a-reit
Ascendas Real Estate Investment Trust

A-REIT FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2009

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas Funds Management (S) Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended.

Units in A-REIT were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT has a diversified portfolio of 89 properties in Singapore, and houses a tenant base of more than 900 customers across the following sub-sectors: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

SUMMARY OF A-REIT RESULTS FOR THE QUARTER ENDED 30 JUNE 2009

	Actual 01/04/09 to 30/06/09 S$'000	Actual 01/04/08 to 30/06/08 S$'000	Increase / (Decrease) %
Gross revenue	102,441	92,537	10.7%
Net property income	80,711	69,700	15.8%
Net income available for distribution	61,037	51,783	17.9%
	Cents per Unit		
Distribution per Unit ("DPU")	FY 09/10	FY 08/09	Increase / (Decrease) %
For the quarter from 1 April to 30 June	3.62	3.89	(6.9%)
Proforma DPU (Note a)	-	3.07	17.9%

Footnote

(a) Proforma DPU for 1Q FY08/09, taking into account the units issued under the placement and preferential offerings in January 2009 and February 2009, DPU growth would be 17.9% year-on-year.

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 Apr 2009 to 30 Jun 2009
Distribution Type	Income
Distribution amount	3.62 cents per unit
Book closure date	29 July 2009
Payment date	28 August 2009

1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Income statement (1Q FY09/10 vs 1Q FY08/09)

	Actual 01/04/09 to 30/06/09 (Note f) S$'000	Actual 01/04/08 to 30/06/08 (Note f) S$'000	Increase / (Decrease) %
Gross revenue	102,441	92,537	11%
Property services fees	(3,200)	(2,798)	14%
Property tax	(5,999)	(5,169)	16%
Other property operating expenses	(12,531)	(14,870)	(16%)
Property operating expenses	(21,730)	(22,837)	(5%)
Net property income	80,711	69,700	16%
Interest income	3	3	0%
Management fee (Note a)	(5,692)	(5,404)	5%
Trust expenses (Note b)	(641)	(1,921)	(67%)
Finance costs (Note c)	(15,510)	(12,824)	21%
Non property expenses	(21,840)	(20,146)	8%
Net income / Total return for the period	58,871	49,554	19%
Non-tax deductible expenses (Note d)	2,166	2,229	(3%)
Income available for distribution	61,037	51,783	18%

The following items have been included in arriving at net income:

	Actual 01/04/09 to 30/06/09 (Note f) S$'000	Actual 01/04/08 to 30/06/08 (Note f) S$'000
Gross rental income	96,174	84,765
Other income	6,267	7,772
Writeback of doubtful receivables, net	35	224
Depreciation of plant and equipment	(275)	(275)

Footnotes

(a) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.

(b) Trust expenses for the first quarter ended 30 June 2008 was higher as it included a one-time impairment provision of business development expenses.

(c) Finance costs for the first quarter ended 30 June 2009 and 30 June 2008 represent interest expense on loans and amortised costs of establishing debt facilities (including the Medium Term Note, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Borrowing costs also include the fair value/accretion adjustments for deferred payments and refundable security deposits (FY09/10 – charge of $0.1 million, FY08/09 – charge of $0.4 million).

(d) Non-tax deductible expenses relate mainly to units issued to the Manager in part payment of its management fees, accretion and fair value adjustments required under FRS39, commitment fee paid on undrawn committed revolving credit facility and other non-tax deductible or non-taxable items.

(e) Gross revenue increased mainly due to additional rental income from acquisitions and development projects completed since June 2008. 1Q FY09/10 property tax includes a one-off reversal of over accrued property tax of approximately $0.6 million which lowered the total amount to $5.999 million. Other property operating expenses decreased mainly due to a reduction in utilities expenses by approximately $2.4m as a result of lower oil price.

(f) 89 properties as at 30 June 2009 vs 86 properties as at 30 June 2008.

1 (b)(i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year

	Actual 30/06/09 S$'000	Actual 31/03/09 S$'000
Non-Current Assets		
Investment properties	4,436,982	4,425,735
Investment properties under development (Note a)	128,181	76,343
Plant and equipment	4,737	5,012
Other receivables	1,404	1,503
	4,571,304	**4,508,593**
Current Assets		
Trade and other receivables	20,775	22,230
Cash and cash equivalents	6,810	16,735
	27,585	**38,965**
Current Liabilities		
Trade and other payables	160,798	147,281
Securities deposits	34,490	34,055
Deferred payments	10,206	9,706
Derivative liabilities	1,870	635
Interest-bearing term loans (Note b)	599,935	599,827
Interest-bearing short term borrowings (Note b)	114,000	245,500
	921,299	**1,037,004**
Net Current Liabilities	**(893,714)**	**(998,039)**
Non-Current Liabilities		
Securities deposits	834	815
Deferred payments	12,935	13,272
Derivative liabilities	41,628	50,061
Interest-bearing term loans (Note b)	893,016	743,367
	948,413	**807,515**
Net assets	**2,729,177**	**2,703,039**
Represented by:		
Unitholders' funds	**2,729,177**	**2,703,039**

Gross Borrowings	Actual 30/06/09 S$'000	Actual 31/03/09 S$'000
Secured borrowings		
Amount repayable after one year	744,965	744,965
Amount repayable within one year	300,000	300,000
Unsecured borrowings		
Amount repayable after one year	150,000	-
Amount repayable within one year	414,000	545,500
	1,608,965	1,590,465

Footnotes

(a) Investment properties under development has increased by 68.0% mainly due to progress payments and accrual of cost on development projects.

(b) **Details of borrowings & collateral**

Three term loans of $300 million, $350 million and $395 million ("Medium Term Notes", also known as Commercial Mortgage Backed Securities "CMBS") have been granted by a special purpose company, Emerald Assets Limited ("Emerald Assets"). As securities for the credit facilities granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets the following:

(i) a mortgage over the first 73 properties in the A-REIT portfolio;

(ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;

(iii) an assignment of the insurance policies relating to the above mentioned properties; and

(iv) a fixed and floating charge over certain assets of the Trust relating to the above mentioned properties.

A-REIT established a $1 billion Multicurrency MTN Programme ("MTN2009") in March 09. As at the balance sheet date, $150 million of fixed rate notes have been issued. The fixed rate notes are due in April 2011 and bear a fixed interest rate payable semi-annually in arrears. In addition, A-REIT has various bilateral banking credit facilities with varying degree of utilization as at the balance sheet date.

As at 30 June 2009, A-REIT's total fixed rate debt amounted to $1,580.7 million (98.2% of total debt) and at an average fixed interest rate of 3.76%. The debts fixed through interest rate swaps and fixed coupon rate have a weighted average remaining term of 3.1 years. The interest rate swaps have terms of 1 to 7 years and the notes issued from MTN2009 are due in approximately 2-year's time. The fair value of the interest rate swaps is $43.5 million as at 30 June 2009. The fair value changes relating to the interest rate swaps are recognised in statement of movement in unitholders' funds.

A-REIT's overall weighted average funding cost as at 30 June 2009 was 3.75% (including margins charged on the loans and amortised annual costs of the Medium Term Notes, Transferrable Loan Facilties, and Committed Revolving Credit Facilties).

1 (c) Cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year.

1 (c)(i) Cash flow statement (1Q FY09/10 vs 1Q FY08/09)

	Actual 01/04/09 to 30/06/09 S$'000	Actual 01/04/08 to 30/06/08 S$'000
Operating activities		
Net income	58,871	49,554
<u>Adjustment for</u>		
Interest income	(3)	(3)
Writeback of doubtful receivables, net	(35)	(224)
Finance costs	15,510	12,824
Management fees paid/payable in units	1,138	1,081
Depreciation of plant and equipment	275	275
Operating income before working capital changes	75,756	63,507
<u>Changes in working capital</u>		
Trade and other receivables	1,589	(1,191)
Trade and other payables	(12,519)	1,298
	(10,930)	107
Cash flows from operating activities	64,826	63,614
Investing activities		
Purchase of investment properties (including acquisition costs)	-	(194,240)
Payment for investment properties under development	(34,806)	(42,022)
Payment for capital improvement projects	(852)	(1,323)
Payment of deferred settlements	-	(2,345)
Cash flows from investing activities	(35,658)	(239,930)
Financing activities		
Equity issue costs paid	(84)	-
Distributions paid to unitholders	(42,087)	(48,913)
Finance costs paid	(15,425)	(12,011)
Interest received	3	3
Proceeds from borrowings	212,000	277,000
Repayment of borrowings	(193,500)	(39,000)
Cash flows from financing activities	(39,093)	177,079
Net (decrease) / increase in cash and cash equivalents	(9,925)	763
Cash and cash equivalents at beginning of the period	16,735	5,425
Cash and cash equivalents at end of the period	6,810	6,188

1 (d)(i) Statement of movement in unitholders' funds (1Q FY09/10 vs 1Q FY08/09)

	Actual 01/04/09 to 30/06/09 S$'000	Actual 01/04/08 to 30/06/08 S$'000
Balance at beginning of the period	2,703,039	2,437,959
Operations		
Net income	58,871	49,554
Net increase in net assets resulting from operations	58,871	49,554
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge (Note a)	7,198	57,356
Unitholders' transactions		
Performance fees paid in units	-	8,388
Management fees paid in units	2,274	1,873
Equity issue costs	(118)	-
Distributions to unitholders	(42,087)	(48,913)
Net decrease in net assets resulting from Unitholders' transactions	(39,931)	(38,652)
Balance at end of the period	2,729,177	2,506,217

Footnotes

(a) In FY08/09, expectation of interest rates at the end of the period was higher than those at the beginning of the period. Hence the aggregate fair values of the interest rate swap registered a favourable change as compared to the beginning of the period.

Likewise in FY09/10, expectation of interest rates at the end of the period was higher than those at the beginning of the period. As a result, there was a favourable change in the aggregate fair values of the interest rate swap.

1 (d)(ii) Details of any changes in the units (1Q FY09/10 vs 1Q FY08/09)

	Actual 01/04/09 to 30/06/09 Units	Actual 01/04/08 to 30/06/08 Units
Balance at beginning of the period	1,683,473,034	1,325,560,491
Issue of new units:		
- Performance fees paid in units	-	3,223,302
- Management fees paid in units	1,447,023	834,647
Balance at end of the period	1,684,920,057	1,329,618,440

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

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements ("SSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

See attached.

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

A-REIT 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 March 2009, except for the adoption of Financial Reporting Standards ("FRS") (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2009.

Among the changes to FRSs are the amendments to FRS 40 Investment Property, whereby property under development/construction is now covered under FRS 40. As A-REIT has adopted the fair value model for its investment property, it will account for investment property under development using the fair value model. The carrying amount of A-REIT's investment properties including investment properties under development approximate their fair value as at 30 June 2009.

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

Please refer to section 4 above.

6. Earnings per unit and distribution per unit for the financial period

6.1 EPU/DPU for 1Q FY09/10 compared to 4Q FY08/09

	Actual 1Q FY09/10 01/04/09 to 30/06/09	Actual 4Q FY08/09 01/01/09 to 31/03/09
Number of units on issue at end of period	1,684,920,057	1,683,473,034
Weighted average number of units for calculation of EPU	1,683,711,554	1,585,163,002
Applicable number of units for calculation of DPU	1,684,920,057	1,604,058,142
Earnings/(Loss) per unit in cents (EPU) (Note a)	3.50	(4.25)
Distribution per unit in cents (DPU) (Note b)	3.62	3.23

6.2 EPU/DPU for 1Q FY09/10 compared to 1Q FY08/09

	Actual 1Q FY09/10 01/04/09 to 30/06/09	Actual 1Q FY08/09 01/04/08 to 30/06/08
Number of units on issue at end of period	1,684,920,057	1,329,618,440
Weighted average number of units for calculation of EPU	1,683,711,554	1,332,594,908
Applicable number of units for calculation of DPU	1,684,920,057	1,329,618,440
Earnings per unit in cents (EPU) (Note a)	3.50	3.72
Distribution per unit in cents (DPU) (Note b)	3.62	3.89

Footnotes

(a) The EPU has been calculated using total return for the period and the weighted average number of units on issue during the period. Actual 4Q FY08/09 EPU includes the effect of net depreciation on revaluation of investment properties of $115.4 million arising from the independent valuations undertaken in March 2009.

In accordance with FRS 33, comparative EPU and weighted average number of units for calculation of EPU for 1Q FY08/09 have been restated to account for the effects of the rights issue in February 2009.

(b) The DPU has been calculated using income available for distribution and the applicable number of units, which is either the number of units on issue at the end of each period, or the applicable number of units on issue during the period.

7. Net asset value per unit based on units issued at the end of the period

	Actual 30/06/09 cents	Actual 31/03/09 cents
Net asset value per unit	162	161
Adjusted net asset value per unit (Note a)	158	158

Footnote

(a) The adjusted net asset value per unit excludes the amount to be distributed for the relevant period prior to the balance sheet date.

8. Review of the performance

	Actual 1Q FY09/10 01/04/09 to 30/06/09 S$'000	Actual 1Q FY08/09 01/04/08 to 30/06/08 S$'000	Increase / (Decrease) %
Gross revenue	102,441	92,537	11%
Property operating expenses	(21,730)	(22,837)	(5%)
Net property income	80,711	69,700	16%
Non property expenses	(6,333)	(7,325)	(14%)
Net finance costs	(15,507)	(12,821)	21%
	(21,840)	(20,146)	8%
Net income / Total return for the period	58,871	49,554	19%
Non tax deductible expenses	2,166	2,229	(3%)
Income available for distribution (Note a)	61,037	51,783	18%
Earnings per unit (cents)	3.50	3.72	(6%)
Distribution per unit (cents)	3.62	3.89	(7%)

Review of Performance 1Q FY 09/10 vs 1Q FY 08/09

Gross revenue increased by 11% mainly due to additional rental income from the following completed acquisitions and development projects from July 2008 to June 2009: Pioneer Hub, 15 Changi North Way and 3 Changi Business Park Crescent and full quarter contributions in 1Q FY09/10 from 8 Loyang Way 1 (SKP) and 31 International Business Park (Creative Resource) which were acquired in May and June 2008 respectively.

Property expenses decreased by 5% partly due to one-off reversal of over accrued property tax. Excluding the effect of that reversal, property expenses would have decreased by 2% which were mainly contributed by lower utilities expenses.

Non-property expenses were lower in 1Q FY09/10 than 1Q FY08/09 mainly due to a one-time impairment provision of business development expense in 1Q FY08/09.

Net finance costs increased by 21% due to increase in the cost of borrowings and higher proportion of fixed rate borrowings.

Net income and income available for distribution were higher than the comparable period last year by 19% and 18% respectively. The higher net income is mainly due to additional income from the properties acquired after 30 June 2008.

9. Variance between forecast and the actual results

A-REIT has not made any forecast.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore real GDP contracted by 9.6% y-o-y in 1Q 2009 and the Ministry of Trade & Industry (MTI) advance estimates indicate that GDP contracted by 3.7% y-o-y in 2Q 2009. On a seasonally-adjusted annualized basis, q-o-q real GDP rose by 20.4% in 2Q 2009 (compared to a contraction of 12.7% q-o-q in 1Q 2009).

The manufacturing sector experienced a smaller contraction of 1.5% in 2Q 2009 compared to a 24.3% contraction in 1Q 2009 due mainly to a spike in output in the volatile biomedical sector and inventory restocking in the electronic cluster. The service sector contracted by 5.1% in 2Q 2009 while the construction sector continued to register growth at 18.3%.

Non-oil domestic exports in May 2009 fell 12.0% y-o-y (19% decrease in Apr 2009), but rose 5.6% month-on-month (1.4% decrease in Apr 2009). In addition, container traffic in May 2009, which edged up 0.7% from April 2009, showed sign of stability.

According to URA's 1Q 2009 statistics, overall industrial property prices and rental rates (as represented by the URA price and rental indices) declined by 11.0% and 6.0% q-o-q respectively. Average occupancy rate was 93.0% in 1Q

2009 (93.4% in 4Q 2008 and 92.4% in 1Q 2008). However, net space demand for factory and warehouse space declined to 109,000 sqm in 1Q 2009 (246,000sqm in 4Q 2008).

According to a CBRE report for 2Q 2009, the rate of decline in industrial rents slowed down as business sentiment improved. Average monthly rent for Hi-Tech space fell to $2.80psf ($2.90psf in 1Q 2009). Average monthly rent for ground and upper floor factory units dipped by $0.05psf q-o-q to $1.40psf and $1.15psf respectively. The average monthly rent for warehouses also declined by $0.05psf q-o-q to $1.35psf for ground floor units and $1.05psf for upper floor units. According to URA, May 2009 median rental for Business Parks fell to $4.00psf ($4.09psf in 1Q 2009).

Outlook for the financial year ending 31 March 2010

The panic felt in the global markets since September 2008 may have subsided by the end of 1Q 2009. There are tentative signs of the global economy bottoming but they may not yet point to a clear recovery. Still susceptible to downside risks, the underlying global economy is expected to remain weak in the coming quarters. As for Singapore, MTI's revised estimate for real GDP in 2009 still shows a contraction of between 4% and 6%.

The global economic recovery, if any, is likely to be fragile and 2009 is expected to be a difficult year for most businesses. The outlook for A-REIT in FY09/10 will depend largely on whether there is a sustainable recovery especially in terms of global end consumer demand which will in turn have an impact on our existing tenants as well as on demand for industrial space.

The diversified nature of A-REIT's portfolio should prove to be advantageous during such times of economic uncertainty. As at 30 June 2009, about 90% of A-REIT's portfolio revenue is committed for the balance of FY09/10 and the weighted average lease to expiry is approximately 5 years. A fair mix of long and short term leases (47% versus 53% by portfolio value respectively) in the portfolio provides a certain degree of predictability and sustainability. Barring any significant deterioration in market conditions, we expect the net property income outlook for A-REIT for FY09/10 to be about the level achieved in FY08/09. However, with an expected higher cost of borrowing, the income available for distribution may be lower and will also be spread over a larger unit base as a result of the private placement and preferential offering of new units in the first quarter of 2009.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	23rd distribution for the period 1 April 2009 to 30 June 2009
Distribution Type :	Income
Distribution Rate :	3.62 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax. Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts. Qualifying foreign non-individual investor 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%.
Book closure date :	29 July 2009
Date payable :	28 August 2009

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	19th distribution for the period 1 April 2008 to 30 June 2008
Distribution Type :	Income
Distribution Rate :	3.89 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax. Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts. Qualifying foreign non-individual investor 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 18%.
Book closure date :	30 July 2008
Date paid :	27 August 2008

12. If no distribution has been declared/(recommended), a statement to that effect

NA

13. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading.

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and 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.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By order of the Board
Ascendas Funds Management (S) Limited

Maria Theresa Belmonte
Assistant Company Secretary
17 July 2009

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The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
61 Science Park Road
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Singapore Science Park III
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Attention: Mr Tan Ser Ping

17 July 2009

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 30 June 2009

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the period ended 30 June 2009.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 30 June 2009, and the statement of total return, distribution statement, statement of movements in unitholders' funds and cash flow statement of A-REIT for the period then ended, and a summary of significant accounting policies and other explanatory notes (herein defined as "Interim Financial Information").

Ascendas Funds Management (S) Limited, the Manager of A-REIT, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accounts of Singapore. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accounts of Singapore.

Restriction of Use

Our report is provided on the basis that it is for the information of the directors of the Manager and for the inclusion of our report in A-REIT's interim announcement to its unitholders, to enable the directors of the Manager to fulfill their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, A-REIT or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants
Singapore