

**ASCOTT RESIDENCE TRUST  
UNAUDITED RESULTS FOR THE QUARTER  
ENDED 30 SEPTEMBER 2015  
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**ASCOTT RESIDENCE TRUST**  
**2015 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**

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**Summary of Group Results**

	<b>3Q 2015 S\$'000</b>	<b>3Q 2014 S\$'000</b>	<b>Better / (Worse) %</b>	<b>YTD Sep 2015 S\$'000</b>	<b>YTD Sep 2014 S\$'000</b>	<b>Better / (Worse) %</b>
Revenue	113,244	93,745	21	301,942	262,249	15
Gross Profit	55,248	48,768	13	147,779	134,470	10
Unitholders' Distribution	32,009	32,348	(1)	91,282	92,521	(1)
Distribution Per Unit ("DPU") (cents)	2.07	2.11	(2)	5.92	6.04	(2)
<b><u>For information only</u></b>						
DPU (cents) (adjusted for one-off items)	2.15 <sup>(1)</sup>	2.11	2	6.00 <sup>(1)</sup>	5.86 <sup>(2)</sup>	2

<sup>(1)</sup> Unitholders' distribution in 3Q 2015 and YTD Sep 2015 included a one-off item of approximately S\$1.2 million.

<sup>(2)</sup> Unitholders' distribution in YTD Sep 2014 included one-off items of approximately S\$3.0 million.

# **ASCOTT RESIDENCE TRUST**

## **2015 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT 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 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 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 the year 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 the year 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 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, United States of America. These 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 the year 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.

On 27 October 2014, Ascott Reit issued S\$150.0 million fixed rate perpetual securities. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movements in Unitholders’ Funds. In December 2014, Ascott Reit issued its first ten-year Euro-denominated fixed rate notes of EUR80.0 million.

As at 30 September 2015, Ascott Reit’s portfolio comprises 90 properties with 11,392 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) %
		3Q 2015 S\$'000	3Q 2014 S\$'000		YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000	
<b>Revenue</b>	A.1	113,244	93,745	21	301,942	262,249	15
Direct expenses	A.2	(57,996)	(44,977)	(29)	(154,163)	(127,779)	(21)
<b>Gross Profit</b>	A.1	55,248	48,768	13	147,779	134,470	10
Finance income		415	448	(7)	1,218	1,574	(23)
Other operating income	A.3	192	96	100	312	1,301	(76)
Finance costs	A.4	(12,534)	(11,285)	(11)	(36,289)	(31,383)	(16)
Manager's management fees	A.4	(5,136)	(4,515)	(14)	(14,210)	(12,578)	(13)
Trustee's fee	A.4	(117)	(98)	(19)	(317)	(280)	(13)
Professional fees	A.5	(354)	(777)	54	(1,569)	(1,906)	18
Audit fees	A.4	(607)	(532)	(14)	(1,792)	(1,636)	(10)
Foreign exchange gain / (loss)	A.6	7,792	(4,711)	265	232	(5,294)	104
Other operating expenses		(278)	(489)	43	(612)	(823)	26
Share of results of associate (net of tax)		5	1	400	7	1	600
<b>Net income before changes in fair value of financial derivatives, serviced residence properties and asset held for sale</b>		<b>44,626</b>	<b>26,906</b>	<b>66</b>	<b>94,759</b>	<b>83,446</b>	<b>14</b>
Net change in fair value of financial derivatives	A.7	(1,303)	849	(253)	(565)	1,387	(141)
Net change in fair value of serviced residence properties and assets held for sale	A.8	10,325	-	n.m.	31,653	41,490	(24)
Profit from divestment	A.9	3,587	-	n.m.	3,587	-	n.m.
Assets written off	A.10	(12)	(5,639)	100	(124)	(6,867)	98
<b>Total return for the period before tax</b>		<b>57,223</b>	<b>22,116</b>	<b>159</b>	<b>129,310</b>	<b>119,456</b>	<b>8</b>
Income tax expense	A.11	(10,274)	(5,870)	(75)	(20,178)	(24,448)	17
<b>Total return for the period after tax</b>		<b>46,949</b>	<b>16,246</b>	<b>189</b>	<b>109,132</b>	<b>95,008</b>	<b>15</b>
Attributable to:							
Unitholders / perpetual securities holders		45,780	14,648		97,132	89,427	
Non-controlling interests		1,169	1,598		12,000	5,581	
<b>Total return for the period</b>		<b>46,949</b>	<b>16,246</b>	<b>189</b>	<b>109,132</b>	<b>95,008</b>	<b>15</b>

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

	Note	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
		3Q 2015 S\$'000	3Q 2014 S\$'000		YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000	
Total return for the period attributable to Unitholders / perpetual securities holders		45,780	14,648		97,132	89,427	
Net effect of non-tax deductible / chargeable items and other adjustments	A.12	(8,931)	17,700		2,741	3,094	
<b>Total amount distributable for the period</b>		<b>36,849</b>	<b>32,348</b>	<b>14</b>	<b>99,873</b>	<b>92,521</b>	<b>8</b>
Amount distributable:							
- Unitholders		32,009	32,348		91,282	92,521	
- Perpetual securities holders		4,840	-		8,591	-	
		<b>36,849</b>	<b>32,348</b>	<b>14</b>	<b>99,873</b>	<b>92,521</b>	<b>8</b>
Comprises:							
- from operations		(8,183)	(1,665)		7,184	17,332	
- from unitholders' contributions		40,192	34,013		84,098	75,189	
		<b>32,009</b>	<b>32,348</b>	<b>(1)</b>	<b>91,282</b>	<b>92,521</b>	<b>(1)</b>

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

**A.1 Revenue and Gross profit**

Revenue for 3Q 2015 of S\$113.2 million comprised S\$17.5 million (15% of total revenue) from serviced residences on Master Leases, S\$21.6 million (19%) from serviced residences on management contracts with minimum guaranteed income and S\$74.1 million (66%) from serviced residences on management contracts.

Revenue for 3Q 2015 increased by S\$19.5 million or 21% as compared to 3Q 2014. This was mainly contributed by the additional revenue of S\$16.3 million from the properties acquired in fourth quarter last year and in 3Q 2015, additional revenue of S\$1.5 million due to full quarter contribution from the properties acquired in August 2014 and increase in revenue of S\$1.7 million from the existing properties.

The Group achieved a revenue per available unit ("REVPAU") of S\$141 for 3Q 2015, an increase of 10% as compared to 3Q 2014. On a same store basis, excluding the acquisitions, REVPAU for 3Q 2015 increased by 6% as compared to 3Q 2014 due to stronger performance from the properties in China, Indonesia and Vietnam and appreciation of RMB, USD and VND against SGD.

Gross profit for 3Q 2015 of S\$55.2 million comprised S\$15.4 million (28% of total gross profit) from serviced residences on Master Leases, S\$9.8 million (18%) from serviced residences on management contracts with minimum guaranteed income and S\$30.0 million (54%) from serviced residences on management contracts.

As compared to 3Q 2014, gross profit increased by S\$6.4 million or 13%. On a same store basis, gross profit decreased by S\$1.4 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) %
	3Q 2015	3Q 2014		YTD Sep 2015	YTD Sep 2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation and amortisation*	(4,202)	(4,211)	-	(12,897)	(11,528)	(12)
Staff costs*	(12,639)	(9,803)	(29)	(33,781)	(28,049)	(20)

\* The increase in the above expenses for YTD Sep 2015 mainly arose due to the new properties injected into the portfolio in 2014 and 2015. Depreciation expense was lower in 3Q 2015 due to assets being fully depreciated.

**A.3 Other operating income**

Other operating income was higher in 3Q 2015 due to gain recognised on disposal of plant and equipment and receipt of government grant.

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

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 lower in 3Q 2015 due to expenses incurred in relation to financing purposes in 3Q 2014 and reversal of prior year's provision no longer required.

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

The foreign exchange gain recognised in 3Q 2015 was mainly due to unrealised exchange gain on EUR denominated shareholders' loans extended to the Group's subsidiaries, as a result of the appreciation of EUR against SGD as at balance sheet date. This was partially offset by unrealised exchange loss on USD bank loans in the China subsidiaries' books, as a result of the appreciation of USD against RMB.

**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 recognised upon the acquisition of the extended-stay hotel property in New York, United States of America in 3Q 2015.

**A.9 Profit from divestment**

This relates to the profit from divestment of the six rental housing properties in the cities of Kyoto, Saga and Sendai in Japan.

**A.10 Assets written off**

The assets written off in 3Q 2014 were in relation to the disposal of assets arising from the reconfiguration and refurbishment of Ascott Jakarta and Citadines Ramblas Barcelona.

**A.11 Income tax expense**

Taxation for 3Q 2015 was higher by S\$4.4 million as compared to the corresponding period last year.

This was mainly due to deferred tax liability provided on the fair value surplus recognised on the extended-stay hotel property in New York, United States of America.

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

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	3Q 2015 S\$'000	3Q 2014 S\$'000		YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000	
Depreciation and amortisation	4,202	4,211	-	12,897	11,528	(12)
Manager's management fee payable / paid partially in units	3,833	3,503	(9)	10,669	9,687	(10)
Trustee's fees*	1	13	92	41	43	5
Unrealised foreign exchange (gain) / loss	(7,142)	4,896	246	4,224	9,640	56
Net change in fair value of financial derivatives (Note A.7)	1,303	(849)	(253)	565	(1,387)	(141)
Net change in fair value of serviced residence properties and assets held for sale (Note A.8)	(10,325)	-	n.m.	(31,653)	(41,490)	(24)
Profit from divestment (Note A.9)	(3,587)	-	n.m.	(3,587)	-	n.m.
Assets written off (Note A.10)	12	5,639	100	124	6,867	98
Deferred tax expense	3,780	466	(711)	4,382	8,215	47
Effect of non-controlling interests arising from the above	(614)	(227)	170	6,224	(84)	n.m.

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

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

	Note	GROUP		REIT	
		30/09/15 S\$'000	31/12/14 S\$'000	30/09/15 S\$'000	31/12/14 S\$'000
<b>Non-Current Assets</b>					
Plant and equipment		55,523	54,100	4,855	6,307
Serviced residence properties	B.1	4,282,270	3,724,036	562,921	558,693
Interest in subsidiaries		-	-	350,763	297,603
Interest in associate		3,466	3,152	3,945	3,638
Deposits		20,250	20,250	20,250	20,250
Deferred tax assets		3,784	3,382	-	-
		<b>4,365,293</b>	<b>3,804,920</b>	<b>942,734</b>	<b>886,491</b>
<b>Current Assets</b>					
Assets held for sale		87,482	87,403	-	-
Inventories		319	286	-	-
Trade and other receivables	B.2	53,923	36,374	2,301,829	1,973,582
Financial derivatives	B.3	-	353	-	353
Cash and cash equivalents	B.4	210,981	192,556	10,503	50,618
		352,705	316,972	2,312,332	2,024,553
<b>Total Assets</b>		<b>4,717,998</b>	<b>4,121,892</b>	<b>3,255,066</b>	<b>2,911,044</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	B.7	(1,421,115)	(1,301,564)	(329,447)	(460,996)
Financial derivatives	B.3	(10,304)	(14,120)	(4,391)	(10,429)
Deferred tax liabilities	B.5	(82,723)	(77,244)	-	-
		<b>(1,514,142)</b>	<b>(1,392,928)</b>	<b>(333,838)</b>	<b>(471,425)</b>
<b>Current Liabilities</b>					
Trade and other payables	B.6	(161,360)	(118,534)	(705,104)	(598,074)
Interest bearing liabilities	B.7	(424,996)	(249,348)	(216,332)	(12,959)
Financial derivatives	B.3	(2,264)	(15)	(2,264)	(12)
Provision for taxation		(1,701)	(7,831)	-	(70)
		<b>(590,321)</b>	<b>(375,728)</b>	<b>(923,700)</b>	<b>(611,115)</b>
<b>Total Liabilities</b>		<b>(2,104,463)</b>	<b>(1,768,656)</b>	<b>(1,257,538)</b>	<b>(1,082,540)</b>
<b>Net Assets</b>		<b>2,613,535</b>	<b>2,353,236</b>	<b>1,997,528</b>	<b>1,828,504</b>
Represented by:					
Unitholders' funds	1(d)(i)	2,132,057	2,106,078	1,595,779	1,679,153
Perpetual securities holders	1(d)(i)	401,749	149,351	401,749	149,351
Non-controlling interests	1(d)(i)	79,729	97,807	-	-
<b>Total Equity</b>		<b>2,613,535</b>	<b>2,353,236</b>	<b>1,997,528</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 30 September 2015 was mainly due to acquisition of six properties during the year, increase in valuation of the serviced residence properties on 30 June 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 on 30 September 2015.



**B.2 Trade and other receivables**

The increase in trade and other receivables as at 30 September 2015 was mainly due to the acquisition of six properties during the year, higher trade receivables and prepaid expenses.

**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 30 September 2015 was mainly due to cash generated from operations, partially offset by distribution paid to unitholders.

**B.5 Deferred tax liabilities**

The increase in the Group's deferred tax liabilities as at 30 September 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 30 September 2015 was mainly due to the acquisition of six properties during the year, accrual of manager's acquisition fee and expenses arising from the acquisition as well as higher accrued interest.

**B.7 Interest bearing liabilities**

	GROUP		REIT	
	30/09/15 S\$'000	31/12/14 S\$'000	30/09/15 S\$'000	31/12/14 S\$'000
<b>Amount repayable in one year or less or on demand</b>				
- Secured	243,134	99,445	184,376	12,959
- Unsecured	182,078	150,000	32,078	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(216)	(97)	(122)	-
	424,996	249,348	216,332	12,959
<b>Amount repayable after one year</b>				
- Secured	893,102	948,517	241,210	464,790
- Unsecured	541,144	362,075	91,774	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(13,131)	(9,028)	(3,537)	(3,794)
	1,421,115	1,301,564	329,447	460,996
<b>Total</b>	<b>1,846,111</b>	<b>1,550,912</b>	<b>545,779</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 30 September 2015, the Group's gearing was 40.0 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 2.8 percent per annum, with an interest cover of 4.1 times. S\$1,413.9 million of the Group's borrowings are on fixed interest rates with S\$366.0 million due for refinancing in the next 12 months.

Out of the Group's total borrowings, 8 percent falls due in 2015, 16 percent falls due in 2016, 10 percent falls due in 2017, 12 percent falls due in 2018, and the balance falls due after 2018.

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	
	3Q 2015	3Q 2014	YTD Sep 2015	YTD Sep 2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating Activities</b>				
Total return for the period before tax	57,223	22,116	129,310	119,456
<u>Adjustments for:</u>				
Depreciation and amortisation	4,202	4,211	12,897	11,528
(Gain) / Loss on disposal of plant and equipment	(40)	143	(19)	90
Assets written off	12	5,639	124	6,867
Finance costs	12,534	11,285	36,289	31,383
Finance income	(415)	(448)	(1,218)	(1,574)
Provision for doubtful debts addition / (reversal)	16	11	22	(63)
Manager's management fees payable / paid partially in units	3,833	3,503	10,669	9,687
Unrealised foreign exchange (gain) / loss	(7,142)	4,896	4,224	9,640
Net change in fair value of financial derivatives	1,303	(849)	565	(1,387)
Net change in fair value of serviced residence properties and assets held for sale	(10,325)	-	(31,653)	(41,490)
Profit from divestment	(3,587)	-	(3,587)	-
Share of results of associate	(5)	(1)	(7)	(1)
<b>Operating profit before working capital changes</b>	<b>57,609</b>	<b>50,506</b>	<b>157,616</b>	<b>144,136</b>
Changes in working capital	7,869	(5,172)	(4,870)	(18,779)
<b>Cash generated from operations</b>	<b>65,478</b>	<b>45,334</b>	<b>152,746</b>	<b>125,357</b>
Income tax paid	(6,579)	(6,130)	(19,857)	(18,448)
<b>Cash flows from operating activities</b>	<b>58,899</b>	<b>39,204</b>	<b>132,889</b>	<b>106,909</b>
<b>Investing Activities</b>				
Acquisition of plant and equipment	(5,320)	(1,758)	(10,317)	(6,946)
Acquisition of serviced residence properties, net of cash acquired	(416,056)	(128,193)	(416,056)	(237,542)
Proceeds from divestment of serviced residence properties	49,716	-	49,716	-
Capital expenditure on serviced residence properties	(16,002)	(4,045)	(22,917)	(13,123)
Proceeds on disposal of assets held for sale	2,912	-	3,920	4,213
Interest received	415	448	1,218	1,574
Proceeds from sale of plant and equipment	67	56	131	173
<b>Cash flows used in investing activities</b>	<b>(384,268)</b>	<b>(133,492)</b>	<b>(394,305)</b>	<b>(251,651)</b>
<b>Financing Activities</b>				
Distribution to Unitholders	(59,258)	(60,166)	(124,711)	(116,468)
Distribution to perpetual securities holders	-	-	(3,740)	-
Dividend paid to non-controlling interests	(413)	(506)	(3,271)	(3,045)
Interest paid	(8,264)	(8,631)	(30,151)	(28,342)
Payments for acquisition of ownership interests in subsidiaries with no change in control	(30,016)	-	(30,016)	-
Payments on finance lease	(731)	(924)	(2,096)	(2,819)
Proceeds from bank borrowings	187,078	99,848	296,260	344,599
Proceeds from issue of medium term notes	80,672	85,043	80,672	85,043
Proceeds from issue of perpetual securities	-	-	250,000	-
Payment of transaction costs on issue of perpetual securities	(643)	-	(2,773)	-
Repayment of bank borrowings	(53,903)	(11,261)	(155,008)	(185,899)
<b>Cash flows from financing activities</b>	<b>114,522</b>	<b>103,403</b>	<b>275,166</b>	<b>93,069</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(210,847)</b>	<b>9,115</b>	<b>13,750</b>	<b>(51,673)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>417,487</b>	<b>143,384</b>	<b>192,556</b>	<b>204,518</b>
Effect of exchange rate changes on balances held in foreign currencies	4,341	(1,196)	4,675	(1,542)
<b>Cash and cash equivalents at end of the period</b>	<b>210,981</b>	<b>151,303</b>	<b>210,981</b>	<b>151,303</b>

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

	Note	GROUP		GROUP	
		3Q 2015 S\$'000	3Q 2014 S\$'000	YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000
<b><u>Unitholders' Contribution</u></b>					
<b>Balance as at beginning of period</b>		1,462,007	1,508,861	1,476,104	1,547,895
Issue of new units					
- payment of manager's management fees in units		3,546	3,276	10,378	9,320
- payment of manager's acquisition fees in units		-	-	-	843
Distribution to Unitholders		(43,891)	(41,169)	(64,820)	(87,090)
<b>Balance as at end of period</b>		<b>1,421,662</b>	<b>1,470,968</b>	<b>1,421,662</b>	<b>1,470,968</b>
<b><u>Operations</u></b>					
<b>Balance as at beginning of period</b>		710,244	680,175	707,167	615,777
Total return for the period attributable to Unitholders / perpetual securities holders		45,780	14,648	97,132	89,427
Total return attributable to perpetual securities holders		(4,840)	-	(8,591)	-
Distribution to Unitholders		(15,367)	(18,997)	(59,891)	(29,378)
<b>Balance as at end of period</b>		<b>735,817</b>	<b>675,826</b>	<b>735,817</b>	<b>675,826</b>
<b><u>Foreign Currency Translation Reserve</u></b>					
<b>Balance as at beginning of period</b>		(56,905)	(60,738)	(64,084)	(61,641)
Translation differences relating to financial statements of foreign subsidiaries		43,191	(14,133)	50,370	(13,230)
<b>Balance as at end of period</b>		<b>(13,714)</b>	<b>(74,871)</b>	<b>(13,714)</b>	<b>(74,871)</b>
<b><u>Capital Reserve</u></b>					
<b>Balance as at beginning and end of period</b>		<b>2,008</b>	<b>1,818</b>	<b>2,008</b>	<b>1,818</b>
<b><u>Hedging Reserve</u></b>					
<b>Balance as at beginning of period</b>		(10,913)	(13,554)	(15,117)	(10,769)
Effective portion of change in fair values of cash flow hedges		(2,803)	(380)	1,401	(3,165)
<b>Balance as at end of period</b>		<b>(13,716)</b>	<b>(13,934)</b>	<b>(13,716)</b>	<b>(13,934)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>2,132,057</b>	<b>2,059,807</b>	<b>2,132,057</b>	<b>2,059,807</b>
<b><u>Perpetual Securities</u></b>					
<b>Balance as at beginning of period</b>		396,717	-	149,351	-
Issue of perpetual securities		-	-	250,000	-
Issue expenses		192	-	(2,453)	-
Total return for the period attributable to perpetual securities holders		4,840	-	8,591	-
Distribution to perpetual securities holders		-	-	(3,740)	-
<b>Balance as at end of period</b>	<b>1(b)(i)</b>	<b>401,749</b>	<b>-</b>	<b>401,749</b>	<b>-</b>
<b><u>Non-controlling Interests</u></b>					
<b>Balance as at beginning of period</b>		107,889	94,547	97,807	94,050
Total return for the period		1,169	1,598	12,000	5,581
Dividend paid to non-controlling interests		(413)	(506)	(3,271)	(3,045)
Change in ownership interests in subsidiaries with no change in control		(31,383)	-	(31,383)	-
Translation differences relating to financial statements of foreign subsidiaries		2,340	(579)	4,410	(1,526)
Effective portion of change in fair values of cash flow hedges		127	-	166	-
<b>Balance as at end of period</b>	<b>1(b)(i)</b>	<b>79,729</b>	<b>95,060</b>	<b>79,729</b>	<b>95,060</b>
<b>Equity</b>	<b>1(b)(i)</b>	<b>2,613,535</b>	<b>2,154,867</b>	<b>2,613,535</b>	<b>2,154,867</b>

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

	Note	REIT		REIT	
		3Q 2015 S\$'000	3Q 2014 S\$'000	YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000
<b>Unitholders' Contribution</b>					
<b>Balance as at beginning of period</b>		1,462,007	1,508,861	1,476,104	1,547,895
Issue of new units					
- payment of manager's management fees in units		3,546	3,276	10,378	9,320
- payment of manager's acquisition fees in units		-	-	-	843
Distribution to Unitholders		(43,891)	(41,169)	(64,820)	(87,090)
<b>Balance as at end of period</b>		<b>1,421,662</b>	<b>1,470,968</b>	<b>1,421,662</b>	<b>1,470,968</b>
<b>Operations</b>					
<b>Balance as at beginning of period</b>		183,821	218,469	214,631	212,960
Total return for the period attributable to Unitholders / perpetual securities holders		18,368	(14,803)	35,833	1,087
Total return for the period attributable to perpetual securities holders		(4,840)	-	(8,591)	-
Distribution to Unitholders		(15,367)	(18,997)	(59,891)	(29,378)
<b>Balance as at end of period</b>		<b>181,982</b>	<b>184,669</b>	<b>181,982</b>	<b>184,669</b>
<b>Hedging Reserve</b>					
<b>Balance as at beginning of period</b>		(8,420)	(11,295)	(11,582)	(9,608)
Effective portion of change in fair values of cash flow hedges		555	(280)	3,717	(1,967)
<b>Balance as at end of period</b>		<b>(7,865)</b>	<b>(11,575)</b>	<b>(7,865)</b>	<b>(11,575)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>1,595,779</b>	<b>1,644,062</b>	<b>1,595,779</b>	<b>1,644,062</b>
<b>Perpetual Securities</b>					
<b>Balance as at beginning of period</b>		396,717	-	149,351	-
Issue of perpetual securities		-	-	250,000	-
Issue expenses		192	-	(2,453)	-
Total return for the period attributable to perpetual securities holders		4,840	-	8,591	-
Distribution to perpetual securities holders		-	-	(3,740)	-
<b>Balance as at end of period</b>	<b>1(b)(i)</b>	<b>401,749</b>	<b>-</b>	<b>401,749</b>	<b>-</b>
<b>Equity</b>	<b>1(b)(i)</b>	<b>1,997,528</b>	<b>1,644,062</b>	<b>1,997,528</b>	<b>1,644,062</b>

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

	REIT			
	3Q 2015 S\$'000	3Q 2014 S\$'000	YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000
<b>Balance as at beginning of period</b>	1,540,358	1,528,222	1,535,023	1,522,495
<b>Issue of new units:</b>				
- partial payment of manager's management fees in units	2,796	2,629	8,131	7,666
- payment of manager's acquisition fee	-	-	-	690
<b>Balance as at end of period</b>	<b>1,543,154</b>	<b>1,530,851</b>	<b>1,543,154</b>	<b>1,530,851</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			
	3Q 2015 S\$'000	3Q 2014 S\$'000	YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000
	Total return for the period attributable to Unitholders / perpetual securities holders	45,780	14,648	97,132
Less: Total return for the period attributable to perpetual securities holders	(4,840)	-	(8,591)	-
<b>Total return for the period attributable to Unitholders</b>	<b>40,940</b>	<b>14,648</b>	<b>88,541</b>	<b>89,427</b>

	3Q 2015 S\$'000	3Q 2014 S\$'000	YTD Sep 2015 S\$'000	YTD Sep 2014 S\$'000
<b>Earnings per Unit (EPU)</b>				
Number of units on issue at end of period	1,543,154	1,530,851	1,543,154	1,530,851
Weighted average number of units for the period ('000)	1,542,121	1,529,879	1,539,442	1,527,010
<b>EPU (cents) – Basic and Diluted</b> (based on the weighted average number of units for the period)	2.65 <sup>(1)</sup>	0.96	5.75 <sup>(1)</sup>	5.86 <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. Excluding these effects, the EPU for 3Q 2015 would be 2.29 cents, and the EPU for YTD Sep 2015 and YTD Sep 2014 would be 4.47 cents and 3.61 cents respectively.

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

<b>Distribution per Unit (DPU)</b>	<b>3Q</b>	<b>3Q</b>	<b>YTD Sep</b>	<b>YTD Sep</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Number of units on issue at end of period	1,543,154	1,530,851	1,543,154	1,530,851
<b>DPU (cents) – Basic and Diluted</b>	2.07	2.11	5.92	6.04

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**

	<b>GROUP</b>		<b>REIT</b>	
	<b>30/09/15</b>	<b>31/12/14</b>	<b>30/09/15</b>	<b>31/12/14</b>
NAV per unit (S\$)	1.38	1.37	1.03	1.09

#### 8. **GROUP PERFORMANCE REVIEW**

##### 8(a) **Revenue and Gross Profit Analysis – 3Q 2015 vs. 3Q 2014 (Local Currency (“LC”))**

		<b>Revenue<sup>1</sup></b>				<b>Gross Profit<sup>1</sup></b>				<b>REVPAU Analysis<sup>2</sup></b>		
		<b>3Q</b>	<b>3Q</b>	<b>Better/ (Worse)</b>		<b>3Q</b>	<b>3Q</b>	<b>Better/ (Worse)</b>		<b>3Q</b>	<b>3Q</b>	<b>Better/ (Worse)</b>
		<b>2015</b>	<b>2014</b>	<b>LC'm</b>	<b>%</b>	<b>2015</b>	<b>2014</b>	<b>LC'm</b>	<b>%</b>	<b>LC/day</b>		<b>%</b>
<b>Master Leases</b>												
Australia	AUD	1.7	-	1.7	n.m.	1.6	-	1.6	n.m.	-	-	-
France	EUR	5.8	5.7	0.1	2	5.3	5.4	(0.1)	(2)	-	-	-
Germany	EUR	1.5	1.4	0.1	7	1.2	1.2	-	-	-	-	-
Japan	JPY	187.4	187.5	(0.1)	-	146.9	152.4	(5.5)	(4)	-	-	-
Singapore	S\$	2.5	2.4	0.1	4	2.2	2.0	0.2	10	-	-	-
<b>Management contracts with minimum guaranteed income</b>												
Belgium	EUR	2.3	2.0	0.3	15	0.6	0.5	0.1	20	69	60	15
Spain	EUR	1.4	1.5	(0.1)	(7)	0.7	0.7	-	-	111	108	3
United Kingdom	GBP	7.5	7.4	0.1	1	3.7	3.8	(0.1)	(3)	128	130	(2)
<b>Management contracts</b>												
Australia	AUD	4.9	1.3	3.6	277	2.0	0.5	1.5	300	144	157	(8)
China	RMB	83.9	80.6	3.3	4	24.0	25.2	(1.2)	(5)	441	432	2
Indonesia	USD	3.4	3.1	0.3	10	1.3	1.2	0.1	8	89	78	14
Japan	JPY	1,151.5	730.8	420.7	58	660.5	423.6	236.9	56	12,011	10,216	18
Malaysia	MYR	5.2	3.5	1.7	49	1.2	1.3	(0.1)	(8)	271	279	(3)
Philippines	PHP	229.7	252.0	(22.3)	(9)	71.5	84.8	(13.3)	(16)	3,781	4,156	(9)
Singapore	S\$	7.4	7.3	0.1	1	3.3	3.8	(0.5)	(13)	229	225	2
United States of America	USD	5.1	-	5.1	n.m.	1.9	-	1.9	n.m.	281	-	n.m.
Vietnam	VND <sup>1</sup>	159.7	151.6	8.1	5	82.0	80.8	1.2	1	1,565	1,460	7

<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 – 3Q 2015 vs. 3Q 2014 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis <sup>1</sup>		
	3Q 2015	3Q 2014	Better/ (Worse)		3Q 2015	3Q 2014	Better/ (Worse)		3Q 2015	3Q 2014	Better/ (Worse)
	S\$m		S\$m	%	S\$m		S\$m	%	S\$/day	S\$/day	%
<b>Master Leases</b>											
Australia	1.8	-	1.8	n.m.	1.7	-	1.7	n.m.	-	-	-
France	8.8	9.5	(0.7)	(7)	8.0	9.0	(1.0)	(11)	-	-	-
Germany	2.3	2.3	-	-	1.8	2.0	(0.2)	(10)	-	-	-
Japan	2.1	2.3	(0.2)	(9)	1.7	1.9	(0.2)	(11)	-	-	-
Singapore	2.5	2.4	0.1	4	2.2	2.0	0.2	10	-	-	-
<b>Sub-total</b>	<b>17.5</b>	<b>16.5</b>	<b>1.0</b>	<b>6</b>	<b>15.4</b>	<b>14.9</b>	<b>0.5</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management contracts with minimum guaranteed income</b>											
Belgium	3.4	3.3	0.1	3	0.9	0.8	0.1	13	105	100	5
Spain	2.2	2.5	(0.3)	(12)	1.1	1.2	(0.1)	(8)	170	183	(7)
United Kingdom	16.0	15.7	0.3	2	7.8	8.0	(0.2)	(3)	274	273	-
<b>Sub-total</b>	<b>21.6</b>	<b>21.5</b>	<b>0.1</b>	<b>-</b>	<b>9.8</b>	<b>10.0</b>	<b>(0.2)</b>	<b>(2)</b>	<b>209</b>	<b>209</b>	<b>-</b>
<b>Management contracts</b>											
Australia	5.0	1.5	3.5	233	2.0	0.6	1.4	233	149	184	(19)
China	18.4	16.4	2.0	12	5.3	5.1	0.2	4	97	88	10
Indonesia	4.7	3.9	0.8	21	1.7	1.5	0.2	13	122	97	26
Japan	12.9	8.9	4.0	45	7.4	5.2	2.2	42	134	124	8
Malaysia	1.8	1.4	0.4	29	0.4	0.5	(0.1)	(20)	95	108	(12)
Philippines	6.9	7.2	(0.3)	(4)	2.1	2.4	(0.3)	(13)	113	119	(5)
Singapore	7.4	7.3	0.1	1	3.3	3.8	(0.5)	(13)	229	225	2
United States of America	6.9	-	6.9	n.m.	2.6	-	2.6	n.m.	382	-	n.m.
Vietnam	10.1	9.1	1.0	11	5.2	4.8	0.4	8	99	88	13
<b>Sub-total</b>	<b>74.1</b>	<b>55.7</b>	<b>18.4</b>	<b>33</b>	<b>30.0</b>	<b>23.9</b>	<b>6.1</b>	<b>26</b>	<b>127</b>	<b>109</b>	<b>17</b>
<b>Group</b>	<b>113.2</b>	<b>93.7</b>	<b>19.5</b>	<b>21</b>	<b>55.2</b>	<b>48.8</b>	<b>6.4</b>	<b>13</b>	<b>141</b>	<b>128</b>	<b>10</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 were AUD 1.7 million (S\$1.8 million) and AUD 1.6 million (S\$1.7 million) respectively in 3Q 2015. This was contributed by the three serviced residence properties, which were acquired on 10 December 2014.



### **France**

Revenue increased by EUR 0.1 million or 2% as compared to 3Q 2014 due to higher recovery of costs from lessees, partially offset by negative indexation. Gross profit decreased by EUR 0.1 million due to negative indexation and higher repair and maintenance expense.

In SGD terms, revenue and gross profit decreased by S\$0.7 million or 7% and S\$1.0 million or 11% respectively due to depreciation of EUR against SGD.

### **Germany**

Revenue increased by EUR 0.1 million or 7% as compared to 3Q 2014 as there was reversal of over accrual of revenue in prior periods in 3Q 2014, which resulted in lower revenue in 3Q 2014. Gross profit remained at the same level as 3Q 2014 due to higher repair and maintenance expense.

In SGD terms, revenue remained at the same level as last year due to depreciation of EUR against SGD. Gross profit, in SGD terms, decreased by S\$0.2 million or 10% due to depreciation of EUR against SGD and higher operating expenses.

### **Japan**

Revenue decreased by JPY 0.1 million as compared to 3Q 2014. Gross profit decreased by JPY 5.5 million or 4% as compared to 3Q 2014 due to one-off repair and maintenance expense incurred for two of the properties.

In SGD terms, revenue decreased by S\$0.2 million or 9% due to depreciation of JPY against SGD. Gross profit, in SGD terms, decreased by S\$0.2 million or 11% due to depreciation of JPY against SGD and higher operating expenses.

### **Singapore**

Revenue increased by S\$0.1 million or 4% as compared to 3Q 2014 due to stronger market demand. Gross profit increased by S\$0.2 million or 10% due to higher revenue and lower depreciation expense.

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

### **Belgium**

Revenue increased by EUR 0.3 million or 15% in 3Q 2015 as compared to 3Q 2014. This was mainly due to stronger corporate demand. REVPAU increased by 15% from EUR 60 in 3Q 2014 to EUR 69 in 3Q 2015.

In line with the higher revenue, gross profit increased by EUR 0.1 million or 20%.

In SGD terms, revenue increased by S\$0.1 million or 3% due to depreciation of EUR against SGD, partially offset by stronger underlying performance. Gross profit, in SGD terms, increased by S\$0.1 million or 13%.

### **Spain**

Revenue decreased by EUR 0.1 million or 7% as compared to 3Q 2015. Revenue for 3Q 2014 included a top-up by the property manager of EUR 0.1 million. Excluding the top-up, revenue for 3Q 2015 remained at the same level as 3Q 2014. REVPAU increased by 3% from EUR 108 in 3Q 2014 to EUR 111 in 3Q 2015. Gross profit remained at the same level as last year.

In SGD terms, revenue and gross profit decreased by S\$0.3 million or 12% and S\$0.1 million or 8% respectively due to depreciation of EUR against SGD.

### **United Kingdom**

Revenue increased by GBP 0.1 million or 1% in 3Q 2015 as compared to 3Q 2014. This was mainly due to higher retail income.

Gross profit decreased by GBP 0.1 million or 3% mainly due to higher provision of incentive fee. Excluding the incentive fee, gross profit increased by GBP 0.1 million as compared to 3Q 2014.

In SGD terms, revenue increased by S\$0.3 million or 2% due to stronger underlying performance and appreciation of GBP against SGD. Gross profit, in SGD terms, decreased by S\$0.2 million or 3%.

## **C. Management contracts**

### ***Australia***

Revenue and gross profit increased by AUD 3.6 million and AUD 1.5 million respectively as compared to 3Q 2014. The increase was mainly due to the acquisition of Citadines on Bourke Melbourne on 31 July 2015. REVPAU decreased by 8% from AUD 157 in 3Q 2014 to AUD 144 in 3Q 2015 due to lower average daily rate from the newly acquired property.

Excluding the contribution from Citadines on Bourke Melbourne, revenue increased by AUD 0.1 million and REVPAU increased by 5% from AUD 157 in 3Q 2014 to AUD 165 in 3Q 2015. Gross profit remained at the same level as last year due to higher revenue, offset by higher marketing expense.

In SGD terms, revenue and gross profit increased by S\$3.5 million and S\$1.4 million respectively. This was mainly due to contribution from the newly acquired property.

### ***China***

Revenue increased by RMB 3.3 million or 4% as compared to 3Q 2014 mainly due to the full quarter contribution from Citadines Gaoxin Xi'an and Citadines Zhuankou Wuhan, which were acquired in August 2014. REVPAU increased by 2% from RMB 432 in 3Q 2014 to RMB 441 in 3Q 2015. Gross profit decreased by RMB 1.2 million or 5% due to higher staff costs, operation and maintenance expense and property tax.

Excluding the contribution from the acquisitions for both 3Q 2015 and 3Q 2014, revenue and gross profit decreased by RMB 1.4 million and RMB 2.0 million respectively as compared to 3Q 2014. This was mainly due to weaker operating performance of the properties in the regional cities.

In SGD terms, revenue increased by S\$2.0 million or 12% mainly due to the full quarter contribution from the acquired properties and appreciation of RMB against SGD. Gross profit, in SGD terms, increased by S\$0.2 million or 4%.

### ***Indonesia***

Revenue increased by USD 0.3 million or 10% as compared to 3Q 2014 mainly due to stronger demand from corporate accounts. REVPAU increased by 14% from USD 78 in 3Q 2014 to USD 89 in 3Q 2015. In line with the higher revenue, gross profit increased by USD 0.1 million or 8%.

In SGD terms, revenue and gross profit increased by 21% and 13% respectively as compared to 3Q 2014 due to appreciation of USD against SGD and stronger underlying performance.

### ***Japan***

Revenue and gross profit increased by JPY 420.7 million or 58% and JPY 236.9 million or 56% respectively as compared to 3Q 2014. The increase was mainly due to the contribution from the serviced residence property acquired in October 2014 and portfolio of four rental housing properties acquired on 31 July 2015, and stronger demand from the corporate and leisure sectors. REVPAU increased by 18% from JPY 10,216 in 3Q 2014 to JPY 12,011 in 3Q 2015.

On a same store basis, revenue and gross profit increased by 9% and 13% respectively as compared to 3Q 2014.

In SGD terms, revenue and gross profit increased by S\$4.0 million or 45% and S\$2.2 million or 42% 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 1.7 million or 49% as compared to 3Q 2014 due to the full quarter contribution from Somerset Ampang Kuala Lumpur, which was acquired in August 2014. Gross profit decreased by MYR 0.1 million or 8% due to higher marketing expense.

In SGD terms, revenue increased by S\$0.4 million or 29% due to the full quarter contribution, partially offset by depreciation of MYR against SGD. Gross profit, in SGD terms, decreased by S\$0.1 million or 20%.

### ***The Philippines***

Revenue and gross profit decreased by PHP 22.3 million or 9% and PHP 13.3 million or 16% respectively as compared to 3Q 2014 mainly due to weaker demand from corporate accounts. REVPAU decreased by 9% from PHP 4,156 in 3Q 2014 to PHP 3,781 in 3Q 2015.

In SGD terms, revenue and gross profit decreased by S\$0.3 million or 4% and S\$0.3 million or 13% respectively. This was mainly due to weaker underlying performance, partially offset by appreciation of PHP against SGD.

### Singapore

Revenue increased by S\$0.1 million or 1% in 3Q 2015 as compared to 3Q 2014. REVPAU increased by 2% from S\$225 in 3Q 2014 to S\$229 in 3Q 2015.

Gross profit decreased by S\$0.5 million or 13% due to refund of GST in respect of prior periods received in 3Q 2014, which resulted in the higher gross profit last year.

### United States of America

Revenue and gross profit were USD 5.1 million (S\$6.9 million) and USD 1.9 million (S\$2.6 million) respectively in 3Q 2015. This was contributed by Element New York Times Square West, which was acquired on 19 August 2015.

### Vietnam

Revenue increased by VND 8.1 billion or 5% in 3Q 2015 as compared to 3Q 2014. The increase was mainly due to higher demand for the refurbished apartments at Somerset Ho Chi Minh City. REVPAU increased from VND 1,460,000 in 3Q 2014 to VND 1,565,000 in 3Q 2015. Gross profit increased by VND 1.2 billion or 1% due to higher revenue, partially offset by higher staff costs and operation and maintenance expense.

In SGD terms, revenue increased by S\$1.0 million or 11% and gross profit increased by S\$0.4 million or 8%. This was mainly due to stronger underlying performance and appreciation of VND against SGD.

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

		Revenue <sup>1</sup>				Gross Profit <sup>1</sup>				REVPAU Analysis <sup>2</sup>		
		YTD Sep 2015	YTD Sep 2014	Better/ (Worse)		YTD Sep 2015	YTD Sep 2014	Better/ (Worse)		YTD Sep 2015	YTD Sep 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	5.1	-	5.1	n.m.	4.8	-	4.8	n.m.	-	-	-
France	EUR	17.4	17.4	-	-	15.9	16.2	(0.3)	(2)	-	-	-
Germany	EUR	4.4	4.3	0.1	2	3.7	3.8	(0.1)	(3)	-	-	-
Japan	JPY	562.8	474.3	88.5	19	446.7	385.2	61.5	16	-	-	-
Singapore	S\$	7.1	6.8	0.3	4	5.9	5.5	0.4	7	-	-	-
<b>Management contracts with minimum guaranteed income</b>												
Belgium	EUR	6.4	5.6	0.8	14	1.6	1.0	0.6	60	65	58	12
Spain	EUR	3.7	3.4	0.3	9	1.7	1.5	0.2	13	95	85	12
United Kingdom	GBP	20.4	19.8	0.6	3	9.4	8.4	1.0	12	117	117	-
<b>Management contracts</b>												
Australia	AUD	7.4	3.6	3.8	106	2.9	1.2	1.7	142	146	148	(1)
China	RMB	237.2	191.7	45.5	24	63.1	59.1	4.0	7	420	457	(8)
Indonesia	USD	9.5	9.6	(0.1)	(1)	3.5	3.9	(0.4)	(10)	84	84	-
Japan	JPY	3,242.1	2,129.0	1,113.1	52	1,796.9	1,229.3	567.6	46	11,750	10,175	15
Malaysia	MYR	14.2	3.5	10.7	306	3.7	1.3	2.4	185	249	279	(11)
Philippines	PHP	729.5	800.5	(71.0)	(9)	244.5	279.5	(35.0)	(13)	4,042	4,506	(10)
Singapore	S\$	20.2	20.5	(0.3)	(1)	8.7	9.9	(1.2)	(12)	210	213	(1)
United States of America	USD	5.1	-	5.1	n.m.	1.9	-	1.9	n.m.	281	-	n.m.
Vietnam <sup>3</sup>	VND <sup>1</sup>	469.2	477.0	(7.8)	(2)	250.1	264.3	(14.2)	(5)	1,521	1,523	-

<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 Sep 2014 have been classified under "Management contracts" category.

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

	Revenue				Gross Profit				REVPAU Analysis <sup>1</sup>		
	YTD Sep 2015	YTD Sep 2014	Better/ (Worse)		YTD Sep 2015	YTD Sep 2014	Better/ (Worse)		YTD Sep 2015	YTD Sep 2014	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
<b>Master Leases</b>											
Australia	5.4	-	5.4	n.m.	5.1	-	5.1	n.m.	-	-	-
France	26.3	29.7	(3.4)	(11)	24.2	27.6	(3.4)	(12)	-	-	-
Germany	6.8	7.5	(0.7)	(9)	5.6	6.5	(0.9)	(14)	-	-	-
Japan	6.3	5.8	0.5	9	5.0	4.7	0.3	6	-	-	-
Singapore	7.1	6.8	0.3	4	5.9	5.5	0.4	7	-	-	-
<b>Sub-total</b>	<b>51.9</b>	<b>49.8</b>	<b>2.1</b>	<b>4</b>	<b>45.8</b>	<b>44.3</b>	<b>1.5</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management contracts with minimum guaranteed income</b>											
Belgium	9.5	9.6	(0.1)	(1)	2.4	2.0	0.4	20	98	99	(1)
Spain	5.6	5.9	(0.3)	(5)	2.6	2.6	-	-	145	145	-
United Kingdom	42.4	42.0	0.4	1	19.6	17.9	1.7	9	243	245	(1)
<b>Sub-total</b>	<b>57.5</b>	<b>57.5</b>	<b>-</b>	<b>-</b>	<b>24.6</b>	<b>22.5</b>	<b>2.1</b>	<b>9</b>	<b>187</b>	<b>188</b>	<b>(1)</b>
<b>Management contracts</b>											
Australia	7.5	4.1	3.4	83	3.0	1.4	1.6	114	153	171	(11)
China	51.8	39.3	12.5	32	13.8	12.1	1.7	14	92	94	(2)
Indonesia	12.9	12.2	0.7	6	4.7	4.9	(0.2)	(4)	114	105	9
Japan	36.4	26.1	10.3	39	20.1	15.1	5.0	33	132	125	6
Malaysia	5.2	1.4	3.8	271	1.4	0.5	0.9	180	91	108	(16)
Philippines	22.0	22.7	(0.7)	(3)	7.4	7.9	(0.5)	(6)	122	128	(5)
Singapore	20.2	20.5	(0.3)	(1)	8.7	9.9	(1.2)	(12)	210	213	(1)
United States of America	6.9	-	6.9	n.m.	2.6	-	2.6	n.m.	382	-	n.m.
Vietnam <sup>2</sup>	29.6	28.6	1.0	3	15.7	15.9	(0.2)	(1)	96	91	5
<b>Sub-total</b>	<b>192.5</b>	<b>154.9</b>	<b>37.6</b>	<b>24</b>	<b>77.4</b>	<b>67.7</b>	<b>9.7</b>	<b>14</b>	<b>116</b>	<b>114</b>	<b>2</b>
<b>Group</b>	<b>301.9</b>	<b>262.2</b>	<b>39.7</b>	<b>15</b>	<b>147.8</b>	<b>134.5</b>	<b>13.3</b>	<b>10</b>	<b>129</b>	<b>130</b>	<b>(1)</b>

<sup>1</sup> REVPAU 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 Sep 2014 have been classified under "Management contracts" category.

For the nine months ended 30 September 2015 ("YTD Sep 2015"), revenue increased by S\$39.7 million or 15% as compared to the corresponding period last year ("YTD Sep 2014"). The increase in revenue was mainly due to additional contribution of S\$30.5 million from the 2014 Acquisitions and S\$11.4 million from the 2015 Acquisitions. The increase was partially offset by decrease in revenue of S\$1.8 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 Sep 2015 revenue decreased by S\$1.8 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.

REVPAU decreased from S\$130 in YTD Sep 2014 to S\$129 in YTD Sep 2015. On a same store basis, excluding the 2014 Acquisitions and 2015 Acquisitions, REVPAU increased by 1%.

In line with the increase in revenue, gross profit for YTD Sep 2015 increased by S\$13.3 million or 10% as compared to YTD Sep 2014. On a same store basis, gross profit decreased by S\$4.1 million or 3%.

**9. OUTLOOK AND PROSPECTS**

The global economy continues to remain challenging, with the International Monetary Fund revising downwards the global growth forecast for this year from 3.3% to 3.1% and cited the world economy as slowest growing in recent times mainly due to weaker growth in China and emerging markets across the board.

Demand for the serviced residences has remained healthy. Several key markets of Ascott REIT's balanced portfolio showed growth, these together with the extended-stay business model, is expected to provide stable income and returns to its Unitholders.

Ascott REIT completed the acquisition of eight properties amounting to approximately S\$500 million spanning across Australia, Japan and the United States of America in 3Q 2015. We will continue to actively seek accretive acquisitions in Australia, Europe, Japan and the United States of America.

As part of its asset management strategy, Ascott REIT also divested six rental housing properties in the regional cities in Japan in September 2015 at 13% higher than the latest valuation so as to unlock the underlying value of these properties which offer limited growth and to re-deploy proceeds in other higher yielding assets to enhance Ascott REIT's portfolio. The Group will continue to review its portfolio to optimise the value and returns for its Unitholders.

Asset enhancement initiatives at Ascott Makati and Citadines Barbican London will commence in 4Q 2015 and 1Q 2016 respectively.

On the capital management front, Ascott REIT has maintained a disciplined and prudent capital management approach. As at 30 September 2015, 76% of the total borrowings are on fixed interest rates. Notwithstanding, the Manager remains vigilant to changes in the macro and credit environment that may impact the Group's financing plans.

The Group's operating performance for FY 2015 is expected to remain profitable.

**10. DISTRIBUTIONS**

**10(a) Current financial period**

Any distributions declared for the current financial period? No

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

Any distributions declared for the corresponding period of the immediate preceding financial period? No

10(c) Book closure date : Not applicable

10(d) Date payable : Not applicable

**11. General mandate for Interested Person Transactions ("IPT")**

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

**12. Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the statements of financial position as at 30 September 2015, consolidated statement of total return, consolidated statement of cash flows and statement of movements in unitholders' funds for the nine months ended 30 September 2015, together with their accompanying notes), to be false or misleading in any material aspect.

On behalf of the Board  
Ascott Residence Trust Management Limited

Lim Jit Poh  
Director

Tay Boon Hwee, Ronald  
Director

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

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

Kang Siew Fong / Regina Tan  
Joint Company Secretaries  
29 October 2015