

**ASCOTT RESIDENCE TRUST  
2015 FULL YEAR UNAUDITED FINANCIAL STATEMENTS  
AND DISTRIBUTION ANNOUNCEMENT  
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**ASCOTT RESIDENCE TRUST  
2015 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT**

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**Summary of Group Results**

	<b>4Q 2015 S\$'000</b>	<b>4Q 2014 S\$'000</b>	<b>Better / (Worse) %</b>	<b>YTD Dec 2015 S\$'000</b>	<b>YTD Dec 2014 S\$'000</b>	<b>Better / (Worse) %</b>
Revenue	119,172	94,956	26	421,114	357,205	18
Gross Profit	56,791	45,704	24	204,570	180,174	14
Unitholders' Distribution	32,057	33,103 <sup>(1)</sup>	(3)	123,339	125,624 <sup>(1)</sup>	(2)
Distribution Per Unit ("DPU") (cents)	2.07	2.16	(4)	7.99	8.20	(3)
<b><u>For information only</u></b>						
DPU (cents) (adjusted for one-off items)	2.07	1.76 <sup>(1)</sup>	18	8.06 <sup>(2)</sup>	7.61 <sup>(1)</sup>	6

<sup>(1)</sup> Unitholders' distribution in 4Q 2014 and YTD Dec 2014 included one-off items of approximately S\$6.1 million and S\$9.1 million respectively.

<sup>(2)</sup> Unitholders' distribution in YTD Dec 2015 included a one-off item of approximately S\$1.2 million.

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**DISTRIBUTION AND BOOK CLOSURE DATE**

Distribution	For 1 January 2015 to 30 June 2015	For 1 July 2015 to 31 December 2015
Distribution Rate	3.847 cents per Unit	4.138 cents per Unit
Book Closure Date	30 July 2015	3 February 2016
Payment Date	28 August 2015	29 February 2016

# **ASCOTT RESIDENCE TRUST**

## **2015 FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT**

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### **INTRODUCTION**

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

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

Ascott Reit was directly held by The Ascott Limited up to and including 30 March 2006. On 31 March 2006, Ascott Reit was listed on the Singapore Exchange Securities Trading Limited with an initial portfolio of 12 properties with 2,068 apartment units in seven cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

In 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe. In 2012, Ascott Reit acquired Citadines Karasuma-Gojo Kyoto, Ascott Raffles Place Singapore, Ascott Guangzhou and Madison Hamburg 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.

In 2013, Ascott Reit acquired Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and a portfolio of 11 rental housing properties in Japan. 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.

On 20 March 2014, Ascott Reit acquired Infini Garden, a 389-unit rental housing property in Fukuoka, Japan. In the year 2014, Ascott Reit also acquired Somerset Grand Central Dalian, Citadines Gaoxin Xi’an, Citadines Zhuankou Wuhan, Somerset Ampang Kuala Lumpur, Citadines Central Shinjuku Tokyo (formerly known as Best Western Shinjuku Astina Tokyo) and a portfolio of three serviced residence properties located in Greater Sydney, New South Wales, Australia. The nine properties acquired in 2014 are collectively termed as the “2014 Acquisitions”.

Ascott Reit completed the acquisition of Citadines on Bourke Melbourne, a portfolio of four rental housing properties in Osaka, Japan and the remaining 40% interest in Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto on 31 July 2015. On 19 August 2015, Ascott Reit completed the acquisition of Element New York Times Square West, an extended-stay hotel property in New York, the United States of America (“US”). The Australia and US acquisitions were partially financed by the issuance of the S\$250.0 million fixed rate perpetual securities on 30 June 2015. The six properties acquired in 2015 are collectively termed as the “2015 Acquisitions”.

On 30 September 2015, Ascott Reit completed the divestment of six rental housing properties in the cities of Kyoto, Saga and Sendai in Japan. Ascott Reit completed the divestment of Salcedo Residences in the Philippines on 2 November 2015.

As at 31 December 2015, Ascott Reit’s portfolio comprises 89 properties with 11,298 apartment units in 38 cities across 14 countries.

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

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

	Note	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
		4Q 2015	4Q 2014		YTD Dec 2015	YTD Dec 2014	
		S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>	A.1	119,172	94,956	26	421,114	357,205	18
Direct expenses	A.2	(62,381)	(49,252)	(27)	(216,544)	(177,031)	(22)
<b>Gross Profit</b>	A.1	56,791	45,704	24	204,570	180,174	14
Finance income		385	549	(30)	1,603	2,123	(24)
Other operating income	A.3	126	5,039	(97)	438	6,341	(93)
Finance costs	A.4	(13,567)	(11,958)	(13)	(49,856)	(43,341)	(15)
Manager's management fees	A.4	(5,609)	(4,632)	(21)	(19,820)	(17,210)	(15)
Trustee's fee	A.4	(119)	(103)	(16)	(436)	(384)	(14)
Professional fees	A.5	(680)	(881)	23	(2,249)	(2,787)	19
Audit fees		(573)	(575)	-	(2,365)	(2,211)	(7)
Foreign exchange (loss) / gain	A.6	(5,209)	2,789	(287)	(4,977)	(2,505)	(99)
Other operating expenses		(402)	(360)	(12)	(1,014)	(1,184)	14
Share of results of associate (net of tax)		-	(1)	100	7	-	n.m.
<b>Net income before changes in fair value of financial derivatives, serviced residence properties and assets held for sale</b>		<b>31,143</b>	<b>35,571</b>	<b>(12)</b>	<b>125,901</b>	<b>119,016</b>	<b>6</b>
Net change in fair value of financial derivatives	A.7	(110)	(97)	(13)	(675)	1,291	(152)
Net change in fair value of serviced residence properties and assets held for sale	A.8	52,665	21,540	144	84,318	63,030	34
Profit from divestment	A.9	6,337	-	n.m.	9,924	-	n.m.
Assets written off	A.10	(3,594)	(9,155)	61	(3,717)	(16,022)	77
<b>Total return for the period / year before tax</b>		<b>86,441</b>	<b>47,859</b>	<b>81</b>	<b>215,751</b>	<b>167,315</b>	<b>29</b>
Income tax expense	A.11	(16,583)	(12,495)	(33)	(36,761)	(36,943)	(1)
<b>Total return for the period / year after tax</b>		<b>69,858</b>	<b>35,364</b>	<b>98</b>	<b>178,990</b>	<b>130,372</b>	<b>37</b>
Attributable to:							
Unitholders / perpetual securities holders		68,051	33,041		165,183	122,468	
Non-controlling interests		1,807	2,323		13,807	7,904	
<b>Total return for the period / year</b>		<b>69,858</b>	<b>35,364</b>	<b>98</b>	<b>178,990</b>	<b>130,372</b>	<b>37</b>

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

	Note	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
		4Q 2015 S\$'000	4Q 2014 S\$'000		YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000	
Total return for the period / year attributable to Unitholders / perpetual securities holders		68,051	33,041		165,183	122,468	
Net effect of non-tax deductible / chargeable items and other adjustments	A.12	(31,155)	1,418		(28,414)	4,512	
<b>Total amount distributable for the period / year</b>		<b>36,896</b>	<b>34,459</b>	<b>7</b>	<b>136,769</b>	<b>126,980</b>	<b>8</b>
Amount distributable:							
- Unitholders		32,057	33,103		123,339	125,624	
- Perpetual securities holders		4,839	1,356		13,430	1,356	
		<b>36,896</b>	<b>34,459</b>	<b>7</b>	<b>136,769</b>	<b>126,980</b>	<b>8</b>
Comprises:							
- from operations		25,856	46,189		33,040	63,521	
- from unitholders' contributions		6,201	(13,086)		90,299	62,103	
		<b>32,057</b>	<b>33,103</b>	<b>(3)</b>	<b>123,339</b>	<b>125,624</b>	<b>(2)</b>

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

**A.1 Revenue and Gross profit**

Revenue for 4Q 2015 of S\$119.2 million comprised S\$16.5 million (14% of total revenue) from serviced residences on Master Leases, S\$20.0 million (17%) from serviced residences on management contracts with minimum guaranteed income and S\$82.7 million (69%) from serviced residences on management contracts.

Revenue for 4Q 2015 increased by S\$24.2 million or 26% as compared to 4Q 2014. This was mainly contributed by the additional revenue of S\$21.9 million from the properties acquired in 3Q 2015, additional revenue of S\$2.1 million due to full quarter contribution from the properties acquired in 4Q 2014 and increase in revenue of S\$1.0 million from the existing properties. These increases were partially offset by the decrease in revenue of S\$0.8 million from the divestment of six rental housing properties.

The Group achieved a revenue per available unit ("REVPAU") of S\$145 for 4Q 2015, an increase of 17% as compared to 4Q 2014. On a same store basis, excluding the acquisitions, REVPAU for 4Q 2015 increased by 2% as compared to 4Q 2014 due to stronger performance from the properties in China, Indonesia and Vietnam.

Gross profit for 4Q 2015 of S\$56.8 million comprised S\$15.2 million (27% of total gross profit) from serviced residences on Master Leases, S\$8.7 million (15%) from serviced residences on management contracts with minimum guaranteed income and S\$32.9 million (58%) from serviced residences on management contracts.

As compared to 4Q 2014, gross profit increased by S\$11.1 million or 24%. On a same store basis, gross profit increased by S\$1.2 million or 3%.

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 2015	4Q 2014		YTD Dec 2015	YTD Dec 2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation and amortisation*	(3,737)	(4,739)	21	(16,634)	(16,267)	(2)
Staff costs*	(13,955)	(11,470)	(22)	(47,737)	(39,519)	(21)

\* The increase in the above expenses for YTD Dec 2015 mainly arose due to the new properties injected into the portfolio in 2014 and 2015. Depreciation expense was lower in 4Q 2015 due to assets being fully depreciated.

**A.3 Other operating income**

Other operating income was higher in 4Q 2014 as it included a reversal of provision for licensing related matters previously provided for a serviced residence in China and reversal of prior year's accrued expenses no longer required.

**A.4 Finance costs / Manager's management fees / Trustee's fee**

The increase in the above expenses mainly arose due to the new properties injected into the portfolio in 2014 and 2015.

**A.5 Professional fees**

Professional fees were higher in 4Q 2014 due to expenses incurred in relation to financing purposes.

**A.6 Foreign exchange (loss) / gain**

The foreign exchange loss recognised in 4Q 2015 was mainly due to unrealised exchange loss on EUR denominated shareholders' loans extended to the Group's subsidiaries, as a result of the depreciation of EUR against SGD as at balance sheet date. Realised foreign exchange gain was lower in 4Q 2015 as 4Q 2014 included realised exchange gain from repayment of foreign currency bank loans with the proceeds from the issue of the S\$150 million perpetual securities (pending its deployment to fund the acquisitions in December 2014).

**A.7 Net change in fair value of financial derivatives**

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

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

This relates to the surplus on revaluation of serviced residence properties and assets held for sale. This mainly resulted from higher valuation from properties in Japan, France and United Kingdom, partially offset by lower valuation from properties in Australia. The valuations for the serviced residence properties and assets held for sale were carried out on 31 December 2015 by CBRE. Please refer to paragraph 8(c) for more details.

**A.9 Profit from divestment**

This relates to the profit from divestment of Salcedo Residences.

**A.10 Assets written off**

The assets written off in 4Q 2015 were mainly in relation to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Olympic Tower Tianjin and Somerset Grand Central Dalian.

**A.11 Income tax expense**

Taxation for 4Q 2015 was higher by S\$4.1 million as compared to the corresponding period last year.

This was mainly due to higher deferred tax liability provided on the higher fair value surplus recognised for serviced residence properties.

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

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	4Q 2015 S\$'000	4Q 2014 S\$'000		YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000	
Depreciation and amortisation	3,737	4,739	21	16,634	16,267	(2)
Manager's management fee payable / paid partially in units	4,099	3,564	(15)	14,768	13,251	(11)
Trustee's fees*	18	16	(13)	58	59	2
Unrealised foreign exchange loss	6,447	1,099	(487)	10,671	10,739	1
Net change in fair value of financial derivatives (Note A.7)	110	97	(13)	675	(1,291)	(152)
Net change in fair value of serviced residence properties and assets held for sale (Note A.8)	(52,665)	(21,540)	144	(84,318)	(63,030)	34
Profit from divestment (Note A.9)	(6,337)	-	n.m.	(9,924)	-	n.m.
Assets written off (Note A.10)	3,594	9,155	61	3,717	16,022	77
Deferred tax expense	8,255	3,491	(136)	12,636	11,707	(8)
Effect of non-controlling interests arising from the above	395	429	8	6,620	345	n.m.

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

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

	Note	GROUP		REIT	
		31/12/15 S\$'000	31/12/14 S\$'000	31/12/15 S\$'000	31/12/14 S\$'000
<b>Non-Current Assets</b>					
Plant and equipment		52,506	54,100	4,909	6,307
Serviced residence properties	B.1	4,289,711	3,724,036	563,091	558,693
Interest in subsidiaries		-	-	347,535	297,603
Interest in associate		3,479	3,152	3,958	3,638
Deposits		20,250	20,250	20,250	20,250
Deferred tax assets		3,983	3,382	-	-
		<b>4,369,929</b>	<b>3,804,920</b>	<b>939,743</b>	<b>886,491</b>
<b>Current Assets</b>					
Inventories		296	286	-	-
Trade and other receivables	B.2	49,707	36,374	2,270,111	1,973,582
Financial derivatives	B.3	-	353	-	353
Cash and cash equivalents	B.4	220,467	192,556	38,150	50,618
Assets held for sale		84,207	87,403	-	-
		<b>354,677</b>	<b>316,972</b>	<b>2,308,261</b>	<b>2,024,553</b>
<b>Total Assets</b>		<b>4,724,606</b>	<b>4,121,892</b>	<b>3,248,004</b>	<b>2,911,044</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	B.7	(1,556,773)	(1,301,564)	(279,064)	(460,996)
Financial derivatives	B.3	(10,313)	(14,120)	(7,098)	(10,429)
Deferred tax liabilities	B.5	(88,851)	(77,244)	-	-
		<b>(1,655,937)</b>	<b>(1,392,928)</b>	<b>(286,162)</b>	<b>(471,425)</b>
<b>Current Liabilities</b>					
Trade and other payables	B.6	(136,453)	(118,534)	(747,997)	(598,074)
Interest bearing liabilities	B.7	(258,404)	(249,348)	(201,079)	(12,959)
Financial derivatives	B.3	(1,222)	(15)	(1,145)	(12)
Provision for taxation		(4,014)	(7,831)	-	(70)
		<b>(400,093)</b>	<b>(375,728)</b>	<b>(950,221)</b>	<b>(611,115)</b>
<b>Total Liabilities</b>		<b>(2,056,030)</b>	<b>(1,768,656)</b>	<b>(1,236,383)</b>	<b>(1,082,540)</b>
<b>Net Assets</b>		<b>2,668,576</b>	<b>2,353,236</b>	<b>2,011,621</b>	<b>1,828,504</b>
Represented by:					
Unitholders' funds	1(d)(i)	2,189,714	2,106,078	1,614,527	1,679,153
Perpetual securities holders	1(d)(i)	397,094	149,351	397,094	149,351
Non-controlling interests	1(d)(i)	81,768	97,807	-	-
<b>Total Equity</b>		<b>2,668,576</b>	<b>2,353,236</b>	<b>2,011,621</b>	<b>1,828,504</b>

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

**B.1 Serviced residence properties**

The increase in the Group's serviced residences as at 31 December 2015 was mainly due to acquisition of six properties during the year, increase in valuation of the serviced residence properties on 31 December 2015 and foreign currency translation differences arising from translating the Group's overseas serviced residence properties as a result of the strengthening of foreign currencies, particularly JPY, RMB and USD, against Singapore dollar. These increases were partially offset by the divestment of six rental housing properties and Salcedo Residences during the year.



**B.2 Trade and other receivables**

The increase in trade and other receivables as at 31 December 2015 was mainly due to the acquisition of six properties during the year.

**B.3 Financial derivatives**

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

**B.4 Cash and cash equivalents**

The increase in the Group's cash and cash equivalents as at 31 December 2015 was mainly due to cash generated from operations, partially offset by distribution paid to unitholders and perpetual securities holders.

**B.5 Deferred tax liabilities**

The increase in the Group's deferred tax liabilities as at 31 December 2015 was mainly due to the deferred tax liability provided on the fair value surplus recognised for serviced residence properties.

**B.6 Trade and other payables**

The increase in trade and other payables as at 31 December 2015 was mainly due to the acquisition of six properties during the year.

**B.7 Interest bearing liabilities**

	GROUP		REIT	
	31/12/15	31/12/14	31/12/15	31/12/14
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less or on demand</b>				
- Secured	257,123	99,445	199,754	12,959
- Unsecured	1,551	150,000	1,551	-
Less: Unamortised transaction costs	(270)	(97)	(226)	-
	258,404	249,348	201,079	12,959
<b>Amount repayable after one year</b>				
- Secured	823,077	948,517	177,917	464,790
- Unsecured	746,227	362,075	104,304	-
Less: Unamortised transaction costs	(12,531)	(9,028)	(3,157)	(3,794)
	1,556,773	1,301,564	279,064	460,996
<b>Total</b>	<b>1,815,177</b>	<b>1,550,912</b>	<b>480,143</b>	<b>473,955</b>

### **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 2015, the Group's gearing was 39.3 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 2.8 percent per annum, with an interest cover of 4.1 times. S\$1,439.0 million or 79% of the Group's borrowings are on fixed interest rates with S\$224.3 million due for refinancing in the next 12 months.

Out of the Group's total borrowings, 14 percent falls due in 2016, 10 percent falls due in 2017, 12 percent falls due in 2018, 7 percent falls due in 2019 and the balance falls due after 2019.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2016, ahead of their maturity dates.

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

	GROUP		GROUP	
	4Q 2015	4Q 2014	YTD Dec 2015	YTD Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating Activities</b>				
Total return for the period / year before tax	86,441	47,859	215,751	167,315
<u>Adjustments for:</u>				
Depreciation and amortisation	3,737	4,739	16,634	16,267
Loss on disposal of plant and equipment	100	135	81	224
Assets written off	3,594	9,155	3,717	16,022
Finance costs	13,567	11,958	49,856	43,341
Finance income	(385)	(549)	(1,603)	(2,123)
Provision for doubtful debts addition / (reversal)	-	56	22	(14)
Manager's management fees payable / paid partially in units	4,099	3,564	14,768	13,251
Unrealised foreign exchange loss	6,447	1,099	10,671	10,739
Net change in fair value of financial derivatives	110	97	675	(1,291)
Net change in fair value of serviced residence properties and assets held for sale	(52,665)	(21,540)	(84,318)	(63,030)
Profit from divestment	(6,337)	-	(9,924)	-
Share of results of associate	-	1	(7)	-
<b>Operating profit before working capital changes</b>	<b>58,708</b>	<b>56,574</b>	<b>216,323</b>	<b>200,701</b>
Changes in working capital	(9,906)	(6,997)	(14,772)	(25,766)
<b>Cash generated from operations</b>	<b>48,802</b>	<b>49,577</b>	<b>201,551</b>	<b>174,935</b>
Income tax paid	(4,200)	(3,935)	(24,058)	(22,384)
<b>Cash flows from operating activities</b>	<b>44,602</b>	<b>45,642</b>	<b>177,493</b>	<b>152,551</b>
<b>Investing Activities</b>				
Acquisition of plant and equipment	(1,229)	(2,856)	(11,546)	(9,802)
Acquisition of serviced residence properties, net of cash acquired	(2,779)	(190,815)	(418,835)	(428,357)
Proceeds from divestment of serviced residence properties	8,421	-	58,137	-
Capital expenditure on serviced residence properties	(12,319)	(17,102)	(35,235)	(30,225)
Proceeds on disposal of assets held for sale	5,134	1,243	9,054	5,457
Interest received	385	549	1,603	2,123
Proceeds from sale of plant and equipment	23	7	154	180
<b>Cash flows used in investing activities</b>	<b>(2,364)</b>	<b>(208,974)</b>	<b>(396,668)</b>	<b>(460,624)</b>
<b>Financing Activities</b>				
Distribution to Unitholders	-	-	(124,711)	(116,468)
Distribution to perpetual securities holders	(9,626)	-	(13,366)	-
Dividend paid to non-controlling interests	(110)	(182)	(3,382)	(3,228)
Interest paid	(18,477)	(13,508)	(48,628)	(41,851)
Payments for acquisition of ownership interests in subsidiaries with no change in control	(1,536)	-	(31,552)	-
Payments on finance lease	(702)	(857)	(2,799)	(3,676)
Proceeds from bank borrowings	154,442	201,071	450,702	545,670
Proceeds from issue of medium term notes	200,000	127,614	280,672	212,657
Proceeds from issue of perpetual securities	-	150,000	250,000	150,000
Repayment of medium term notes	(150,000)	-	(150,000)	-
Payment of transaction costs on issue of perpetual securities	-	(1,502)	(2,774)	(1,502)
Repayment of bank borrowings	(205,727)	(257,626)	(360,735)	(443,525)
<b>Cash flows from financing activities</b>	<b>(31,736)</b>	<b>205,010</b>	<b>243,427</b>	<b>298,077</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>10,502</b>	<b>41,678</b>	<b>24,252</b>	<b>(9,996)</b>
<b>Cash and cash equivalents at beginning of the period / year</b>	<b>210,981</b>	<b>151,303</b>	<b>192,556</b>	<b>204,518</b>
Effect of exchange rate changes on balances held in foreign currencies	(1,016)	(425)	3,659	(1,966)
<b>Cash and cash equivalents at end of the period / year</b>	<b>220,467</b>	<b>192,556</b>	<b>220,467</b>	<b>192,556</b>

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

	Note	GROUP		GROUP	
		4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
<b>Unitholders' Contribution</b>					
<b>Balance as at beginning of period / year</b>		1,421,662	1,470,968	1,476,104	1,547,895
Issue of new units					
- payment of manager's management fees in units		3,887	3,501	14,265	12,821
- payment of manager's acquisition fees in units		2,903	1,635	2,903	2,478
Distribution to Unitholders		-	-	(64,820)	(87,090)
<b>Balance as at end of period / year</b>		<b>1,428,452</b>	<b>1,476,104</b>	<b>1,428,452</b>	<b>1,476,104</b>
<b>Operations</b>					
<b>Balance as at beginning of period / year</b>		735,817	675,826	707,167	615,777
Total return for the period / year attributable to Unitholders / perpetual securities holders		68,051	33,041	165,183	122,468
Total return attributable to perpetual securities holders		(4,839)	(1,356)	(13,430)	(1,356)
Change in ownership interests in subsidiaries with no change in control		6,225	(154)	6,225	(154)
Transfer to capital reserve		-	(190)	-	(190)
Distribution to Unitholders		-	-	(59,891)	(29,378)
<b>Balance as at end of period / year</b>		<b>805,254</b>	<b>707,167</b>	<b>805,254</b>	<b>707,167</b>
<b>Foreign Currency Translation Reserve</b>					
<b>Balance as at beginning of period / year</b>		(13,714)	(74,871)	(64,084)	(61,641)
Change in ownership interests in subsidiaries with no change in control		(7,215)	-	(7,215)	-
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(15,331)	10,787	35,039	(2,443)
<b>Balance as at end of period / year</b>		<b>(36,260)</b>	<b>(64,084)</b>	<b>(36,260)</b>	<b>(64,084)</b>
<b>Capital Reserve</b>					
<b>Balance as at beginning of period / year</b>		2,008	1,818	2,008	1,818
Transfer from operations		-	190	-	190
<b>Balance as at end of period / year</b>		<b>2,008</b>	<b>2,008</b>	<b>2,008</b>	<b>2,008</b>
<b>Hedging Reserve</b>					
<b>Balance as at beginning of period / year</b>		(13,716)	(13,934)	(15,117)	(10,769)
Effective portion of change in fair values of cash flow hedges		3,976	(1,183)	5,377	(4,348)
<b>Balance as at end of period / year</b>		<b>(9,740)</b>	<b>(15,117)</b>	<b>(9,740)</b>	<b>(15,117)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>2,189,714</b>	<b>2,106,078</b>	<b>2,189,714</b>	<b>2,106,078</b>
<b>Perpetual Securities</b>					
<b>Balance as at beginning of period / year</b>		401,749	-	149,351	-
Issue of perpetual securities		-	150,000	250,000	150,000
Issue expenses		132	(2,005)	(2,321)	(2,005)
Total return attributable to perpetual securities holders		4,839	1,356	13,430	1,356
Distribution to perpetual securities holders		(9,626)	-	(13,366)	-
<b>Balance as at end of period / year</b>	<b>1(b)(i)</b>	<b>397,094</b>	<b>149,351</b>	<b>397,094</b>	<b>149,351</b>

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

	Note	GROUP		GROUP	
		4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
<b><u>Non-controlling Interests</u></b>					
<b>Balance as at beginning of period / year</b>		79,729	95,060	97,807	94,050
Total return for the period / year		1,807	2,323	13,807	7,904
Dividend paid to non-controlling interests		(110)	(182)	(3,382)	(3,228)
Change in ownership interests in subsidiaries with no change in control		1,053	154	(30,330)	154
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(711)	608	3,700	(917)
Effective portion of change in fair values of cash flow hedges		-	(156)	166	(156)
<b>Balance as at end of period</b>	<b>1(b)(i)</b>	<b>81,768</b>	<b>97,807</b>	<b>81,768</b>	<b>97,807</b>
<b>Equity</b>	<b>1(b)(i)</b>	<b>2,668,576</b>	<b>2,353,236</b>	<b>2,668,576</b>	<b>2,353,236</b>

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

	Note	REIT		REIT	
		4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
<b><u>Unitholders' Contribution</u></b>					
<b>Balance as at beginning of period / year</b>		1,421,662	1,470,968	1,476,104	1,547,895
Issue of new units		-	-	-	-
- payment of manager's management fees in units		3,887	3,501	14,265	12,821
- payment of manager's acquisition fees in units		2,903	1,635	2,903	2,478
Distribution to Unitholders		-	-	(64,820)	(87,090)
<b>Balance as at end of period / year</b>		<b>1,428,452</b>	<b>1,476,104</b>	<b>1,428,452</b>	<b>1,476,104</b>
<b><u>Operations</u></b>					
<b>Balance as at beginning of period / year</b>		181,982	184,669	214,631	212,960
Total return for the period / year attributable to Unitholders / perpetual securities holders		15,364	31,318	51,197	32,405
Total return attributable to perpetual securities holders		(4,839)	(1,356)	(13,430)	(1,356)
Distribution to Unitholders		-	-	(59,891)	(29,378)
<b>Balance as at end of period / year</b>		<b>192,507</b>	<b>214,631</b>	<b>192,507</b>	<b>214,631</b>
<b><u>Hedging Reserve</u></b>					
<b>Balance as at beginning of period / year</b>		(7,865)	(11,575)	(11,582)	(9,608)
Effective portion of change in fair values of cash flow hedges		1,433	(7)	5,150	(1,974)
<b>Balance as at end of period / year</b>		<b>(6,432)</b>	<b>(11,582)</b>	<b>(6,432)</b>	<b>(11,582)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>1,614,527</b>	<b>1,679,153</b>	<b>1,614,527</b>	<b>1,679,153</b>
<b><u>Perpetual Securities</u></b>					
<b>Balance as at beginning of period / year</b>		401,749	-	149,351	-
Issue of perpetual securities		-	150,000	250,000	150,000
Issue expenses		132	(2,005)	(2,321)	(2,005)
Total return attributable to perpetual securities holders		4,839	1,356	13,430	1,356
Distribution to perpetual securities holders		(9,626)	-	(13,366)	-
<b>Balance as at end of period / year</b>	<b>1(b)(i)</b>	<b>397,094</b>	<b>149,351</b>	<b>397,094</b>	<b>149,351</b>
<b>Equity</b>	<b>1(b)(i)</b>	<b>2,011,621</b>	<b>1,828,504</b>	<b>2,011,621</b>	<b>1,828,504</b>

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

	REIT			
	4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
<b>Balance as at beginning of period / year</b>	1,543,154	1,530,851	1,535,023	1,522,495
<b>Issue of new units:</b>				
- partial payment of manager's management fees in units	3,203	2,841	11,334	10,507
- payment of manager's acquisition fee	2,379	1,331	2,379	2,021
<b>Balance as at end of period / year</b>	<b>1,548,736</b>	<b>1,535,023</b>	<b>1,548,736</b>	<b>1,535,023</b>

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2014.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2015. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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

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

	GROUP			
	4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
Total return for the period / year attributable to Unitholders / perpetual securities holders	68,051	33,041	165,183	122,468
Less: Total return for the period / year attributable to perpetual securities holders	(4,839)	(1,356)	(13,430)	(1,356)
<b>Total return for the period / year attributable to Unitholders</b>	<b>63,212</b>	<b>31,685</b>	<b>151,753</b>	<b>121,112</b>

	4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
<b>Earnings per Unit (EPU)</b>				
Number of units on issue at end of period	1,548,736	1,535,023	1,548,736	1,535,023
Weighted average number of units for the period ('000)	1,547,251	1,533,461	1,541,410	1,528,636
<b>EPU (cents) – Basic and Diluted</b> (based on the weighted average number of units for the period)	4.09 <sup>(1)</sup>	2.07 <sup>(1)</sup>	9.85 <sup>(1)</sup>	7.92 <sup>(1)</sup>

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 and assets held for sale, net of tax and non-controlling interests. Valuations of the serviced residence properties were conducted by independent valuers in Dec 2015 and Dec 2014. Excluding these effects, the EPU for 4Q 2015 would be 1.27 cents and the EPU for 4Q 2014 would be 1.09 cents, and the EPU for YTD Dec 2015 and YTD Dec 2014 would be 5.73 cents and 4.70 cents respectively.

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

	4Q 2015 S\$'000	4Q 2014 S\$'000	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
<b>Distribution per Unit (DPU)</b>				
Number of units on issue at end of period	1,548,736	1,535,023	1,548,736	1,535,023
<b>DPU (cents) – Basic and Diluted</b>	2.07	2.16	7.99	8.20

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	
	31/12/15	31/12/14	31/12/15	31/12/14
NAV per unit (S\$)	1.41	1.37	1.04	1.09

8. **GROUP PERFORMANCE REVIEW**

8(a) **Revenue and Gross Profit Analysis – 4Q 2015 vs. 4Q 2014 (Local Currency (“LC”))**

		Revenue <sup>1</sup>				Gross Profit <sup>1</sup>				REVPAU Analysis <sup>2</sup>		
		4Q 2015	4Q 2014	Better/ (Worse)		4Q 2015	4Q 2014	Better/ (Worse)		4Q 2015	4Q 2014	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
<b>Master Leases</b>												
Australia	AUD	1.7	0.4	1.3	325	1.6	0.4	1.2	300	-	-	-
France	EUR	5.6	5.8	(0.2)	(3)	5.3	5.3	-	-	-	-	-
Germany	EUR	1.4	1.4	-	-	1.3	1.3	-	-	-	-	-
Japan	JPY	132.8	187.6	(54.8)	(29)	103.6	151.3	(47.7)	(32)	-	-	-
Singapore	S\$	2.2	2.2	-	-	2.1	1.8	0.3	17	-	-	-
<b>Management contracts with minimum guaranteed income</b>												
Belgium	EUR	2.1	2.0	0.1	5	0.6	0.7	(0.1)	(14)	64	62	3
Spain	EUR	1.1	1.1	-	-	0.5	0.4	0.1	25	83	79	5
United Kingdom	GBP	7.0	7.1	(0.1)	(1)	3.3	3.5	(0.2)	(6)	119	121	(2)
<b>Management contracts</b>												
Australia	AUD	7.2	1.3	5.9	454	3.3	0.6	2.7	450	156	158	(1)
China	RMB	81.8	79.6	2.2	3	22.4	18.0	4.4	24	432	423	2
Indonesia	USD	3.3	2.9	0.4	14	1.2	0.6	0.6	100	86	73	18
Japan	JPY	1,220.0	1,018.2	201.8	20	674.2	567.5	106.7	19	12,881	11,887	8
Malaysia	MYR	5.1	4.8	0.3	6	1.1	1.5	(0.4)	(27)	270	247	9
Philippines	PHP	202.1	262.4	(60.3)	(23)	69.6	85.6	(16.0)	(19)	3,685	4,356	(15)
Singapore	S\$	5.7	6.7	(1.0)	(15)	1.4	2.6	(1.2)	(46)	176	205	(14)
United States of America	USD	10.6	-	10.6	n.m.	4.0	-	4.0	n.m.	278	-	n.m.
Vietnam	VND <sup>1</sup>	163.8	154.9	8.9	6	89.3	74.4	14.9	20	1,594	1,482	8

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

<sup>2</sup> 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 2015 vs. 4Q 2014 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis <sup>1</sup>		
	4Q 2015	4Q 2014	Better/ (Worse)		4Q 2015	4Q 2014	Better/ (Worse)		4Q 2015	4Q 2014	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
<b>Master Leases</b>											
Australia	1.8	0.4	1.4	350	1.6	0.4	1.2	300	-	-	-
France	8.7	9.3	(0.6)	(6)	8.2	8.6	(0.4)	(5)	-	-	-
Germany	2.2	2.3	(0.1)	(4)	2.1	2.2	(0.1)	(5)	-	-	-
Japan	1.6	2.2	(0.6)	(27)	1.2	1.7	(0.5)	(29)	-	-	-
Singapore	2.2	2.2	-	-	2.1	1.8	0.3	17	-	-	-
<b>Sub-total</b>	<b>16.5</b>	<b>16.4</b>	<b>0.1</b>	<b>1</b>	<b>15.2</b>	<b>14.7</b>	<b>0.5</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management contracts with minimum guaranteed income</b>											
Belgium	3.3	3.3	-	-	0.9	1.1	(0.2)	(18)	100	101	(1)
Spain	1.7	1.8	(0.1)	(6)	0.7	0.7	-	-	129	127	2
United Kingdom	15.0	14.6	0.4	3	7.1	7.2	(0.1)	(1)	255	250	2
<b>Sub-total</b>	<b>20.0</b>	<b>19.7</b>	<b>0.3</b>	<b>2</b>	<b>8.7</b>	<b>9.0</b>	<b>(0.3)</b>	<b>(3)</b>	<b>192</b>	<b>189</b>	<b>2</b>
<b>Management contracts</b>											
Australia	7.3	1.4	5.9	421	3.3	0.6	2.7	450	160	177	(10)
China	18.1	16.6	1.5	9	5.0	3.8	1.2	32	96	88	9
Indonesia	4.7	3.7	1.0	27	1.7	0.8	0.9	113	121	94	29
Japan	14.2	11.8	2.4	20	7.9	6.6	1.3	20	150	139	8
Malaysia	1.7	1.9	(0.2)	(11)	0.4	0.6	(0.2)	(33)	89	96	(7)
Philippines	6.1	7.5	(1.4)	(19)	2.1	2.5	(0.4)	(16)	111	124	(10)
Singapore	5.7	6.7	(1.0)	(15)	1.4	2.6	(1.2)	(46)	176	205	(14)
United States of America	14.6	-	14.6	n.m.	5.5	-	5.5	n.m.	383	-	n.m.
Vietnam	10.3	9.3	1.0	11	5.6	4.5	1.1	24	100	89	12
<b>Sub-total</b>	<b>82.7</b>	<b>58.9</b>	<b>23.8</b>	<b>40</b>	<b>32.9</b>	<b>22.0</b>	<b>10.9</b>	<b>50</b>	<b>136</b>	<b>109</b>	<b>25</b>
<b>Group</b>	<b>119.2</b>	<b>95.0</b>	<b>24.2</b>	<b>26</b>	<b>56.8</b>	<b>45.7</b>	<b>11.1</b>	<b>24</b>	<b>145</b>	<b>124</b>	<b>17</b>

<sup>1</sup> REVPAU for Japan refers to serviced residences and excludes rental housing.

**Group**

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

**Analysis By Country**

**A. Master Leases**

**Australia**

Revenue and gross profit increased by AUD 1.3 million and AUD 1.2 million respectively as compared to 4Q 2014 due to the full quarter contribution from the three serviced residence properties, which were acquired on 10 December 2014.

In SGD terms, revenue and gross profit increased by S\$1.4 million and S\$1.2 million respectively.

**France**

Revenue decreased by EUR 0.2 million or 3% as compared to 4Q 2014 due to lower recovery of costs from lessees. Gross profit remained at the same level as 4Q 2014.

In SGD terms, revenue and gross profit decreased by S\$0.6 million or 6% and S\$0.4 million or 5% respectively due to depreciation of EUR against SGD.

### ***Germany***

Both revenue and gross profit remained at the same level as 4Q 2014.

In SGD terms, revenue and gross profit decreased by S\$0.1 million as compared to 4Q 2014 due to depreciation of EUR against SGD.

### ***Japan***

Revenue and gross profit decreased by JPY 54.8 million or 29% and JPY 47.7 million or 32% as compared to 4Q 2014 due to the divestment of five rental housing properties on 30 September 2015.

On a same store basis (excluding the contribution from the five divested rental housing properties in 4Q 2014), revenue for 4Q 2015 remained at the same level as compared to 4Q 2014. Gross profit increased by JPY 0.2 million due to lower utilities.

In SGD terms, revenue and gross profit decreased by S\$0.6 million or 27% and S\$0.5 million or 29% respectively due to depreciation of JPY against SGD.

### ***Singapore***

Revenue remained at the same level as 4Q 2014. Gross profit increased by S\$0.3 million or 17% due lower depreciation expense.

## **B. Management contracts with minimum guaranteed income**

### ***Belgium***

Revenue increased by EUR 0.1 million or 5% in 4Q 2015 as compared to 4Q 2014. REVPAU increased by 3% from EUR 62 in 4Q 2014 to EUR 64 in 4Q 2015.

Gross profit decreased by EUR 0.1 million or 14% due to higher incentive fee payable to the property manager.

In SGD terms, revenue remained at the same level as 4Q 2014. Gross profit, in SGD terms, decreased by S\$0.2 million or 18% due to depreciation of EUR against SGD and higher operating expenses.

### ***Spain***

Revenue for 4Q 2014 included a top-up by the property manager of EUR 0.1 million. Excluding the top-up, revenue for 4Q 2015 increased by EUR 0.1 million as compared to 4Q 2014. REVPAU increased by 5% from EUR 79 in 4Q 2014 to EUR 83 in 4Q 2015. Gross profit increased by EUR 0.2 million due to lower operating expenses.

In SGD terms, revenue decreased by S\$0.1 million or 6% due to depreciation of EUR against SGD. Gross profit, in SGD terms, remained at the same level as last year.

### ***United Kingdom***

Revenue decreased by GBP 0.1 million or 1% in 4Q 2015 as compared to 4Q 2014. REVPAU decreased by 2% from GBP 121 in 4Q 2014 to GBP 119 in 4Q 2015.

Gross profit decreased by GBP 0.2 million or 6% mainly due to higher provision of incentive fee. Excluding the incentive fee, gross profit remained at the same level as 4Q 2014.

In SGD terms, revenue increased by S\$0.4 million or 3% due to appreciation of GBP against SGD. Gross profit, in SGD terms, decreased by S\$0.1 million or 1%.

## **C. Management contracts**

### ***Australia***

Revenue and gross profit increased by AUD 5.9 million and AUD 2.7 million respectively as compared to 4Q 2014. The increase was mainly due to the acquisition of Citadines on Bourke Melbourne on 31 July 2015. REVPAU decreased by 1% from AUD 158 in 4Q 2014 to AUD 156 in 4Q 2015 due to lower average daily rate from the newly acquired property.

Excluding the contribution from Citadines on Bourke Melbourne, revenue and gross profit remained at the same level as 4Q 2014. REVPAU increased by 1% from AUD 158 in 4Q 2014 to AUD 160 in 4Q 2015.

In SGD terms, revenue and gross profit increased by S\$5.9 million and S\$2.7 million respectively. This was mainly due to contribution from the newly acquired property.

### ***China***

Revenue increased by RMB 2.2 million or 3% as compared to 4Q 2014 mainly due to stronger demand from project groups. REVPAU increased by 2% from RMB 423 in 4Q 2014 to RMB 432 in 4Q 2015. Gross profit increased by RMB 4.4 million or 24% due to higher revenue and lower property tax.

In SGD terms, revenue increased by S\$1.5 million or 9% due to appreciation of RMB against SGD and stronger underlying performance. Gross profit, in SGD terms, increased by S\$1.2 million or 32%.

### ***Indonesia***

Revenue increased by USD 0.4 million or 14% as compared to 4Q 2014 mainly due to stronger demand from corporate accounts. REVPAU increased by 18% from USD 73 in 4Q 2014 to USD 86 in 4Q 2015. Gross profit increased by USD 0.6 million due to higher revenue, coupled with lower staff costs and operation and maintenance expense.

In SGD terms, revenue increased by S\$1.0 million or 27% as compared to 4Q 2014 due to appreciation of USD against SGD and stronger underlying performance. Gross profit, in SGD terms, increased by S\$0.9 million.

### ***Japan***

Revenue and gross profit increased by JPY 201.8 million or 20% and JPY 106.7 million or 19% respectively as compared to 4Q 2014. The increase was mainly due the acquisition of a portfolio of four rental housing properties on 31 July 2015.

Excluding the contribution in 4Q 2015 from the portfolio of four rental housing properties acquired on 31 July 2015 and the contribution in 4Q 2014 from the rental housing property divested on 30 September 2015, revenue increased by JPY 103.9 million or 10% due to stronger demand from the corporate and leisure sectors. REVPAU increased by 8% from JPY 11,887 in 4Q 2014 to JPY 12,881 in 4Q 2015. Gross profit increased by 6% as compared to 4Q 2014.

In SGD terms, revenue and gross profit increased by S\$2.4 million or 20% and S\$1.3 million or 20% respectively. The increase was mainly due to the contribution from the acquired properties and stronger underlying performance, partially offset by depreciation of JPY against SGD.

### ***Malaysia***

Revenue increased by MYR 0.3 million or 6% as compared to 4Q 2014. Gross profit decreased by MYR 0.4 million or 27% due to higher marketing expense.

In SGD terms, revenue decreased by S\$0.2 million or 11% due to depreciation of MYR against SGD. Gross profit, in SGD terms, decreased by S\$0.2 million or 33%.

### ***The Philippines***

Revenue decreased by PHP 60.3 million or 23% as compared to 4Q 2014 mainly due to ongoing refurbishment at Ascott Makati, reduced room inventory at Somerset Millennium and weaker demand from corporate accounts. REVPAU decreased by 15% from PHP 4,356 in 4Q 2014 to PHP 3,685 in 4Q 2015. Gross profit decreased by PHP 16.0 million or 19% due to lower revenue, partially offset by lower property tax and operating expense.

In SGD terms, revenue and gross profit decreased by S\$1.4 million or 19% and S\$0.4 million or 16% respectively. This was mainly due to weaker underlying performance, partially offset by appreciation of PHP against SGD.

### ***Singapore***

Revenue decreased by S\$1.0 million or 15% in 4Q 2015 as compared to 4Q 2014 due to weaker demand from project groups. REVPAU decreased by 14% from S\$205 in 4Q 2014 to S\$176 in 4Q 2015.

Gross profit decreased by S\$1.2 million or 46% due to lower revenue and higher non-refundable GST recognised in 4Q 2015.

### The United States of America

Revenue and gross profit were USD 10.6 million (S\$14.6 million) and USD 4.0 million (S\$5.5 million) respectively in 4Q 2015. This was contributed by Element New York Times Square West, which was acquired on 19 August 2015.

### Vietnam

Revenue increased by VND 8.9 billion or 6% in 4Q 2015 as compared to 4Q 2014. The increase was mainly due to higher demand for the refurbished apartments at Somerset Ho Chi Minh City and higher corporate demand. REVPAU increased from VND 1,482,000 in 4Q 2014 to VND 1,594,000 in 4Q 2015. Gross profit increased by VND 14.9 billion or 20% due to higher revenue and lower depreciation expense.

In SGD terms, revenue increased by S\$1.0 million or 11% and gross profit increased by S\$1.1 million or 24%. This was mainly due to stronger underlying performance and appreciation of VND against SGD.

### 8(b) Revenue and Gross Profit Analysis – YTD Dec 2015 vs. YTD Dec 2014 (LC)

		Revenue <sup>1</sup>				Gross Profit <sup>1</sup>				REVPAU Analysis <sup>2</sup>		
		YTD Dec 2015	YTD Dec 2014	Better/(Worse)		YTD Dec 2015	YTD Dec 2014	Better/(Worse)		YTD Dec 2015	YTD Dec 2014	Better/(Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
<b>Master Leases</b>												
Australia	AUD	6.8	0.4	6.4	n.m.	6.4	0.4	6.0	n.m.	-	-	-
France	EUR	23.0	23.2	(0.2)	(1)	21.2	21.5	(0.3)	(1)	-	-	-
Germany	EUR	5.8	5.7	0.1	2	5.0	5.1	(0.1)	(2)	-	-	-
Japan	JPY	695.6	661.9	33.7	5	550.3	536.5	13.8	3	-	-	-
Singapore	S\$	9.3	9.1	0.2	2	7.9	7.3	0.6	8	-	-	-
<b>Management contracts with minimum guaranteed income</b>												
Belgium	EUR	8.4	7.7	0.7	9	2.2	1.8	0.4	22	65	59	10
Spain	EUR	4.8	4.5	0.3	7	2.2	1.9	0.3	16	92	83	11
United Kingdom	GBP	27.4	26.9	0.5	2	12.7	11.9	0.8	7	117	118	(1)
<b>Management contracts</b>												
Australia	AUD	14.6	4.9	9.7	198	6.2	1.8	4.4	244	151	150	1
China	RMB	319.0	271.3	47.7	18	85.5	77.2	8.3	11	423	446	(5)
Indonesia	USD	12.8	12.5	0.3	2	4.7	4.5	0.2	4	85	81	5
Japan	JPY	4,462.1	3,147.2	1,314.9	42	2,471.1	1,796.8	674.3	38	12,035	10,745	12
Malaysia	MYR	19.3	8.3	11.0	133	4.8	2.8	2.0	71	254	260	(2)
Philippines	PHP	931.6	1,062.9	(131.3)	(12)	314.1	365.1	(51.0)	(14)	3,959	4,468	(11)
Singapore	S\$	25.9	27.1	(1.2)	(4)	10.2	12.5	(2.3)	(18)	201	211	(5)
United States of America	USD	15.7	-	15.7	n.m.	5.9	-	5.9	n.m.	279	-	n.m.
Vietnam <sup>3</sup>	VND <sup>1</sup>	633.0	631.9	1.1	-	339.4	338.7	0.7	-	1,539	1,513	2

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

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

<sup>3</sup> Upon the expiry of the deed of yield protection, revenue and gross profit of Somerset West Lake have been classified under "Management contracts" category from April 2014 onwards. For comparison purpose, revenue and gross profit of Somerset West Lake for YTD Dec 2014 have been classified under "Management contracts" category.

8(b) **Revenue and Gross Profit Analysis – YTD Dec 2015 vs. YTD Dec 2014 (S\$)**

	Revenue				Gross Profit				REVP AU Analysis <sup>1</sup>		
	YTD Dec 2015	YTD Dec 2014	Better/ (Worse)		YTD Dec 2015	YTD Dec 2014	Better/ (Worse)		YTD Dec 2015	YTD Dec 2014	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
<b>Master Leases</b>											
Australia	7.1	0.4	6.7	n.m.	6.7	0.4	6.3	n.m.	-	-	-
France	35.1	39.0	(3.9)	(10)	32.4	36.2	(3.8)	(11)	-	-	-
Germany	9.0	9.8	(0.8)	(8)	7.7	8.6	(0.9)	(10)	-	-	-
Japan	7.9	8.0	(0.1)	(1)	6.2	5.9	0.3	5	-	-	-
Singapore	9.3	9.1	0.2	2	7.9	7.3	0.6	8	-	-	-
<b>Sub-total</b>	<b>68.4</b>	<b>66.3</b>	<b>2.1</b>	<b>3</b>	<b>60.9</b>	<b>58.4</b>	<b>2.5</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management contracts with minimum guaranteed income</b>											
Belgium	12.7	12.9	(0.2)	(2)	3.4	3.1	0.3	10	99	99	-
Spain	7.3	7.7	(0.4)	(5)	3.3	3.2	0.1	3	141	141	-
United Kingdom	57.4	56.6	0.8	1	26.7	25.2	1.5	6	246	246	-
<b>Sub-total</b>	<b>77.4</b>	<b>77.2</b>	<b>0.2</b>	<b>-</b>	<b>33.4</b>	<b>31.5</b>	<b>1.9</b>	<b>6</b>	<b>188</b>	<b>186</b>	<b>1</b>
<b>Management contracts</b>											
Australia	15.0	5.6	9.4	168	6.3	2.1	4.2	200	156	172	(9)
China	69.9	55.9	14.0	25	18.7	16.0	2.7	17	93	92	1
Indonesia	17.6	15.9	1.7	11	6.4	5.7	0.7	12	116	103	13
Japan	50.5	37.9	12.6	33	28.0	22.2	5.8	26	136	129	5
Malaysia	6.8	3.2	3.6	113	1.7	1.1	0.6	55	91	101	(10)
Philippines	28.1	30.2	(2.1)	(7)	9.5	10.4	(0.9)	(9)	120	127	(6)
Singapore	25.9	27.1	(1.2)	(4)	10.2	12.5	(2.3)	(18)	201	211	(5)
United States of America	21.6	-	21.6	n.m.	8.1	-	8.1	n.m.	383	-	n.m.
Vietnam <sup>2</sup>	39.9	37.9	2.0	5	21.4	20.3	1.1	5	97	91	7
<b>Sub-total</b>	<b>275.3</b>	<b>213.7</b>	<b>61.6</b>	<b>29</b>	<b>110.3</b>	<b>90.3</b>	<b>20.0</b>	<b>22</b>	<b>122</b>	<b>113</b>	<b>8</b>
<b>Group</b>	<b>421.1</b>	<b>357.2</b>	<b>63.9</b>	<b>18</b>	<b>204.6</b>	<b>180.2</b>	<b>24.4</b>	<b>14</b>	<b>133</b>	<b>128</b>	<b>4</b>

<sup>1</sup> REVP AU for Japan refers to serviced residences and excludes rental housing.

<sup>2</sup> Upon the expiry of the deed of yield protection, revenue and gross profit of Somerset West Lake have been classified under "Management contracts" category from April 2014 onwards. For comparison purpose, revenue and gross profit of Somerset West Lake for YTD Dec 2014 have been classified under "Management contracts" category.

For the year ended 31 December 2015 ("YTD Dec 2015"), revenue increased by S\$63.9 million or 18% as compared to the corresponding period last year ("YTD Dec 2014"). The increase in revenue was mainly due to additional contribution of S\$32.7 million from the 2014 Acquisitions and S\$33.4 million from the 2015 Acquisitions. The increase was partially offset by decrease in revenue of S\$1.1 million from the divestment of six rental housing properties in 3Q 2015, decrease in revenue of S\$0.7 million from the existing properties and decrease of S\$0.4 million due to the expiry of the deed of yield protection for Somerset West Lake Hanoi.

On a same store basis, YTD Dec 2015 revenue decreased by S\$0.7 million mainly due to lower revenue from France and Germany (arising from depreciation of EUR against SGD), partially offset by stronger performance from China and Vietnam.

REVP AU increased from S\$128 in YTD Dec 2014 to S\$133 in YTD Dec 2015. On a same store basis, excluding the 2014 Acquisitions and 2015 Acquisitions, REVP AU increased by 1%.

In line with the increase in revenue, gross profit for YTD Dec 2015 increased by S\$24.4 million or 14% as compared to YTD Dec 2014. On a same store basis, gross profit decreased by S\$3.5 million or 2%.

(c) **Change in value of serviced residence properties and assets 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 2015, independent full valuations for the Group's portfolio were carried out by CBRE. In determining the fair value of the Group's portfolio, the discounted cash flow approach and capitalisation approach was used. The valuation of Fortune Garden Apartments (formerly known as Somerset Grand Fortune Garden Property Beijing) was based on the direct comparison approach due to the ongoing strata sale. The valuation method used is consistent with that used for the 30 June 2015 valuation.

The Group's portfolio (including assets held for sale) was revalued at S\$4,373.9 million, resulting in a surplus of S\$52.7 million which was recognised in the Consolidated Statement of Total Return in 4Q 2015. The surplus resulted mainly from higher valuation of the Group's serviced residences in Japan, France and United Kingdom, partially offset by lower valuation from properties in Australia. The net impact on the Consolidated Statement of Total Return was S\$43.6 million (net of tax and non-controlling interests).

9. **OUTLOOK AND PROSPECTS**

2015 was a year of tremendous growth and expansion for Ascott Reit, having completed acquisition of assets worth S\$609.1 million to reach total assets of S\$4.7 billion as at 31 December 2015. The acquisitions included six properties across Australia, Japan and the United States of America (US), as well as the remaining stakes in two properties in Japan. The Group continues to actively look out for accretive acquisitions in key hospitality markets in Australia, Japan, Europe and US to achieve its target portfolio size of S\$6.0 billion by 2017.

As part of its strategy to optimise the value and returns for its Unitholders, Ascott Reit successfully divested a portfolio of six rental housing properties in Japan as well as a serviced residence property in the Philippines above the latest valuation of the properties.

In 2015, Asset Enhancement Initiatives (AEI) at Somerset Grand Central Dalian, Somerset Ho Chi Minh City, Somerset Xu Hui Shanghai and Somerset Olympic Tower Property Tianjin have successfully uplifted average daily rates of renovated apartment units by 27-35%. AEI at Ascott Makati has commenced in 4Q 2015 and the first phase is on track for completion by 2Q 2016. Citadines Barbican London will commence AEI in 1Q 2016 and is expected to be completed in 2Q 2016.

In December 2015, the US Federal Reserve raised interest rates by a quarter percentage point and pledged a gradual pace of increases over the course of 2016. This marked the end to the near zero borrowing cost environment since the global financial crisis in 2008. The Group maintains a strong balance sheet, with close to 80% of its total borrowings on fixed interest rates to hedge against the rising interest rate. Ascott Reit remains vigilant to changes in the macro and credit environment that may impact its financing plans.

In January 2016, The World Bank slashed its forecast for global growth in 2016 by 0.4 percentage point to 2.9%. The pace of global economic recovery is likely to remain slow caused by uncertainty in emerging markets. Notwithstanding the anaemic outlook, we expect demand for the serviced residences to remain healthy, especially in the key markets of Ascott Reit's balanced portfolio. With the extended-stay business model coupled with the stability of income through its master leases and serviced residence management contracts with minimum guaranteed income, we are confident that Ascott Reit is well-positioned to provide stable income and returns to its Unitholders.

The Group's operating performance for FY 2016 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 2015 to 31 December 2015

Type	Distribution	Distribution Rate (cents)
Taxable Income		0.618
Tax Exempt Income		0.631
Capital		2.889
<b>Total</b>		<b>4.138</b>

- 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 2014 to 31 December 2014

Distribution Type	Distribution Rate (cents)
Taxable Income	0.676
Tax Exempt Income	2.476
Capital	1.112
<b>Total</b>	<b>4.264</b>

- 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(c) Book closure date : 3 February 2016

- 10(d) Date payable : 29 February 2016

### **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**

	Revenue		Gross Profit	
	YTD Dec 2015	YTD Dec 2014	YTD Dec 2015	YTD Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	35,191	36,189	18,052	19,797
Australia	22,110	6,006	13,026	2,504
Belgium	12,759	12,903	3,359	3,125
China	69,892	55,846	18,740	15,887
France	35,041	38,957	32,411	36,180
Germany	9,029	9,823	7,697	8,613
Indonesia	17,587	15,868	6,384	5,715
Japan	58,435	45,898	34,233	28,116
Malaysia	6,852	3,228	1,746	1,088
Philippines	28,125	30,240	9,484	10,385
Spain	7,294	7,692	3,344	3,224
United Kingdom	57,371	56,640	26,658	25,232
United States of America	21,542	-	8,052	-
Vietnam	39,886	37,915	21,384	20,308
<b>Group</b>	<b>421,114</b>	<b>357,205</b>	<b>204,570</b>	<b>180,174</b>

13. **BREAKDOWN OF SALES**

	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000	Better/ (Worse) %
(a) Revenue reported for first half year	188,698	168,504	12
(b) Total return after taxation reported for first half year	62,183	78,762	(21)
(c) Revenue reported for second half year	232,416	188,701	23
(d) Total return after taxation reported for second half year	116,807	51,610	126

14. **BREAKDOWN OF TOTAL DISTRIBUTIONS**

	YTD Dec 2015 S\$'000	YTD Dec 2014 S\$'000
1 January 2014 to 30 June 2014 - paid	-	60,173
1 July 2014 to 31 December 2014 - paid	-	65,451
1 January 2015 to 30 June 2015 - paid	59,273	-
1 July 2015 to 31 December 2015 - to be paid	64,066	-

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  
26 January 2016