	(12)	6,630	4,677	42
Net change in fair value of serviced residence properties and asset held for sale	A.8	74,098	(27,883)	366	139,532	100,030	39
Net divestment expenses	A.9	(201)	(197)	(2)	(201)	(9,683)	98
Assets written off	A.10	-	(476)	100	-	(621)	100
Total return for the period / year before tax		99,503	6,958	n.m.	251,563	199,950	26
Income tax expense	A.11	(10,299)	(7,411)	(39)	(36,209)	(27,367)	(32)
Total return for the period / year after tax		89,204	(453)	n.m.	215,354	172,583	25
Attributable to:							
Unitholders		87,398	1,362		208,659	162,354	
Non-controlling interests		1,806	(1,815)		6,695	10,229	
Total return for the period / year		89,204	(453)	n.m.	215,354	172,583	25

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

	Note	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
		4Q 2013 S\$'000	4Q 2012 S\$'000		YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000	
Total return for the period / year attributable to unitholders		87,398	1,362		208,659	162,354	
Net effect of non-tax deductible / chargeable items and other adjustments	A.12	(61,112)	21,424		(93,814)	(62,656)	
Total amount distributable to Unitholders for the period		26,286	22,786	15	114,845	99,698	15
Comprises:							
- from operations		11,680	9,687		48,665	37,237	
- from unitholders' contributions		14,606	13,099		66,180	62,461	
		26,286	22,786	15	114,845	99,698	15

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

A.1 Revenue and Gross profit

Revenue for 4Q 2013 of S\$83.9 million comprised S\$14.9 million (18% of total revenue) from serviced residences on Master Leases, S\$19.9 million (24%) from serviced residences on management contracts with minimum guaranteed income and S\$49.1 million (58%) from serviced residences on management contracts.

Revenue for 4Q 2013 increased by S\$8.0 million or 11% as compared to 4Q 2012. This was mainly contributed by the additional revenue of S\$8.3 million from the properties acquired in November 2012 and on 28 June 2013 and stronger performance from the Group's serviced residences in Belgium and France. These increases were partially offset by lower contribution from the properties in Philippines and Japan (arising from depreciation of JPY).

The Group achieved a REVPAU of S\$129 in 4Q 2013, a decrease of 7% as compared to 4Q 2012. The decrease in REVPAU was mainly due to weaker performance from Philippines and Japan (arising from depreciation of JPY) and lower ADR from the newly acquired China properties.

Gross profit for 4Q 2013 of S\$41.6 million comprised S\$13.4 million (32% of total gross profit) from serviced residences on Master Leases, S\$7.8 million (19%) from serviced residences on management contracts with minimum guaranteed income and S\$20.4 million (49%) from serviced residences on management contracts.

As compared to 4Q 2012, gross profit increased by S\$3.1 million or 8%. On a same store basis, gross profit decreased by S\$1.0 million.

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

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	4Q 2013 S\$'000	4Q 2012 S\$'000		YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000	
Depreciation and amortisation	(3,595)	(2,024)	(78)	(13,511)	(10,799)	(25)
Staff costs	(9,376)	(8,163)	(15)	(33,410)	(30,844)	(8)

A.3 Other operating income

Other operating income for 4Q 2012 was higher as it included income from reversal of prior years' accrued expenses no longer required.

A.4 Finance costs

The increase in finance costs was mainly due to unwinding costs on interest rate swaps and interest rate caps as a result of refinancing the secured borrowings due in 2014 / 2015 with the proceeds from the rights issue.

The rights issue enabled the Group to increase its debt headroom, reduce its aggregate leverage and increase the percentage of the Group's unencumbered assets for more financial flexibility.

A.5 Manager's management fees / professional fees / audit fees

The increase in the above expenses mainly arose due to the new properties injected into the portfolio on 28 June 2013.

A.6 Foreign exchange gain

The foreign exchange gain recognised in 4Q 2013 was largely due to realised exchange gain on repayment of foreign currency bank loans with the proceeds from the rights issue.

A.7 Net change in fair value of financial derivatives

This mainly relates to the fair value gain of interest rate swaps, interest rate caps and foreign currency forward contracts.

A.8 Net change in fair value of serviced residence properties and asset held for sale

This relates to the surplus on revaluation of serviced residence properties and asset held for sale, mainly from the properties in United Kingdom, China, France, Philippines and Indonesia. The valuation of the serviced residence properties was carried out on 31 December 2013 by Jones Lang LaSalle, except for Somerset Grand Fortune Garden which was valued by DTZ Debenham Tie Leung Limited. Please refer to Para 8(c) for more details.

A.9 Net divestment expenses

The net divestment expenses recognised in 4Q 2013 relates to the expenses incurred in connection with the divestment of strata units in Somerset Grand Fortune Garden.

A.10 Assets written off

The assets written off in 4Q 2012 were in relation to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Olympic Tower Tianjin, Somerset Grand Hanoi and Roppongi Residences Tokyo.

A.11 Income tax expense

Taxation for 4Q 2013 was higher by S\$2.9 million as compared to the corresponding period last year. This was mainly due to higher deferred tax liability provided on the serviced residence properties that have increased in fair value.

A.12 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following:

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	4Q 2013 S\$'000	4Q 2012 S\$'000		YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000	
Depreciation and amortisation	3,595	2,024	(78)	13,511	10,799	(25)
Manager's management fee payable / paid partially in units	3,140	2,814	(12)	11,553	10,734	(8)
Trustee's fees*	21	11	(91)	62	60	(3)
Foreign exchange loss / (gain)	1,015	(6,101)	(117)	3,798	(1,807)	(310)
Net change in fair value of financial derivatives	690	-	n.m.	954	6	n.m.
Net change in fair value of serviced residence properties and asset held for sale (Note A.8)	(74,098)	27,883	366	(139,532)	(100,030)	39
Net divestment expenses (Note A.9)	201	197	(2)	201	9,683	98
Assets written off	-	476	100	-	621	100
Deferred tax expense	4,414	(3,081)	(243)	16,777	4,498	(273)
Effect of non-controlling interests arising from the above	(185)	(3,000)	(94)	(1,105)	3,729	130

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

1(b)(i) **STATEMENT OF FINANCIAL POSITION**

	Note	GROUP		REIT	
		31/12/13 S\$'000	31/12/12 S\$'000	31/12/13 S\$'000	31/12/12 S\$'000
Non-Current Assets					
Plant and equipment	B.1	53,242	50,327	8,108	10,078
Serviced residence properties	B.2	3,177,020	2,785,147	556,392	551,222
Interest in subsidiaries		-	-	241,718	166,583
Interest in associate		3,030	2,932	3,516	3,417
Financial derivatives	B.3	929	4	929	-
Deposits	B.4	20,250	-	20,250	-
Deferred tax assets		3,673	2,583	-	-
		3,258,144	2,840,993	830,913	731,300
Current Assets					
Asset held for sale	B.5	87,033	-	-	-
Inventories		365	476	-	-
Trade receivables		11,718	11,940	1,456	1,523
Other receivables and deposits		23,287	23,918	1,702,219	1,490,553
Cash and bank balances	B.6	204,518	125,181	91,654	9,927
		326,921	161,515	1,795,329	1,502,003
Total Assets		3,585,065	3,002,508	2,626,242	2,233,303
Non-Current Liabilities					
Interest bearing liabilities	B.8	(1,146,833)	(1,003,056)	(470,218)	(349,650)
Financial derivatives	B.3	(11,271)	(18,757)	(10,017)	(13,691)
Deferred tax liabilities	B.7	(67,854)	(47,329)	-	-
		(1,225,958)	(1,069,142)	(480,235)	(363,341)
Current Liabilities					
Trade payables		(4,366)	(4,110)	(15)	(68)
Other payables		(110,910)	(106,617)	(393,544)	(340,219)
Interest bearing liabilities	B.8	(50,251)	(167,765)	-	(131,659)
Financial derivatives	B.3	(954)	(645)	(938)	(48)
Provision for taxation		(5,496)	(13,259)	(263)	(180)
		(171,977)	(292,396)	(394,760)	(472,174)
Total Liabilities		(1,397,935)	(1,361,538)	(874,995)	(835,515)
Net Assets		2,187,130	1,640,970	1,751,247	1,397,788
Represented by:					
Unitholders' funds	1(d)(i)	2,093,080	1,547,373	1,751,247	1,397,788
Non-controlling interests	1(d)(i)	94,050	93,597	-	-
Total Equity	1(d)(i)	2,187,130	1,640,970	1,751,247	1,397,788

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

B.1 Plant and equipment

The increase in the plant and equipment as at 31 December 2013 was mainly due to the acquisition of the 14 properties on 28 June 2013, partially offset by the reclassification of the plant and equipment of the 81 units in Somerset Grand Fortune Garden to asset held for sale under Current Assets.

B.2 Serviced residence properties

The increase in the Group's serviced residences as at 31 December 2013 was mainly due to the acquisition of the 14 properties on 28 June 2013, increase in valuation of the serviced residences on 31 December 2013 and foreign currency differences arising from translating the Group's overseas serviced residences as a result of the strengthening of foreign currencies, particularly EUR and GBP, against Singapore dollar.

The increase was partially offset by the reclassification of the 81 units in Somerset Grand Fortune Garden from serviced residence properties to asset held for sale under Current Assets.

B.3 Financial derivatives

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

B.4 Deposits

This relates to the 5% deposit paid upon the execution of the sale and purchase agreement for the acquisition of the New Cairnhill Serviced Residence.

B.5 Asset held for sale

This relates to the reclassification of the 81 units in Somerset Grand Fortune Garden from serviced residence properties and plant and equipment under Non-Current Assets. Please refer to notes B.1 and B.2 above.

B.6 Cash and bank balances

The increase in the Group's cash and bank balances as at 31 December 2013 was mainly due to the net proceeds from the rights issue, after repayment of bank borrowings.

B.7 Deferred tax liabilities

The increase in the Group's deferred tax liabilities as at 31 December 2013 was mainly due to the deferred tax liability provided on those serviced residence properties that have increased in fair value.

B.8 Interest bearing liabilities

	GROUP		REIT	
	31/12/13 S\$'000	31/12/12 S\$'000	31/12/13 S\$'000	31/12/12 S\$'000
Amount repayable in one year or less or on demand				
- Secured	50,319	123,341	-	87,235
- Unsecured	-	44,612	-	44,612
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(68)	(188)	-	(188)
	50,251	167,765	-	131,659
Amount repayable after one year				
- Secured	812,984	757,184	445,291	351,041
- Unsecured	338,635	250,000	27,285	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(4,786)	(4,128)	(2,358)	(1,391)
	1,146,833	1,003,056	470,218	349,650
Total	1,197,084	1,170,821	470,218	481,309

Details of collateral

The borrowings of the Group are generally secured by:

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

Capital management

As at 31 December 2013, the Group's gearing was 34.0 percent, well below the 60 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. The average cost of debts was 3.2 percent per annum, with an interest cover of 4.0 times. S\$956.2 million or 80 percent of the Group's borrowings are on fixed interest rates with S\$39.3 million due for refinancing in the next 12 months.

Out of the Group's total borrowings, 4 percent falls due in 2014, 26 percent falls due in 2015, 21 percent falls due in 2016, 4 percent falls due in 2017, and the balance falls due after 2017.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2014 and 2015, ahead of their maturity dates.

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**

	GROUP			
	4Q 2013 S\$'000	4Q 2012 S\$'000	YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000
Operating Activities				
Total return for the period / year before tax	99,503	6,958	251,563	199,950
<u>Adjustments for:</u>				
Depreciation and amortisation	3,595	2,024	13,511	10,799
Loss on disposal of asset held for sale	106	-	106	-
Net divestment expenses	201	197	201	9,683
(Gain) / loss on disposal of plant and equipment	(7)	(494)	24	(400)
Assets written off	-	476	-	621
Finance costs	15,509	10,362	44,646	42,343
Finance income	(503)	(506)	(2,089)	(2,038)
Provision for doubtful debts addition / (reversal)	29	(18)	148	4
Manager's management fees payable / paid partially in units	3,140	2,814	11,553	10,734
Foreign exchange loss / (gain) - unrealised	1,015	(6,101)	3,798	(1,807)
Net change in fair value of financial derivatives	(4,119)	(4,683)	(6,630)	(4,677)
Net change in fair value of serviced residence properties and asset held for sale	(74,098)	27,883	(139,532)	(100,030)
Share of loss / (profit) of associate	2	-	2	(24)
Operating profit before working capital changes	44,373	38,912	177,301	165,158
Changes in working capital	10,166	(10,627)	2,300	(19,376)
Cash generated from operations	54,539	28,285	179,601	145,782
Income tax paid	(4,370)	(4,337)	(27,617)	(20,605)
Cash flows from operating activities	50,169	23,948	151,984	125,177
Investing Activities				
Acquisition of plant and equipment	(1,283)	(333)	(9,915)	(7,729)
Acquisition of serviced residence properties, net of cash acquired	-	(63,181)	(159,025)	(342,673)
Capital expenditure on serviced residence properties	(11,290)	(4,035)	(32,300)	(11,140)
Expenses incurred for divestment	(201)	(6,981)	(1,088)	(7,728)
Interest received	503	505	2,089	2,038
Deposit paid for acquisition of an investment property	(20,250)	-	(20,250)	-
Proceeds from divestment of serviced residence properties	-	-	-	374,335
Proceeds from sale of plant and equipment	60	678	138	722
Cash flows from investing activities	(32,461)	(73,347)	(220,351)	7,825
Financing Activities				
Distribution to unitholders	-	-	(106,970)	(97,165)
Dividend paid to non-controlling shareholders	(178)	(743)	(3,687)	(2,893)
Interest paid	(18,177)	(13,891)	(45,115)	(43,555)
Payments on finance lease	(925)	(818)	(3,545)	(3,267)
Proceeds from issue of new units	253,749	-	403,750	-
Payment of issue expenses	(4,044)	-	(6,076)	-
Proceeds from bank borrowings	51,965	44,401	351,255	283,034
Proceeds from issue of medium term notes	-	-	63,585	-
Repayment of bank borrowings	(215,727)	(19,441)	(504,662)	(232,957)
Repayment of medium term notes	-	(50,000)	-	(50,000)
Cash flows from financing activities	66,663	(40,492)	148,535	(146,803)
Increase / (decrease) in cash & cash equivalents	84,371	(89,891)	80,168	(13,801)
Cash and cash equivalents at beginning of the period / year	121,619	217,043	125,181	145,466
Effect of exchange rate changes on balances held in foreign currencies	(1,472)	(1,971)	(831)	(6,484)
Cash and cash equivalents at end of the period / year	204,518	125,181	204,518	125,181

1(d)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

	Note	GROUP		GROUP	
		4Q 2013 S\$'000	4Q 2012 S\$'000	YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000
Unitholders' Contribution					
Balance as at beginning of period / year		1,295,077	1,179,504	1,187,024	1,228,759
Issue of new units					
- equity placement on 6 February 2013		-	-	150,001	-
- rights issue on 12 December 2013		253,749	-	253,749	-
- payment of manager's management fees in units		3,113	7,520	11,275	15,378
- payment of manager's acquisition fees in units		-	-	3,063	-
Issue expenses		(4,044)	-	(6,076)	-
Distribution to Unitholders		-	-	(51,141)	(57,113)
Balance as at end of period / year		1,547,895	1,187,024	1,547,895	1,187,024
Operations					
Balance as at beginning of period / year		528,791	462,113	463,359	341,173
Total return for the period attributable to Unitholders		87,398	1,362	208,659	162,354
Change in ownership interests in subsidiary with no change in control		(347)	-	(347)	-
Transfer to capital reserve		(65)	(116)	(65)	(116)
Distribution to Unitholders		-	-	(55,829)	(40,052)
Balance as at end of period / year		615,777	463,359	615,777	463,359
Foreign Currency Translation Reserve					
Balance as at beginning of period / year		(69,723)	(73,226)	(90,420)	(28,269)
Translation differences relating to financial statements of foreign subsidiaries		8,082	(17,194)	28,779	(62,151)
Balance as at end of period / year		(61,641)	(90,420)	(61,641)	(90,420)
Capital Reserve					
Balance as at beginning and end of period / year		1,753	1,637	1,753	1,637
Transfer from operations		65	116	65	116
Balance as at end of period / year		1,818	1,753	1,818	1,753
Hedging Reserve					
Balance as at beginning of period / year		(11,572)	(11,278)	(14,343)	(6,288)
Change in fair value of financial derivatives		5,611	1,618	11,158	(3,372)
Net change in fair value of cash flow hedges reclassified to total return		(4,808)	(4,683)	(7,584)	(4,683)
Balance as at end of period / year		(10,769)	(14,343)	(10,769)	(14,343)
Unitholders' Funds	1(b)(i)	2,093,080	1,547,373	2,093,080	1,547,373
Non-controlling Interests					
Balance as at beginning of period / year		94,436	98,820	93,597	91,018
Total return for the period		1,806	(1,815)	6,695	10,229
Acquisition of subsidiaries		-	84	-	2,333
Dividend paid to non-controlling shareholders		(179)	(743)	(3,687)	(2,893)
Translation differences relating to financial statements of foreign subsidiaries		(2,013)	(2,749)	(2,555)	(7,090)
Balance as at end of period / year	1(b)(i)	94,050	93,597	94,050	93,597
Equity	1(b)(i)	2,187,130	1,640,970	2,187,130	1,640,970

1(d)(i) **STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS**

	Note	REIT		REIT	
		4Q 2013 S\$'000	4Q 2012 S\$'000	YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period / year		1,295,077	1,179,504	1,187,024	1,228,759
Issue of new units					
- equity placement on 6 February 2013		-	-	150,001	-
- rights issue on 12 December 2013		253,749	-	253,749	-
- payment of manager's management fees in units		3,113	7,520	11,275	15,378
- payment of manager's acquisition fees in units		-	-	3,063	-
Issue expenses		(4,044)	-	(6,076)	-
Distribution to Unitholders		-	-	(51,141)	(57,113)
Balance as at end of period / year		1,547,895	1,187,024	1,547,895	1,187,024
<u>Operations</u>					
Balance as at beginning of period / year		203,560	223,111	225,835	194,981
Total return for the period attributable to Unitholders		9,400	2,724	42,954	70,906
Distribution to Unitholders		-	-	(55,829)	(40,052)
Balance as at end of period / year		212,960	225,835	212,960	225,835
<u>Hedging Reserve</u>					
Balance as at beginning of period / year		(11,079)	(15,441)	(15,071)	(10,012)
Change in fair value of financial derivatives		1,471	370	5,463	(5,059)
Balance as at end of period / year		(9,608)	(15,071)	(9,608)	(15,071)
Unitholders' Funds	1(b)(i)	1,751,247	1,397,788	1,751,247	1,397,788

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

	REIT			
	4Q 2013 '000	4Q 2012 '000	YTD Dec 2013 '000	YTD Dec 2012 '000
Balance as at beginning of period / year	1,266,314	1,137,019	1,142,819	1,129,871
Issue of new units :				
- equity placement on 6 February 2013	-	-	114,943	-
- rights issue on 12 December 2013	253,749	-	253,749	-
- partial payment of manager's management fees	2,432	2,085	8,424	9,233
- payment of manager's acquisition fee	-	2,330	2,560	2,330
- payment of manager's divestment fee	-	1,385	-	1,385
Balance as at end of period / year	1,522,495	1,142,819	1,522,495	1,142,819

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**

On 1 January 2013, the Group adopted the revised version of the Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Singapore Chartered Accountants which has no significant impact to the financial statements of the Group.

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 2012.

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

Nil.

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

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

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

	4Q 2013	4Q 2012	YTD Dec 2013	YTD Dec 2012
Earnings per unit (EPU)				
Number of units on issue at end of period ('000)	1,522,495	1,142,819	1,522,495	1,142,819
Weighted average number of units for the period ('000)	1,348,556	1,162,057 ⁽²⁾	1,290,502	1,157,942 ⁽²⁾
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	6.48 ⁽¹⁾	0.12 ^{(1), (2)}	16.17 ⁽¹⁾	14.02 ^{(1), (2)}

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

Note 1: The computation of EPU included the net change in fair value of serviced residence properties, net of tax and non-controlling interests and net divestment expenses. Valuations of the serviced residence properties were conducted by independent valuers in Dec 2013 and Dec 2012. Excluding these effects, the EPU for 4Q 2013 and 4Q 2012 would be 1.67 cents and 2.07 cents respectively, and the EPU for YTD Dec 2013 and YTD Dec 2012 would be 7.13 cents and 6.96 cents respectively.

Note 2: The figures have been restated for the effect of the rights issue.

	4Q 2013	4Q 2012
Distribution per unit (DPU)		
Number of units on issue at end of period ('000)	1,522,495	1,142,819
DPU (cents) – Basic and diluted	1.33	2.00

	1 Jan 2013 to 5 Feb 2013	6 Feb 2013 to 30 Jun 2013	1 Jul 2013 to 31 Dec 2013	YTD Dec 2013	YTD Dec 2012
Distribution per unit (DPU)					
Number of units on issue at end of period ('000)	1,142,819	1,261,596	1,522,495	1,522,495	1,142,819
DPU (cents) – Basic and diluted	0.62 ⁽³⁾	4.08	3.70	8.40	8.76

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

Note 3: This pertains to the advanced distribution for the period from 1 January 2013 to 5 February 2013, prior to the date on which the placement units were issued.

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

	Group		REIT	
	31/12/13	31/12/12	31/12/13	31/12/12
NAV per unit (S\$)	1.37	1.35	1.15	1.22

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 4Q 2013 vs. 4Q 2012 (Local Currency (“LC”))

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		4Q 2013	4Q 2012	Better/ (Worse)		4Q 2013	4Q 2012	Better/ (Worse)		4Q 2013	4Q 2012	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
<u>Master Leases</u>												
France	EUR	5.8	5.7	0.1	2	5.3	5.2	0.1	2	-	-	-
Germany	EUR	1.3	0.9	0.4	44	1.3	0.9	0.4	44	-	-	-
Singapore	S\$	2.1	2.2	(0.1)	(5)	1.7	1.8	(0.1)	(6)	-	-	-
Japan	JPY	54.4	-	54.4	n.m.	31.1	-	31.1	n.m.	-	-	-
<u>Management contracts with minimum guaranteed income</u>												
Belgium	EUR	2.2	1.6	0.6	38	0.4	0.3	0.1	33	60	50	20
Spain	EUR	0.8	0.9	(0.1)	(11)	0.3	0.3	-	-	42	62	(32)
United Kingdom	GBP	6.8	6.6	0.2	3	3.0	2.6	0.4	15	118	114	4
Vietnam	VND ¹	18.4	17.3	1.1	6	11.7	10.1	1.6	16	1,297	1,405	(8)
<u>Management contracts</u>												
Australia	AUD	0.7	1.3	(0.6)	(46)	0.2	0.5	(0.3)	(60)	91	159	(43)
China	RMB	61.5	37.9	23.6	62	20.3	13.3	7.0	53	494	611	(19)
Indonesia	USD	3.1	3.0	0.1	3	0.9	1.0	(0.1)	(10)	82	78	5
Japan	JPY	703.6	520.6	183.0	35	401.1	299.2	101.9	34	10,439	9,367	11
Philippines	PHP	235.3	268.1	(32.8)	(12)	72.8	88.8	(16.0)	(18)	4,068	4,914	(17)
Singapore	S\$	7.2	7.4	(0.2)	(3)	2.9	3.6	(0.7)	(19)	220	226	(3)
Vietnam	VND ¹	150.5	159.2	(8.7)	(5)	80.7	88.8	(8.1)	(9)	1,576	1,621	(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.

8(a) **Revenue and Gross Profit Analysis – 4Q 2013 vs. 4Q 2012 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis¹		
	4Q 2013	4Q 2012	Better/ (Worse)		4Q 2013	4Q 2012	Better/ (Worse)		4Q 2013	4Q 2012	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
Master Leases											
France	9.8	9.0	0.8	9	9.1	8.3	0.8	10	-	-	-
Germany	2.3	1.4	0.9	64	2.2	1.3	0.9	69	-	-	-
Singapore	2.1	2.2	(0.1)	(5)	1.7	1.8	(0.1)	(6)	-	-	-
Japan	0.7	-	0.7	n.m.	0.4	-	0.4	n.m.	-	-	-
Sub-total	14.9	12.6	2.3	18	13.4	11.4	2.0	18	-	-	-
Management contracts with minimum guaranteed income											
Belgium	3.6	2.6	1.0	38	0.7	0.5	0.2	40	102	79	29
Spain	1.4	1.4	-	-	0.5	0.5	-	-	73	97	(25)
United Kingdom	13.8	13.2	0.6	5	5.9	5.1	0.8	16	239	225	6
Vietnam	1.1	1.0	0.1	10	0.7	0.6	0.1	17	78	80	(3)
Sub-total	19.9	18.2	1.7	9	7.8	6.7	1.1	16	168	158	6
Management contracts											
Australia	0.8	1.6	(0.8)	(50)	0.2	0.7	(0.5)	(71)	104	202	(49)
China	12.5	7.4	5.1	69	4.1	2.6	1.5	58	100	119	(16)
Indonesia	3.9	3.7	0.2	5	1.1	1.2	(0.1)	(8)	103	96	7
Japan	8.9	8.0	0.9	11	5.1	4.6	0.5	11	132	145	(9)
Philippines	6.8	7.9	(1.1)	(14)	2.1	2.6	(0.5)	(19)	117	145	(19)
Singapore	7.2	7.4	(0.2)	(3)	2.9	3.6	(0.7)	(19)	220	226	(3)
Vietnam	9.0	9.1	(0.1)	(1)	4.9	5.1	(0.2)	(4)	95	92	3
Sub-total	49.1	45.1	4.0	9	20.4	20.4	-	-	116	132	(12)
Group	83.9	75.9	8.0	11	41.6	38.5	3.1	8	129	139	(7)

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

Group

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

Analysis By Country

A. Master Leases

France

Both revenue and gross profit increased by EUR 0.1 million in 4Q 2013 as compared to 4Q 2012 mainly due to higher indexation and pre-determined increase in lease income.

In SGD terms, revenue and gross profit increased by S\$0.8 million in 4Q 2013 mainly due to appreciation of EUR against SGD.

Germany

Both revenue and gross profit increased by EUR 0.4 million as compared to 4Q 2012 due to the full quarter contribution from Madison Hamburg, which was acquired in November 2012. On a same store basis, revenue and gross profit for 4Q 2013 increased by EUR 0.1 million as compared to 4Q 2012.

In SGD terms, both revenue and gross profit increased by S\$0.9 million. On a same store basis, revenue and gross profit increased by S\$0.2 million as compared to 4Q 2012.

Singapore

Revenue and gross profit decreased by S\$0.1 million as compared to 4Q 2012. This was mainly due to the ongoing refurbishment of Ascott Raffles Place, expected to be completed in 1Q 2014.

Japan

Revenue and gross profit were JPY 54.4 million (S\$0.7 million) and JPY 31.1 million (S\$0.4 million) respectively in 4Q 2013. This was contributed by the five rental housing properties, which were acquired on 28 June 2013.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.6 million or 38% in 4Q 2013 as compared to 4Q 2012. REVPAU increased by 20% from EUR 50 in 4Q 2012 to EUR 60 in 4Q 2013. The increase was mainly due to higher rental rates from the refurbished apartments at Citadines Sainte-Catherine Brussels and the top-up by the property manager of EUR 0.2 million for Citadines Toison d'Or Brussels. The ongoing refurbishment of Citadines Toison d'Or Brussels is expected to be completed in 1Q 2014.

In line with the increase in revenue, gross profit increased by EUR 0.1 million or 33%.

In SGD terms, revenue and gross profit increased by 38% and 40% respectively as compared to 4Q 2012. This was mainly due to stronger underlying performance and appreciation of EUR against SGD.

Spain

Revenue decreased by EUR 0.1 million or 11% in 4Q 2013 as compared to 4Q 2012 while gross profit remained at the same level as 4Q 2012. REVPAU decreased by 32% from EUR 62 in 4Q 2012 to EUR 42 in 4Q 2013. The decrease was mainly due to the ongoing refurbishment of Citadines Ramblas Barcelona, expected to be completed in 1Q 2014. Revenue and gross profit for 4Q 2013 included a top-up by the property manager of EUR 0.2 million.

In SGD terms, revenue and gross profit remained at the same level as compared to 4Q 2012 due to appreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 0.2 million or 3% in 4Q 2013 as compared to 4Q 2012. REVPAU increased by 4% from GBP 114 in 4Q 2012 to GBP 118 in 4Q 2013. The increase was mainly due to stronger performance from the rebranded Citadines Prestige Trafalgar Square.

Gross profit increased by GBP 0.4 million due to higher revenue, coupled with lower marketing expense.

In SGD terms, revenue increased by S\$0.6 million or 5% due to stronger underlying performance and appreciation of GBP against SGD. Gross profit, in SGD terms, increased by S\$0.8 million or 16%.

Vietnam

Revenue and gross profit increased by VND 1.1 billion or 6% and VND 1.6 billion or 16% respectively as compared to 4Q 2012 mainly due to higher yield protection amount.

In SGD terms, both revenue and gross profit increased by S\$0.1 million. Revenue and gross profit for 4Q 2013 included a yield protection amount of S\$0.4 million.

C. Management contracts

Australia

Revenue and gross profit decreased by AUD 0.6 million or 46% and AUD 0.3 million or 60% respectively as compared to 4Q 2012. REVPAU decreased by 43% from AUD 159 in 4Q 2012 to AUD 91 in 4Q 2013. This was mainly due to ongoing refurbishment of Somerset St Georges Terrace, which has been completed in January 2014.

In SGD terms, revenue and gross profit decreased by 50% and 71% respectively as compared to 4Q 2012. This was mainly due to weaker underlying performance and the depreciation of AUD against SGD.

China

Revenue and gross profit increased by RMB 23.6 million or 62% and RMB 7.0 million or 53% respectively as compared to 4Q 2012. The increase was mainly due to contribution from the three properties acquired on 28 June 2013. REVPAU decreased by 19% from RMB 611 in 4Q 2012 to RMB 494 in 4Q 2013 due to the newly acquired properties, which had a lower ADR. Gross profit increased by a lower extent as a result of higher depreciation expense.

Excluding the contribution from the acquisitions, both revenue and gross profit decreased as compared to 4Q 2012 due to the ongoing strata sale of units at Somerset Grand Fortune Garden. On a same store basis, REVPAU decreased by 7% as compared to 4Q 2012.

In SGD terms, revenue and gross profit increased by S\$5.1 million or 69% and S\$1.5 million or 58% respectively. The increase was mainly due to contribution from the newly acquired properties and appreciation of RMB against SGD.

Indonesia

Revenue increased by USD 0.1 million or 3% in 4Q 2013 as compared to 4Q 2012 due to better performance at Somerset Grand Citra, boosted by the opening of a new shopping mall. REVPAU increased by 5% from USD 78 in 4Q 2012 to USD 82 in 4Q 2013. Gross profit decreased by USD 0.1 million or 10% in 4Q 2013 mainly due to one-off provision for post employment benefits.

In SGD terms, revenue increased by S\$0.2 million or 5% due to stronger underlying performance and the appreciation of USD against SGD. Gross profit, in SGD terms, decreased by S\$0.1 million or 8%.

Japan

Revenue and gross profit increased by JPY 183.0 million or 35% and JPY 101.9 million or 34% respectively as compared to 4Q 2012. The increase was mainly due to the contribution from six rental housing properties acquired on 28 June 2013. REVPAU increased by 11% from JPY 9,367 in 4Q 2012 to JPY 10,439 in 4Q 2013.

Excluding the contribution from the acquisitions, revenue increased by 7% due to stronger demand from the corporate and leisure sectors. Gross profit increased by 19% due to higher revenue and lower depreciation expense.

In SGD terms, revenue and gross profit increased by S\$0.9 million or 11% and S\$0.5 million or 11% respectively. The increase was mainly due to contribution from the newly acquired properties, partially offset by depreciation of JPY against SGD by 18%.

The Philippines

Revenue in 4Q 2013 decreased by PHP 32.8 million or 12% as compared to 4Q 2012 mainly due to refurbishment of Ascott Makati during the quarter. REVPAU decreased by 17% from PHP 4,914 in 4Q 2012 to PHP 4,068 in 4Q 2013.

Gross profit in 4Q 2013 decreased by PHP 16.0 million or 18% as compared to 4Q 2012, mainly due to lower revenue, partially offset by lower operation and maintenance expense.

In SGD terms, revenue decreased by S\$1.1 million or 14% due to weaker underlying performance and depreciation of PHP against SGD. Gross profit decreased by S\$0.5 million or 19% due to lower expenses and depreciation of PHP against SGD.

Singapore

Revenue decreased by S\$0.2 million or 3% and gross profit decreased by S\$0.7 million or 19% in 4Q 2013 as compared to 4Q 2012. REVPAU decreased by 3% from S\$226 in 4Q 2012 to S\$220 in 4Q 2013.

The decrease was mainly due to lower corporate accommodation budgets, weaker demand from project groups and higher non-refundable GST.

Vietnam

Revenue decreased by VND 8.7 billion or 5% as compared to 4Q 2012. The decrease in revenue was mainly due to weaker market demand and lower office rental income. REVPAU decreased by 3% from VND 1,621,000 in 4Q 2012 to VND 1,576,000 in 4Q 2013.

Gross profit decreased by VND 8.1 billion or 9% due to lower revenue, partially offset by lower operation and maintenance expense.

In SGD terms, revenue and gross profit decreased by S\$0.1 million or 1% and S\$0.2 million or 4% respectively, due to weaker underlying performance, partially offset by appreciation of VND against SGD.

8(b) Revenue and Gross Profit Analysis – YTD Dec 2013 vs. YTD Dec 2012 (LC)

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		YTD Dec 2013	YTD Dec 2012	Better/(Worse)		YTD Dec 2013	YTD Dec 2012	Better/(Worse)		YTD Dec 2013	YTD Dec 2012	Better/(Worse)
		LC'm	LC'm		%	LC'm	LC'm		%	LC/day		%
Master Leases												
France	EUR	23.1	22.3	0.8	4	21.2	20.7	0.5	2	-	-	-
Germany	EUR	5.6	2.4	3.2	133	5.1	2.4	2.7	113	-	-	-
Philippines	PHP	-	16.2	(16.2)	n.m.	-	13.2	(13.2)	n.m.	-	-	-
Singapore	S\$	9.0	2.3	6.7	291	7.3	1.9	5.4	284	-	-	-
Japan	JPY	110.0	-	110.0	n.m.	77.9	-	77.9	n.m.	-	-	-
Management contracts with minimum guaranteed income												
Belgium	EUR	7.1	6.6	0.5	8	1.3	1.5	(0.2)	(13)	53	51	4
Spain	EUR	4.1	4.3	(0.2)	(5)	1.9	2.0	(0.1)	(5)	62	74	(16)
United Kingdom	GBP	26.0	24.5	1.5	6	11.2	11.1	0.1	1	114	107	7
Vietnam	VND ¹	71.7	66.7	5.0	7	46.6	39.6	7.0	18	1,295	1,377	(6)
Management contracts												
Australia	AUD	4.1	5.8	(1.7)	(29)	1.5	2.5	(1.0)	(40)	129	154	(16)
China	RMB	194.4	116.7	77.7	67	63.1	43.8	19.3	44	522	616	(15)
Indonesia	USD	12.3	12.2	0.1	1	3.7	4.2	(0.5)	(12)	81	80	1
Japan	JPY	2,381.0	870.8	1,510.2	173	1,275.0	931.5	343.5	37	9,422	8,408	12
Philippines	PHP	1,018.5	1,078.9	(60.4)	(6)	360.2	409.1	(48.9)	(12)	4,680	5,421	(14)
Singapore	S\$	28.1	45.1	(17.0)	(38)	12.6	24.5	(11.9)	(49)	218	238	(8)
Vietnam	VND ¹	603.7	625.7	(22.0)	(4)	338.2	351.5	(13.3)	(4)	1,581	1,625	(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.

8(b) **Revenue and Gross Profit Analysis – YTD Dec 2013 vs. YTD Dec 2012 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis ¹		
	YTD Dec 2013	YTD Dec 2012	Better/ (Worse)		YTD Dec 2013	YTD Dec 2012	Better/ (Worse)		YTD Dec 2013	YTD Dec 2012	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
Master Leases											
France	38.2	36.1	2.1	6	35.5	33.3	2.2	7	-	-	-
Germany	9.3	4.2	5.1	121	8.3	4.1	4.2	102	-	-	-
Philippines	-	0.5	(0.5)	n.m.	-	0.4	(0.4)	n.m.	-	-	-
Singapore	9.0	2.3	6.7	291	7.3	1.9	5.4	284	-	-	-
Japan	1.4	-	1.4	n.m.	1.0	-	1.0	n.m.	-	-	-
Sub-total	57.9	43.1	14.8	34	52.1	39.7	12.4	31	-	-	-
Management contracts with minimum guaranteed income											
Belgium	11.7	10.7	1.0	9	2.3	2.6	(0.3)	(12)	87	82	6
Spain	6.8	6.8	-	-	3.2	3.2	-	-	102	119	(14)
United Kingdom	50.9	49.0	1.9	4	21.6	21.9	(0.3)	(1)	222	212	5
Vietnam	4.3	4.0	0.3	8	2.8	2.4	0.4	17	78	83	(6)
Sub-total	73.7	70.5	3.2	5	29.9	30.1	(0.2)	(1)	159	155	3
Management contracts											
Australia	5.0	7.5	(2.5)	(33)	1.8	3.2	(1.4)	(44)	157	200	(22)
China	39.1	23.2	15.9	69	12.7	8.7	4.0	46	105	122	(14)
Indonesia	15.5	15.4	0.1	1	4.6	5.3	(0.7)	(13)	101	100	1
Japan	31.0	29.6	1.4	5	16.6	14.7	1.9	13	122	133	(8)
Philippines	30.1	31.9	(1.8)	(6)	10.6	12.1	(1.5)	(12)	138	160	(14)
Singapore	28.1	45.1	(17.0)	(38)	12.6	24.5	(11.9)	(49)	218	238	(8)
Vietnam	36.2	37.5	(1.3)	(4)	20.3	20.8	(0.5)	(2)	95	98	(3)
Sub-total	185.0	190.2	(5.2)	(3)	79.2	89.3	(10.1)	(11)	123	142	(13)
Group	316.6	303.8	12.8	4	161.2	159.1	2.1	1	132	145	(9)

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

For the year ended 31 December 2013 (“YTD Dec 2013”), revenue increased by S\$12.8 million or 4% as compared to the corresponding period last year (“YTD Dec 2012”). The increase in revenue was mainly due to additional contribution of S\$19.0 million from the 2012 Acquisitions and S\$15.5 million from the properties acquired on 28 June 2013. The increase was partially offset by decrease in revenue of S\$16.0 million from the divestments of Somerset Gordon Heights Melbourne and Somerset Grand Cairnhill in April 2012 and September 2012 respectively and lower revenue of S\$5.7 million from the existing properties.

On a same store basis, YTD Dec 2013 revenue decreased by S\$5.7 million mainly due to weaker performance from the Group’s serviced residences in Japan (arising from depreciation of JPY against SGD) and Philippines.

REVPAU decreased from S\$145 in YTD Dec 2012 to S\$132 in YTD Dec 2013, mainly due to divestment of Somerset Grand Cairnhill Singapore, which had a relatively higher ADR, weaker performance from Philippines and Japan (arising from depreciation of JPY against SGD) and lower ADR from the newly acquired China properties.

In line with the increase in revenue, gross profit for YTD Dec 2013 increased by S\$2.1 million or 1% as compared to YTD Dec 2012.

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

The change in value of serviced residence properties 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 2013, independent full valuations for the Group's portfolio were carried out by Jones Lang LaSalle, except for Somerset Grand Fortune Garden which was valued by DTZ Debenham Tie Leung Limited. 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 2013 valuation. The valuation of Somerset Grand Fortune Garden was based on the direct comparison and investment approaches.

The Group's portfolio (including asset held for sale) was revalued at S\$3,264.1 million, resulting in a surplus of S\$74.1 million which was recognised in the Consolidated Statement of Total Return in 4Q 2013. The surplus resulted mainly from higher valuation of the Group's serviced residences in United Kingdom, China, France, Philippines and Indonesia. The net impact on the Consolidated Statement of Total Return was S\$64.9 million (net of tax and non-controlling interests).

9. **OUTLOOK AND PROSPECTS**

The International Monetary Fund ("IMF") expects the global economy to grow in 2014, underscoring its confidence in the global recovery. In line with IMF's outlook, we expect the performance of Ascott Reit's properties to remain stable.

Following the successful completion of the rights issue on 12 December 2013, Ascott Reit, with a stronger balance sheet, will be able to pursue potential acquisitions in an efficient manner to maximise returns. The Group is actively looking for attractive acquisitions in key gateway cities in China, Japan, Malaysia, Australia and Europe.

The renovation of Somerset St Georges Terrace Perth has been completed in January 2014. The Group will continue to focus on active asset enhancement initiatives to reposition and upgrade the product by reconfiguring layout of public space and rooms to maximise returns for the Group and enhance the experience for the travellers. Ascott Raffles Place Singapore, Citadines Ramblas Barcelona and Citadines Toison d'Or Brussels (Phase 2) are currently undergoing refurbishment and will be completed in 2014. In the first half of 2014, the Group will also commence renovation of Somerset Ho Chi Minh City, Somerset Olympic Tower Tianjin and Somerset Xu Hui Shanghai (Phase 2).

The Group's operating performance for FY 2014 is expected to remain profitable.

10. **DISTRIBUTIONS**

10(a) **Current financial period**

Any distributions declared for the current financial period? Yes
Period of distribution : Distribution for 1 July 2013 to 31 December 2013

Distribution Type	Distribution Rate (cents)
Taxable Income	0.615
Tax Exempt Income	0.269
Capital	2.814
Total	3.698

10(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 2012 to 31 December 2012

Distribution Type	Distribution Rate (cents)
Taxable Income	0.971
Tax Exempt Income	0.888
Capital	2.379
Total	4.238

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%.

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.

10(d) Book closure date : 29 January 2014

10(e) Date payable : 27 February 2014

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

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

12. SEGMENT REVENUE AND RESULTS

YTD Dec 2013	Singapore S\$'000	China S\$'000	Vietnam S\$'000	Indonesia S\$'000	Philippines S\$'000	Japan S\$'000	Australia S\$'000
Revenue	37,078	39,140	40,520	15,453	30,060	32,358	5,046
Direct expenses	(17,203)	(26,421)	(17,438)	(10,860)	(19,427)	(14,788)	(3,285)
Gross Profit	19,875	12,719	23,082	4,593	10,633	17,570	1,761

YTD Dec 2013 (continued)	France S\$'000	Germany S\$'000	Belgium S\$'000	Spain S\$'000	United Kingdom S\$'000	Total S\$'000
Revenue	38,239	9,294	11,732	6,813	50,876	316,609
Direct expenses	(2,784)	(969)	(9,450)	(3,570)	(29,256)	(155,451)
Gross Profit	35,455	8,325	2,282	3,243	21,620	161,158

Share of loss of associate (net of tax)	(2)
Finance income	2,089
Finance costs	(44,646)
Foreign exchange gain	7,543
Unallocated net expenses	(20,540)
Net income before changes in fair value of financial derivatives, serviced residence properties and asset held for sale	105,602
Net change in fair value of financial derivatives	6,630
Net change in fair value of serviced residence properties and asset held for sale	139,532
Net divestment expenses	(201)
Total return for the year before tax	251,563
Income tax expense	(36,209)
Total return for the year after tax	215,354
Non-controlling interests	(6,695)
Total return for the year attributable to unitholders	208,659

12. **SEGMENT REVENUE AND RESULTS**

YTD Dec 2012	Singapore S\$'000	China S\$'000	Vietnam S\$'000	Indonesia S\$'000	Philippines S\$'000	Japan S\$'000	Australia S\$'000
Revenue	47,429	23,169	41,548	15,399	32,369	29,579	7,516
Direct expenses	(21,048)	(14,454)	(18,301)	(10,051)	(19,890)	(14,855)	(4,294)
Gross Profit	26,381	8,715	23,247	5,348	12,479	14,724	3,222

YTD Dec 2012 (continued)	France S\$'000	Germany S\$'000	Belgium S\$'000	Spain S\$'000	United Kingdom S\$'000	Total S\$'000
Revenue	36,129	4,165	10,741	6,753	49,044	303,841
Direct expenses	(2,871)	(52)	(8,181)	(3,551)	(27,146)	(144,694)
Gross Profit	33,258	4,113	2,560	3,202	21,898	159,147

Share of profit of associate (net of tax)	24
Finance income	2,038
Finance costs	(42,343)
Foreign exchange gain	3,827
Unallocated net expenses	(17,146)
Net income before changes in fair value of financial derivatives and serviced residence properties	105,547
Net change in fair value of financial derivatives	4,677
Net change in fair value of serviced residence properties	100,030
Net divestment expenses	(9,683)
Assets written off	(621)
Total return for the year before tax	199,950
Income tax expense	(27,367)
Total return for the year after tax	172,583
Non-controlling interests	(10,229)
Total return for the year attributable to unitholders	162,354

13. **BREAKDOWN OF SALES**

	YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000	Better/ (Worse) %
(a) Revenue reported for first half year	146,591	150,531	(3)
(b) Total return after taxation reported for first half year	62,985	164,175	(62)
(c) Revenue reported for second half year	170,018	153,310	11
(d) Total return after taxation reported for second half year	152,369	8,408	n.m.

14. **BREAKDOWN OF TOTAL DISTRIBUTIONS**

1 January 2012 to 30 June 2012 - paid
 1 July 2012 to 31 December 2012 - paid
 1 January 2013 to 30 June 2013 - paid
 1 July 2013 to 31 December 2013 - to be paid

YTD Dec 2013 S\$'000	YTD Dec 2012 S\$'000
-	51,274
-	48,424
58,549	-
56,296	-

15. **Disclosure of person occupying a managerial position 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.

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

Kang Siew Fong / Regina Tan
 Joint Company Secretaries
 Singapore
 21 January 2014