Ascendas Real Estate Investment Trust

A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

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 and restated.

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 and its subsidiaries (the “Group”) have a diversified portfolio of 102 properties in Singapore and 1 property in Beijing, China, with a tenant base of over 1,200 customers across the following segments: Business & Science Park, Hi-Specs Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

The Group results include the consolidation of a 100% interest in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited (“AHTDBC”), which was acquired on 3 October 2011. The commentaries below are based on the Group results unless otherwise stated.

SUMMARY OF A-REIT RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Group		
	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross revenue	**150,925**	**141,960**	**6.3%**
Net property income	**107,971**	**101,112**	**6.8%**
Total amount available for distribution:	**85,193**	**76,530**	**11.3%**
- from operations	84,669	75,546	12.1%
- tax-exempt income (Note a)	524	-	nm
- from capital (Note b)	-	984	(100.0%)
	Cents per Unit		
Distribution per Unit ("DPU")	FY13/14	FY12/13	Increase / (Decrease) %
For the quarter from 1 April to 30 June (Note c)	**3.55**	**3.53**	**0.6%**
- from operations	3.53	3.48	1.4%
- tax-exempt income	0.02	-	nm
- from capital	-	0.05	(100.0%)

Note: nm denotes “not meaningful

Footnotes

(a) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders.

(b) This relates to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) in relation to a finance lease entered into with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets. In 2Q FY12/13, the Inland Revenue Authority of Singapore ("IRAS") had ruled that the income received from the finance lease with the tenant qualifies for tax transparency treatment. Thus, the income from the finance lease with the tenant which is distributed will be classified as distribution from operations and not as capital distribution with effect from 2Q FY12/13.

(c) As at book closure date, none of the S$300 million collateral loan with maturity date on 1 February 2017 is converted into A-REIT's Units. For more details on the collateral loan, please refer to Para 1(b)(i)(n) on Page 9 and Para 1(d)(ii) on Page 13.

DISTRIBUTION DETAILS

Distribution period	1 April 2013 to 30 June 2013
Distribution Type	Taxable income
Distribution amount	3.53 cents per unit
Book closure date	24 July 2013
Payment date	27 August 2013

Distribution period	1 April 2013 to 30 June 2013
Distribution Type	Tax-exempt income
Distribution amount	0.02 cents per unit
Book closure date	24 July 2013
Payment date	27 August 2013

1(a) Statement of total return together with a comparative statement for the corresponding period of the immediate preceding financial year

1(a)(ii) Statement of total return (1Q FY13/14 vs 1Q FY12/13)

	Group			Trust		
	01/04/13 to 30/06/13 (Note a) S$'000	01/04/12 to 30/06/12 (Note a) S$'000	Increase / (Decrease) %	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross revenue	150,925	141,960	6.3%	149,481	140,523	6.4%
Property services fees	(4,943)	(4,823)	2.5%	(4,859)	(4,739)	2.5%
Property tax	(10,799)	(8,951)	20.6%	(10,713)	(8,865)	20.8%
Other property operating expenses	(27,212)	(27,074)	0.5%	(27,080)	(26,882)	0.7%
Property operating expenses	(42,954)	(40,848)	5.2%	(42,652)	(40,486)	5.3%
Net property income	107,971	101,112	6.8%	106,829	100,037	6.8%
Management fees (Note b)	(8,690)	(8,198)	6.0%	(8,690)	(8,198)	6.0%
Trust expenses	(1,476)	(1,438)	2.6%	(1,454)	(1,399)	3.9%
Finance income (Note c)	36,418	4,931	nm	36,380	4,860	nm
Finance costs (Note d)	(17,568)	(24,847)	(29.3%)	(17,362)	(24,546)	(29.3%)
Foreign exchange gain/(loss) (Note e)	7,911	(12,251)	(164.6%)	7,838	(12,262)	(163.9%)
Gain on disposal of investment property (Note f)	7,205	-	nm	7,205	-	nm
Non property income/(expenses)	23,800	(41,803)	(156.9%)	23,917	(41,545)	(157.6%)
Net income	131,771	59,309	122.2%	130,746	58,492	123.5%
Net change in fair value of financial derivatives (Note g)	(349)	17,680	(102.0%)	(349)	17,680	(102.0%)
Total return for the period before income tax expense	131,422	76,989	70.7%	130,397	76,172	71.2%
Income tax expense (Note h)	(328)	(439)	(25.3%)	(251)	(285)	(11.9%)
Total return for the period after income tax expense	131,094	76,550	71.3%	130,146	75,887	71.5%
Net effect of non taxable income and other adjustments (Note i)	(46,425)	(1,004)	nm	(45,477)	(341)	nm
Income available for distribution	84,669	75,546	12.1%	84,669	75,546	12.1%
Tax-exempt income (Note j)	524	-	nm	524	-	nm
Distribution from capital (Note k)	-	984	(100.0%)	-	984	(100.0%)
Total amount available for distribution	85,193	76,530	11.3%	85,193	76,530	11.3%

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

	01/04/13 to 30/06/13 (Note a) S$'000	01/04/12 to 30/06/12 (Note a) S$'000	Increase / (Decrease) %	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross rental income	134,714	128,498	4.8%	133,279	127,067	4.9%
Other income (Note l)	16,211	13,462	20.4%	16,202	13,456	20.4%
Allowance for impairment loss on doubtful receivables	(20)	(121)	(83.5%)	(20)	(121)	(83.5%)
Depreciation of plant and equipment	(172)	(224)	(23.2%)	(172)	(223)	(22.9%)

Note: nm denotes “not meaningful

Footnotes

(a) The Group had 103 properties and 102 properties as at 30 June 2013 and 30 June 2012 respectively. The Group completed the development of a build-to-suit investment property at Nepal Hill in April 2013 and divested the property at 6 Pioneer Walk in June 2013. The build-to-suit investment property is classified as a finance lease receivable in accordance with FRS 17.

(b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and 80% in cash for all properties. Management fees increased in line with higher Deposited Property value contributed mainly by the acquisition of The Galen at the end of FY12/13, fair value gain on investment properties in FY12/13, development costs incurred in relation to investment properties under development and the completion of a build-to-suit investment property in 1Q FY13/14.

(c) Finance income comprises interest income from interest rate swaps, convertible bonds and bank deposits. In 1Q FY13/14, finance income included a fair value gain on convertible bonds of $10.2 million (1Q FY12/13: $2.6 million) and fair value gain on collateral loan of $23.6 million (1Q FY12/13: loss of $7.0 million included in finance costs). The convertible bonds and collateral loan (with embedded derivatives) have been designated at fair value through profit or loss in accordance with FRS 39, where changes in fair value therein are recognised in the Statement of Total Return as finance income or finance costs.

(d) Finance costs comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes ("MTN"), Transferrable Loan Facilities, Committed Revolving Credit Facilities) and accretion adjustments for refundable security deposits. The lower finance costs was mainly due to the fair value loss on collateral loan of $7.0 million recognised in 1Q FY12/13 (1Q FY13/14: gain of $23.6 million included in finance income).

(e) Foreign exchange gain/(loss) mainly relates to the gain on translation of the Trust's JPY-denominated MTN. Foreign exchange gain in 1Q FY13/14 was mainly due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

(f) This relates to the gain arising from the divestment of investment property located at 6 Pioneer Walk, which was completed in June 2013.

(g) Net change in fair value of financial derivatives in 1Q FY13/14 was made up of a $0.4 million fair value loss (1Q FY12/13: $0.1 million) on interest rate swaps, and a fair value gain on cross currency swaps of $0.03 million (1Q FY12/13: $17.8 million). Fair value gain on cross currency swaps in 1Q FY13/14 was mainly due to the strengthening of JPY forward exchange rates against SGD. For further details, please refer to Note (n) on Pages 9 and 10.

(h) Income tax expense in 1Q FY13/14 includes income tax expense relating to AHTDBC, and income tax provided on both interest income earned from investment in convertible bonds and finance lease interest income received from a tenant. Income tax expense in 1Q FY12/13 was mainly related to deferred tax in respect of temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes, income tax expenses incurred in China relating to AHTDBC and income tax provided on interest income earned from investment in convertible bonds.

(i) Net effect of non taxable income and other adjustments comprises:

	Group			Trust		
	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	1,739	1,639	6.1%	1,739	1,639	6.1%
Trustee fee	522	493	5.9%	522	493	5.9%
Net change in fair value of financial derivatives	349	(17,680)	(102.0%)	349	(17,680)	(102.0%)
Other net non (taxable income)/tax deductible expenses and other adjustments (Note A)	(40,249)	2,945	nm	(40,249)	2,945	nm
Transfer to general reserve	(32)	(38)	(15.8%)	-	-	-
Unrealised foreign exchange (gain)/loss	(7,911)	12,251	(164.6%)	(7,838)	12,262	(163.9%)
Distributable income from a subsidiary not yet received, not distributed (Note B)	(843)	(614)	37.3%	-	-	-
Net effect of non taxable income and other adjustments	(46,425)	(1,004)	nm	(45,477)	(341)	nm

Note: nm denotes "not meaningful

A. Other net non (taxable income)/tax deductible expenses and other adjustments include mainly set-up costs on loan facilities, commitment fee paid on undrawn committed credit facilities, net change in fair value of collateral loan and convertible bonds, accretion adjustments for refundable security deposits and gain arising from the divestment of investment property.

B. This relates to income from AHTDBC, which has yet to be received by A-REIT as at 30 June 2013. The intention is to distribute such net income, after relevant adjustments such as withholding tax payable, semi-annually.

(j) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders.

(k) This relates to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) in relation to a finance lease entered into with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets. In 2Q FY12/13, IRAS had ruled that the income received from the finance lease with the tenant qualifies for tax transparency treatment.

(l) Other income includes revenue from utilities charges, interest income from finance lease receivables, car park revenue and liquidated damages.

Gross revenue increased by 6.3% mainly due to the recognition of rental income earned from the The Galen, which was acquired at the end of FY12/13. In addition, positive rental reversion also contributed to the increase in gross revenue.

The increase in property tax of 20.6% was mainly contributed by The Galen that was acquired towards the end of FY12/13 as well as the upward revision in annual value of Kim Chuan Telecommunications Complex and 38 Kim Chuan Road. Changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted had also contributed to the higher property tax in 1Q FY13/14.

The acquisition of The Galen and changes in lease structure of certain properties had also given rise to higher other property expenses in 1Q FY13/14. For most of the single-tenanted properties, the properties are maintained by the tenants in which expenses such as land rent, property tax, and/or maintenance & conservancy costs may be borne by the tenants. These increase in expenses were, however, offset by lower utilities charges primarily in the Hi-Specs Industrial segment due to more efficient use of energy as a result of the completion of chiller upgrading at Corporation Place and lower pre-committed utilities rates at certain properties.

The non property income in 1Q FY13/14 as compared to the non property expenses in 1Q FY12/13 was mainly due to:

(i) higher finance income which included a fair value gain on collateral loan of $23.6 million (1Q FY12/13: loss of $7.0 million included in finance costs) and a fair value gain on convertible bonds of $10.2 million (1Q FY12/13: $2.6 million)

(ii) foreign exchange gain on translation of the Trust's JPY-denominated MTN of $7.9 million (1Q FY12/13: loss of $12.3 million).

offset by:

(iii) higher management fees (see Note (b) on Page 4)

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

	Group		Trust	
	30/06/13 S$'000	31/03/13 S$'000	30/06/13 S$'000	31/03/13 S$'000
Non-current assets				
Investment properties (Note a)	6,451,183	6,447,054	6,379,829	6,378,190
Investment properties under development (Note b)	168,571	151,916	168,571	151,916
Investment in debt securities (Note c)	180,710	145,535	180,710	145,535
Plant and equipment	820	992	818	990
Finance lease receivable (Note d)	94,625	63,370	94,625	63,370
Interest in a subsidiary (Note e)	-	-	48,918	48,918
Other assets (Note f)	3,184	33,070	3,184	33,070
Derivative assets (Note g)	2,965	12,259	2,965	12,259
	6,902,058	**6,854,196**	**6,879,620**	**6,834,248**
Current assets				
Finance lease receivable	1,016	1,901	1,016	1,901
Trade and other receivables (Note h)	50,340	47,301	49,486	46,653
Other assets (Note f)	36,043	36,040	36,043	36,040
Derivative assets (Note g)	1,916	64	1,916	64
Cash and cash equivalents	25,495	19,525	17,360	12,544
	114,810	**104,831**	**105,821**	**97,202**
Current liabilities				
Trade and other payables (Note i)	124,719	134,647	122,533	132,981
Security deposits (Note j)	60,768	69,667	59,445	68,394
Derivative liabilities (Note k)	4,166	885	4,166	885
Short term borrowings (Note l)	539,590	109,710	539,590	109,710
Medium term notes (Note n)	124,993	124,965	124,993	124,965
Provision for taxation (Note m)	872	759	729	478
	855,108	**440,633**	**851,456**	**437,413**
Non-current liabilities				
Security deposits (Note j)	18,111	4,617	18,111	4,617
Derivative liabilities (Note k)	84,924	105,879	84,924	105,879
Medium term notes (Note n)	448,417	456,202	448,417	456,202
Collateral loan (Note n)	335,844	359,517	335,844	359,517
Term loans (Note n)	534,653	928,671	520,426	914,920
Deferred tax liabilities	2,437	2,359	-	-
	1,424,386	**1,857,245**	**1,407,722**	**1,841,135**
Net assets	**4,737,374**	**4,661,149**	**4,726,263**	**4,652,902**
Represented by:				
Unitholders' funds	**4,737,374**	**4,661,149**	**4,726,263**	**4,652,902**

	30/06/13 S$'000	31/03/13 S$'000	30/06/13 S$'000	31/03/13 S$'000
Gross borrowings				
Secured borrowings				
Amount repayable after one year	335,844	754,517	335,844	754,517
Amount repayable within one year	395,000	-	395,000	-
Unsecured borrowings				
Amount repayable after one year	989,715	997,080	975,488	983,328
Amount repayable within one year	270,000	235,000	270,000	235,000
	1,990,559	1,986,597	1,976,332	1,972,845

Footnotes

(a) The increase in value of investment properties was mainly due to asset enhancement works at 1 Changi Business Park Avenue 1, 31 International Business Park, Techplace II, Techpoint and 31 Ubi Road 1, offset by the divestment of a property at 6 Pioneer Walk, which was completed in June 2013.

(b) Investment properties under development as at 30 June 2013 relate to the Fusionopolis project (Nexus@one-north).

(c) Investment in debt securities relates to an investment in convertible bonds (the “CB”) that is issued by PLC8 Development Pte Ltd (the "Issuer") and due in June 2015. A-REIT had subscribed for an additional amount of $25.0 million convertible bonds in 1Q FY13/14. An increase in the fair value of the convertible bonds also contributed to the increase in investment in debt securities.

The Issuer is the developer of an integrated industrial mixed use property on a 60-year leasehold land parcel at Kallang Avenue, Singapore (the “Property”). The CB carries a coupon of 2% per annum and is secured over the assets of the Issuer but ranked after the security given by the Issuer to secure bank financing for the development of the Property.

(d) The increase in finance lease receivable was due to the transfer of a build-to-suit investment property from other assets upon completion of its development and commencement of the lease to a tenant. The lease from the build-to-suit investment property is classified as finance lease receivable in accordance with FRS 17.

(e) Interest in a subsidiary relates to A-REIT’s investment in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, AHTDBC.

(f) Other assets decreased due to the transfer of a build-to-suit investment property to finance lease receivable upon the completion of its development and commencement of the lease to a tenant in April 2013. Other assets also included deposits paid for the forward purchase of a business space.

(g) The decrease in derivative assets was mainly due to an unfavourable change in the fair value of floating rate interest rate swaps.

(h) The increase in trade and other receivables was mainly due to higher interest income receivable on floating interest rate swaps.

(i) The trade and other payables balance as at 31 March 2013 was higher because it included accrued performance fees and higher advance rental received from tenants.

(j) The increase in security deposits was in line with the rising business volume brought about by increased occupancy in certain properties.

(k) Derivatives liabilities decreased mainly due to a favourable change in the fair value of certain interest rate swaps.

(l) The increase in short term borrowings was mainly to finance the costs of asset enhancement work.

(m) Provision for taxation comprises mainly income tax payable of AHTDBC and income tax provided on interest income earned from the investment in convertible bonds and the finance lease receivable from a tenant.

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

Term loans
A term loan of S$395 million (Commercial Mortgage Backed Securities) granted by a special purpose company, Emerald Assets Limited ("Emerald"), was outstanding as at the date of balance sheet. As collateral for the credit facilities granted by Emerald, the Trustee has granted in favour of Emerald the following:

(i) a mortgage over the 38 (FY12/13: 38) 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 A-REIT relating to the above mentioned properties.

Collateral loan
In March 2010, a collateral loan of S$300 million with final maturity date on 1 February 2017 was granted by a special purpose vehicle, Ruby Assets Pte. Ltd. ("Ruby"). To fund the collateral loan granted to A-REIT, Ruby had issued S$300 million Exchangeable Collateralised Securities ("ECS") which are exchangeable into new units of A-REIT ("Units") at an adjusted conversion price of $2.2189 per unit, subject to certain conditions, at any time on or after 6 May 2010 and have an expected maturity date of 1 February 2017. The Trustee has the option to pay cash in lieu of delivering the Units. There has been no conversion of any of the collateral loan since the date of issue.

As collateral for the loan granted by Ruby, the Trustee has granted in favour of Ruby the following:

(i) a mortgage over the 19 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 A-REIT relating to the above mentioned properties.

Medium Term Notes
A-REIT established a S$1.0 billion Multicurrency Medium Term Note Programme ("MTN2009") in March 2009. As at the balance sheet date, S$627.0 million remained outstanding.

In addition, A-REIT has various bilateral banking credit facilities with varying degrees of utilisation as at the balance sheet date.

As at 30 June 2013, 68.1% of A-REIT Group's interest rate exposure was fixed with an overall weighted average tenure of 3.96 years remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings as at 30 June 2013 was 3.09% (including margins charged on the loans and amortised annual costs of the MTN, Transferrable Loan Facilities and Committed Revolving Credit Facilities). The outstanding interest rate swaps have terms from less than 1 year to less than 7 years. The effective hedge portion of changes in the fair value of interest rate swaps is recognised in the Statement of Movement in Unitholders' Funds. The fair value changes of the remaining interest rate swaps, changes in fair value of the collateral loan and cross currency swaps are recognised in the Statement of Total Return in accordance with FRS 39.

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

1 (c)(ii) Cash flow statement (1Q FY13/14 vs 1Q FY12/13)

	Group	
	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000
Cash flows from operating activities		
Net income	131,771	59,309
Adjustments for		
Allowance for impairment loss on doubtful receivables	20	121
Management fees paid/payable in units	1,739	1,639
Depreciation of plant and equipment	172	224
Finance income	(36,418)	(4,931)
Finance costs	17,568	24,847
Foreign exchange (gain)/loss	(7,911)	12,251
Gain on disposal of investment property	(7,205)	-
Operating income before working capital changes	99,736	93,460
Changes in working capital		
Trade and other receivables	(2,047)	(3,648)
Trade and other payables	(6,999)	662
Cash generated from operating activities	90,690	90,474
Income tax paid	(221)	(136)
Net cash from operating activities	90,469	90,338
Cash flows from investing activities		
Payment for investment properties and other assets under development	(20,022)	(15,031)
Purchase of plant and equipment	-	(7)
Payment for capital improvement on investment properties	(23,801)	(10,053)
Proceeds from sale of investment property	32,000	-
Investment in debt securities	(25,000)	-
Interest received	1,149	1,091
Net cash used in investing activities	(35,674)	(24,000)
Cash flows from financing activities		
Equity issue costs paid	(130)	(1,959)
Proceeds from issue of units	-	298,500
Distributions paid to Unitholders	(69,104)	(109,065)
Finance costs paid	(14,830)	(14,412)
Transaction costs paid in respect of borrowings	-	(1,177)
Proceeds from borrowings	136,000	231,677
Repayment of borrowings	(101,000)	(466,900)
Net cash used in financing activities	(49,064)	(63,336)
Net increase in cash and cash equivalents	5,731	3,002
Cash and cash equivalents at beginning of the financial period	19,525	19,589
Effect of exchange rate changes on cash balances	239	47
Cash and cash equivalents at end of the financial period	25,495	22,638

1 (d)(i) Statement of movement in unitholders’ funds (1Q FY13/14 vs 1Q FY12/13)

	Group		Trust	
	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000	01/04/13 to 30/06/13 S$'000	01/04/12 to 30/06/12 S$'000
Balance at beginning of the financial period	4,661,149	3,917,456	4,652,902	3,917,003
Operations				
Net income (Note a)	131,771	59,309	130,746	58,492
Net change in fair value of financial derivatives	(349)	17,680	(349)	17,680
Income tax expense	(328)	(439)	(251)	(285)
Net increase in net assets resulting from operations	131,094	76,550	130,146	75,887
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note b)	10,580	(268)	10,580	(268)
Net increase/(decrease) in net assets resulting from hedging transactions	10,580	(268)	10,580	(268)
Movement in foreign currency translation reserve (Note c)	1,916	210	-	-
Unitholders' transactions				
New units issued	-	298,500	-	298,500
Acquisition fees (IPT acquisition) paid in units	-	1,830	-	1,830
Management fees paid/payable in units	1,739	1,639	1,739	1,639
Equity issue costs	-	(2,008)	-	(2,008)
Distributions to Unitholders	(69,104)	(109,065)	(69,104)	(109,065)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(67,365)	190,896	(67,365)	190,896
Balance at end of the financial period	4,737,374	4,184,844	4,726,263	4,183,518

Footnotes

(a) Included in net income is the gain arising from the divestment of investment property located at 6 Pioneer Walk, which was completed in June 2013 of $7.2 million.

(b) In 1Q FY13/14, the forward interest rates at the end of the period were higher than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered a favourable change as compared to the beginning of the period.

In 1Q FY12/13, the forward interest rates at the end of the period were lower than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered a unfavourable change as compared to the beginning of the period.

(c) This amount was related to the foreign exchange translation differences arising from translation of the financial statements of AHTDBC.

1 (d)(ii) Details of any changes in the units (1Q FY13/14 vs 1Q FY12/13)

	Trust	
	01/04/13 to 30/06/13 Units	01/04/12 to 30/06/12 Units
Units issued:		
At beginning of the financial period	2,398,946,090	2,085,077,194
Issue of new units:		
- Issued pursuant to equity raising in May 2012	-	150,000,000
- Acquisition fees (IPT acquisition) paid in units	462,860	898,247
- Management fees paid in units	1,462,927	1,577,127
At end of the financial period	**2,400,871,877**	**2,237,552,568**
Units to be issued:		
Management fees payable in units	259,454	258,722
Units issued and issuable at end of the financial period	**2,401,131,331**	**2,237,811,290**

A collateral loan of S$300 million with maturity date on 1 February 2017 was granted by Ruby Assets Pte. Ltd. Please refer to Note (n) on Page 9 for further details of the collateral loan.

The collateral loan is exchangeable into fully paid units representing undivided interests in A-REIT at any time on or after 6 May 2010 at an adjusted conversion price of $2.2189 per unit, subject to adjustment upon the occurrence of certain events.

There has been no conversion of any of the collateral loan since the date of issue.

Assuming the collateral loan is fully converted based on the adjusted conversion price of $2.2189 per unit, the number of new units to be issued would be 135,202,127 representing 5.6% of the total number of A-REIT Units in issue as at 30 June 2013.

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)

Please see attached review report.

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

On 1 April 2013, the Group adopted the revised Statement of Recommended Accounting Practice 7 (2012) *"Reporting Framework for Units Trusts"* issued by the Institute of Singapore Chartered Accountants which has no significant impact to the financial statements of the Group.

Except for the above, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with the audited financial statements for the financial year ended 31 March 2013.

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

There are no significant changes in the accounting policies and methods of computation.

6. Earnings per Unit ("EPU") and Distribution per Unit ("DPU") for the financial period

	Group		Trust	
6.1 EPU for 1Q FY13/14 compared to 4Q FY12/13	1Q FY13/14 01/04/13 to 30/06/13	4Q FY12/13 01/01/13 to 31/03/13	1Q FY13/14 01/04/13 to 30/06/13	4Q FY12/13 01/01/13 to 31/03/13
Basic EPU (Note a)				
Weighted average number of units	2,399,524,967	2,262,072,348	2,399,524,967	2,262,072,348
Earnings per unit in cents (EPU)	5.46	5.39	5.42	5.11
Dilutive EPU (Note b)				
Weighted average number of units	2,534,727,094	2,262,072,348	2,534,727,094	2,262,072,348
Earnings per unit in cents (Dilutive EPU)	4.29	5.39	4.25	5.11

	Group		Trust	
6.2 EPU for 1Q FY13/14 compared to 1Q FY12/13	1Q FY13/14 01/04/13 to 30/06/13	1Q FY12/13 01/04/12 to 30/06/12	1Q FY13/14 01/04/13 to 30/06/13	1Q FY12/13 01/04/12 to 30/06/12
Basic EPU (Note a)				
Weighted average number of units	2,399,524,967	2,165,119,818	2,399,524,967	2,165,119,818
Earnings per unit in cents (EPU)	5.46	3.54	5.42	3.51
Dilutive EPU (Note b)				
Weighted average number of units	2,534,727,094	2,165,119,818	2,534,727,094	2,165,119,818
Earnings per unit in cents (Dilutive EPU)	4.29	3.54	4.25	3.51

Footnotes

(a) The EPU has been calculated using total return for the period and the weighted average number of units issued and issuable during the period.

(b) For 1Q FY13/14, the dilutive EPU were computed on the basis that the collateral loan was converted at the beginning of the period. For 1Q FY12/13 and 4Q FY12/13 the collateral loan was anti-dilutive and were excluded from the calculation of dilutive EPU.

Dilutive EPU is determined by adjusting the total return for the period and the weighted average number of units issued and issuable during that period for the effects of all potential dilutive units. Potential units shall be treated as dilutive when, and only when, their conversion to A-REIT Units would decrease earnings per unit or increase loss per unit. The disclosure of dilutive EPU is in relation to the issuance of collateral loan which has a convertible option to redeem the loan in A-REIT Units.

For 1Q FY13/14, the dilutive EPU was computed based on the adjusted total return and the adjusted weighted average number of units. The adjusted total return for the period was derived by adding back the interest expense on collateral loan of $1,197,000 and deducting the gain on collateral loan of $23,673,000 from the total return for the period after income tax. The adjusted weighted average number of units took into account the potential dilutive units of 135,202,127 (see para 1(d)(ii) on Page 13).

	Group		Trust	
6.3 DPU for 1Q FY13/14 compared to 4Q FY12/13	1Q FY13/14 01/04/13 to 30/06/13	4Q FY12/13 01/01/13 to 31/03/13	1Q FY13/14 01/04/13 to 30/06/13	4Q FY12/13 01/01/13 to 31/03/13
Number of units in issue	2,400,871,877	2,398,946,090	2,400,871,877	2,398,946,090
Distribution per unit in cents (Note a)	3.55	3.06	3.55	3.06

	Group		Trust	
6.4 DPU for 1Q FY13/14 compared to 1Q FY12/13	1Q FY13/14 01/04/13 to 30/06/13	1Q FY12/13 01/04/12 to 30/06/12	1Q FY13/14 01/04/13 to 30/06/13	1Q FY12/13 01/04/12 to 30/06/12
Number of units in issue	2,400,871,877	2,237,552,568	2,400,871,877	2,237,552,568
Distribution per unit in cents (Note a)	3.55	3.53	3.55	3.53

Footnotes

(a) As at book closure date, none of the S$300 million collateral loan is converted into A-REIT Units.

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

	Group		Trust	
	30/06/13 cents	31/03/13 cents	30/06/13 cents	31/03/13 cents
Net asset value per unit	197.3	194.2	196.8	193.8
Adjusted net asset value per unit (Note a)	193.8	191.3	193.3	191.0

Footnote

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

8. Review of Performance

Review of Performance 1Q FY13/14 vs 1Q FY12/13

	Group		
	1Q FY13/14 01/04/13 to 30/06/13 S$'000	1Q FY12/13 01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross revenue	150,925	141,960	6.3%
Property operating expenses	(42,954)	(40,848)	5.2%
Net property income	107,971	101,112	6.8%
Non property expenses	(10,166)	(9,636)	5.5%
Net finance income/(costs)	18,850	(19,916)	(194.6%)
Foreign exchange gain/(loss)	7,911	(12,251)	(164.6%)
Gain on disposal of investment property	7,205	-	nm
	23,800	(41,803)	(156.9%)
Net income	131,771	59,309	122.2%
Net change in fair value of financial derivatives	(349)	17,680	(102.0%)
Total return for the period before income tax expense	131,422	76,989	70.7%
Income tax expense	(328)	(439)	(25.3%)
Total return for the period after income tax expense	131,094	76,550	71.3%
Net effect of non taxable income and other adjustments	(46,425)	(1,004)	nm
Income available for distribution	84,669	75,546	12.1%
Tax-exempt income (Note a)	524	-	nm
Distribution from capital (Note b)	-	984	(100.0%)
Total amount available for distribution	85,193	76,530	11.3%
Earnings per unit (cents)	5.46	3.54	54.2%
Distribution per unit (cents)	3.55	3.53	0.6%

Footnote

(a) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders

(b) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) in relation to a finance lease entered into with a tenant. In 2Q FY12/13, IRAS had ruled that the income received from the finance lease with the tenant qualifies for tax transparency treatment.

Gross revenue increased by 6.3% mainly due to the recognition of rental income earned from The Galen, which was acquired towards the end of FY12/13. In addition, positive rental reversion also contributed to the increase in gross revenue.

The 5.2% increase in property operating expenses was mainly contributed by:
(i) expenses from The Galen which was acquired towards the end of FY12/13
(ii) higher maintenance and conservancy costs at certain other properties mainly due to the increase in term contracts costs
(iii) higher property tax at certain other properties mainly from upward revision in annual value of 38 Kim Chuan Road and Kim Chuan Telecommunication Complex. In addition, changes in lease structure arising from conversion of properties from single-tennated to multi-tenanted had also contributed to the higher property tax in 1Q FY13/14.
Offset by
(iv) lower utilities charges in 1Q FY13/14 primarily in the Hi-Specs Industrial segment due to more efficient use of energy as a result of the completion of chiller upgrading at Corporation Place and lower pre-committed utilities rates in certain properties

Net finance income in 1Q FY13/14 as compared to net finance costs in 1Q FY12/13 mainly due to the fair value gain on collateral loan of $23.6 million (1Q FY12/13: loss of $7.0 million), higher fair value gain on convertible bonds of $10.2 million (1Q FY12/13: $2.6 million), and higher interest income from interest rate swaps and convertible bonds.

Foreign exchange gain/(loss) mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange gain in 1Q FY13/14 was mainly due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

The gain on disposal of investment property relates to the gain arising from the divestment of investment property located at 6 Pioneer Walk, which was completed in June 2013.

Net change in fair value of financial derivatives in 1Q FY13/14 was made up of a $0.4 million fair value loss on interest rates swaps (1Q FY12/13: $0.1 million) and a fair value gain on cross currency swaps of $0.03 million (1Q FY12/13: $17.8 million). Fair value gain on cross currency swaps in 1Q FY13/14 was mainly due to the strengthening of the JPY forward exchange rates against SGD.

Income tax expense in 1Q FY13/14 was lower mainly because income tax in 1Q FY12/13 included provision of deferred tax on finance lease receivable which was subsequently reversed in 2Q FY12/13 after IRAS ruled that the income received from the finance lease with the tenant qualifies for tax transparency treatment. This was offset by a provision of income tax on finance lease interest income and income tax provided on higher interest income earned from investment in convertible bonds in 1Q FY13/14.

Net effect of non taxable income and other adjustments were higher in 1Q FY13/14 mainly due to:
(i) fair value gain on collateral loan of $23.6 million as compared to fair value loss of $7.0 million in 1Q FY12/13
(ii) higher fair value gain on convertible bonds of $10.2 million (1Q FY12/13: $2.6 million)
(iii) foreign exchange gain arose mainly from the translation of the Trust's JPY-denominated MTN of $7.9 million as compared to foreign exchange loss of $12.3 million in 1Q FY12/13
(iv) gain on divestment of investment property of $7.2 million in 1Q FY13/14
Offset by
(v) Net fair value loss on financial derivatives of $0.3 million as compared to net fair value gain on financial derivatives of $17.7 million in 1Q FY12/13.

Total amount available for distribution was 11.3% higher than 1Q FY12/13 mainly due to higher net property income.

Review of Performance 1Q FY13/14 vs 4Q FY12/13

	Group		
	1Q FY13/14 01/04/13 to 30/06/13 S$'000	4Q FY12/13 01/01/13 to 31/03/13 S$'000	Increase / (Decrease) %
Gross revenue	150,925	145,383	3.8%
Property operating expenses	(42,954)	(45,270)	(5.1%)
Net property income	107,971	100,113	7.8%
Non property expenses	(10,166)	(16,299)	(37.6%)
Net finance income/(costs)	18,850	(34,435)	(154.7%)
Foreign exchange gain	7,911	20,111	(60.7%)
Gain on disposal of investment property	7,205	-	nm
	23,800	(30,623)	(177.7%)
Net income	131,771	69,490	89.6%
Net change in fair value of financial derivatives	(349)	(18,359)	(98.1%)
Net appreciation on revaluation of investment properties	-	72,779	(100.0%)
Total return for the period before income tax expense	131,422	123,910	6.1%
Income tax expenses	(328)	(2,047)	(84.0%)
Total return for the period after income tax expense	131,094	121,863	7.6%
Net effect of non (taxable income)/tax deductible expenses and other adjustments	(46,425)	19,760	nm
Net appreciation on revaluation of investment properties	-	(72,779)	(100.0%)
Income available for distribution	84,669	68,844	23.0%
Tax-exempt income (Note a)	524	-	nm
Total amount available for distribution	85,193	68,844	23.7%
Earnings per unit (cents)	5.46	5.39	1.3%
Distribution per unit (cents)	3.55	3.06	16.0%

Note: nm denotes “not meaningful”

(a) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of unitholders.

Revenue in 1Q FY13/14 was higher than 4Q FY12/13 by 3.8% mainly due to the recognition of full quarter revenue from The Galen which was acquired towards the end of March 2013.

Property operating expenses was lower in 1QFY13/14 by 5.1% mainly due to:

(i) Lower property tax in 1Q FY13/14 as 4Q FY12/13 included adjustments for prior periods property tax due to upwards adjustments to annual value of properties at 38 Kim Chuan Road, Kim Chuan Telecommunication Complex and FoodAxis @ Senoko.

(ii) lower maintenance and conservancy costs

offset by

(iii) increase in property operating expenses contributed by the acquisition of The Galen.

Non property expenses decreased by 37.6% mainly due to the incurrence of a performance fee of $6.9 million in 4Q FY12/13.

The net finance income in 1Q FY13/14 as compared to net finance costs in 4Q FY12/13 was mainly due to a fair value gain on collateral loan of $23.6 million as compared to fair value loss of $26.1 million in 4Q FY12/13, and higher fair value gain on convertible bonds of $10.2 million in 1Q FY13/14 as compared to $6.6 million in 4Q FY12/13.

Foreign exchange gain relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange gain was due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

The gain on disposal of investment property relates to the gain arising from the divestment of investment property located at 6 Pioneer Walk, which was completed in June 2013

Net change in fair value of financial derivatives in 1Q FY13/14 was made up of a fair value loss on interest rate swaps of $0.4 million (4Q FY12/13: gain of $1.1 million), and a $0.03 million fair value gain (4Q FY12/13: loss of $19.4 million) on cross currency swaps. Fair value gain on cross currency swaps was mainly due to the strengthening of the JPY forward exchange rates against SGD.

The income tax expense for 1Q FY13/14 was lower as income tax expenses in 4Q FY12/13 included deferred tax provided on fair value gain on revaluation of Ascendas ZLink.

The net non taxable income and other adjustments in 1Q FY13/14 as compared to the non tax deductible expense in 4Q FY12/13 was mainly due to:
(i) fair value gain on collateral loan of $23.6 million as compared to fair value loss of $26.1 million in 4Q FY12/13
(ii) higher fair value gain on convertible bonds of $10.2 million in 1Q FY13/14 (4Q FY12/13: $6.6 million)
(iii) gain on divestment of investment property of $7.2 million in 1Q FY13/14
(iv) lower net fair value loss on financial derivatives of $0.3 million in 1Q FY13/14 (4Q FY12/13: $18.4 million)
offset by
(v) lower foreign exchange gain which arose mainly from the translation of the Trust's JPY-denominated MTN of $7.9 million (4Q FY12/13: $20.1 million)

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

According to Singapore's Ministry of Trade and Industry's (MTI) advance estimates, Singapore's economy grew by 3.7% on a year-on-year basis in the 2Q 2013, compared to 0.2% in 1Q 2013. On a quarter-on-quarter seasonally-adjusted annualized basis, the economy grew by 15.2%, higher than the 1.8% growth in the previous quarter. The growth was partly due to an expansion in the manufacturing sector, which grew by 1.1% in 2Q 2013, a reversal from the 6.9% contraction in 1Q 2013. This sharp rebound was a result of strong growth in the biomedical manufacturing and electronics clusters.

Singapore's Purchasing Manager's Index (PMI) rose to 51.7 points in June 2013, up from 51.1 points in May 2013. The increase is largely attributed to new orders and new export orders as well as first-time expansion in production output.

According to the URA, prices of industrial space increased by 4.5% in 1Q 2013, reversing a 0.7% decline in 4Q 2012. The industrial property rental index registered an increase of 0.4% in 1Q 2013, lower than the 3.9% increase in the previous quarter. Median rental rates for business park space increased to S$4.05 psf per month (4Q 2012: S$3.81 psf per month). According to the CBRE 2Q 2013 Report, ground floor rental rates for factory space and warehouse space remained stable in 1Q 2013 at S$1.94 psf per month and S$1.79 psf per month respectively.

The vacancy rate of factory space increased slightly from 6.9% at the end of 4Q 2012 to 7.0% at the end of 1Q 2013. Vacancy for warehouse space remained stable in 1Q 2013 at 7.1%. Business park vacancy decreased 1.9% to 17.2% in 1Q 2013 from 19.1% in 4Q 2012.

China

China's 2Q 2013 GDP growth slowed to 7.5%, down from 7.7% in 1Q 2013. In addition, the PMI dropped to 50.1 points in June 2013, 0.8 points lower than March 2013's reading of 50.9 points. Inflation accelerated to 2.7% in June 2013 from 2.1% the month before. Given these, economists predict that China's GDP growth may slow down further without government stimulus. China's new administration has signaled its intention to rebalance the economy away from reliance on exports and investments for growth and toward a greater emphasis on domestic consumption.

Outlook for the financial year ending 31 March 2014

A-REIT had 21.4% of its revenue due for renewal at the beginning of FY13/14. As a result of its proactive portfolio management, this has been reduced to 14.8% at the end of 1Q FY13/14, thereby increasing the income stability of A-REIT.

For the balance of the financial year, the passing rents of leases due for renewal are still below market spot rent, hence positive rental reversions can be expected. Furthermore, A-REIT's portfolio has a mix of long and short term leases (32% versus 68% by asset value) with a weighted average lease to expiry of about 3.9 years which will provide sustainable and predictable earnings. With 10.7% vacancy in the multi-tenanted portion of the portfolio, there could be potential upside in net property income when these spaces are leased out in due course, if the market conditions do not deteriorate.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects A-REIT to deliver a performance on par with the previous financial year.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	42nd distribution for the period 1 April 2013 to 30 June 2013
Distribution Type :	Taxable income / Tax-exempt income
Distribution Rate :	Taxable income - 3.53 cents per unit Tax-exempt income - 0.02 cents per unit
Par value of units :	Not applicable
Tax Rate :	<u>Taxable income distribution</u> 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%. <u>Tax-exempt Income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders., regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of A-REIT on the income of A-REIT against their Singapore income tax liability.
Book closure date :	24 July 2013
Date payable :	27 August 2013

(b) Corresponding period of the immediately preceding year

(i)	Any distributions declared for the previous corresponding financial period :	Yes
	Name of distribution :	36th distribution for the period 1 April 2012 to 13 May 2012
	Distribution Type :	Income / Capital
	Distribution Rate :	Taxable income - 1.71 cents per unit Capital - 0.02 cents per unit
	Par value of units :	Not applicable
	Tax Rate :	<u>Taxable income distribution</u> 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%. <u>Capital distribution</u> Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.
	Book closure date :	11 May 2012
	Date payable :	15 June 2012

(b) Corresponding period of the immediately preceding year

(ii)	Any distributions declared for the previous corresponding financial period :	Yes
	Name of distribution :	37th distribution for the period 14 May 2012 to 30 June 2012
	Distribution Type :	Income / Capital
	Distribution Rate :	Taxable income - 1.77 cents per unit Capital - 0.03 cents per unit
	Par value of units :	Not applicable
	Tax Rate :	Taxable income distribution 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%. Capital distribution Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.
	Book closure date :	25 July 2012
	Date paid :	28 August 2012

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

Not applicable.

13. If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

A-REIT has not obtained a general mandate from unitholders for interested parties transactions.

14. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that in relation to the distribution to the Unitholders of A-REIT for the financial quarter ended 30 June 2013:

The Manager is satisfied on reasonable grounds that, immediately after making the distribution, A-REIT will be able to fulfill, from its deposited property, its liabilities as and when they fall due.

A-REIT's current distribution policy is to distribute 100% of its distributable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains, and unrealised surplus on revaluation of investment properties and investment properties under development. Distributions are usually made on a quarterly basis at the discretion of the Manager. However in the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax payable, at the discretion of the Manager.

15. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(5) 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 in any material aspect.

16. USE OF PROCEEDS FROM PRIVATE PLACEMENTS

(i) Gross proceeds of $298.5 million from Private Placement in May 2012

Announced use of proceeds	Announced use of proceeds ($'million)	Actual use of proceeds ($'million)	Balance of proceeds ($'million) (Note a)
To fund the asset enhancement initiative at 9 Changi South Street 3	14.6	14.6	-
To fund the asset enhancement initiative at Techplace II	42.4	30.2	12.2
To fund the development of Nexus@one-north	68.0	58.6	9.4
To fund the development of Unilever Four Acres Singapore	32.3	32.3	-
To fund the forward purchase of A-REIT City@Jinqiao	90.0	90.0	-
To pay issue expenses incurred by A-REIT in relation to the Private Placement	4.7	$4.7	-
For general corporate and working capital purposes	46.5	13.0 (Note b)	33.5
Total	298.5	243.4	55.1

Footnote

(a) $55.1 million had been used to repay outstanding borrowings, pending the deployment of such funds for their intended use.

(b) $13.0 million had been used to partly fund capital expenditures at Xilin Districentre Building D, 31 Ubi Road 1, 1 Changi Business Park Avenue1 and 31 International Business Park and Techpoint.

(ii) **Gross proceeds of $406.4 million from Private Placement in March 2013**

Announced use of proceeds	Announced use of proceeds ($'million)	Actual use of proceeds ($'million)	Balance of proceeds ($'million) (Note a)
To fund acquisition of The Galen	126.0	126.0	-
To partly fund the potential acquisition of an integrated industrial mixed use property (comprising business space and white commercial space) at Kallang Avenue	270.0	-	270.0
To pay issue expenses incurred by A-REIT in relation to the Private Placement	5.8	5.8	-
For general corporate and working capital purposes	4.6	0.6 (Note b)	4.0
Total	$406.4	$132.4	$274.0

Footnote

(a) $274.0 million had been used to repay outstanding borrowings, pending the deployment of such funds for their intended use.
(b) $0.6 million had been used for the transaction costs on acquisition of The Galen.

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, 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

Mary Judith de Souza
Company Secretary
16 July 2013

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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
#02-18 The Galen
Singapore Science Park II
Singapore 117525

Dear Sirs

Ascendas Real Estate Investment Trust and its subsidiaries
Review of Interim Financial Information for the 3-month period ended 30 June 2013

Introduction

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the three-month period ended 30 June 2013. The Interim Financial Information comprises the following:

- Balance sheets of the Trust and the Group as at 30 June 2013;
- Portfolio statement of the Group as at 30 June 2013;
- Statements of total return of the Trust and the Group for the three-month period ended 30 June 2013;
- Distribution statements of the Trust and the Group for the three-month period ended 30 June 2013;
- Statements of movements in unitholders' funds of the Trust and the Group for three-month period ended 30 June 2013;
- Statement of cash flows of the Group for the three-month period ended 30 June 2013; and
- Certain explanatory notes to the above Interim Financial Information.

Ascendas Funds Management (S) Limited, the Manager of the Trust, 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 (2012) *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the Institute of Singapore Chartered Accountants. 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 the RAP 7 (2012) relevant to interim financial information issued by the Institute of Singapore Chartered Accountants.

Restriction of Use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim financial information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore