A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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 103 properties in Singapore and 2 properties in China, with a tenant base of around 1,300 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. ("AZ Park") and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited ("AHTDBC"), which were acquired on 3 October 2011; and a 100% interest in Shanghai (JQ) Investment Holdings Pte. Ltd. ("SHJQ") and its subsidiary, A-REIT Shanghai Realty Co, Ltd. ("ASRC"), which were acquired on 12 July 2013. The commentaries below are based on the Group results unless otherwise stated.

SUMMARY OF A-REIT GROUP RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Group		
	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000	Increase %
Gross revenue	**613,592**	**575,837**	**6.6%**
Net property income	**435,973**	**408,810**	**6.6%**
Total amount available for distribution:	**342,005**	**305,557**	**11.9%**
- from operations	336,907	304,573	10.6%
- tax-exempt income (Note a)	3,694	-	nm
- from capital (Note b)	1,404	984	42.7%
	Cents per Unit		
Distribution per Unit ("DPU")	FY13/14	FY12/13	Increase %
For the quarter from 1 January to 31 March (Note c)	**3.55**	**3.06**	**16.0%**
- from operations	3.47	3.06	13.4%
- tax-exempt income	0.05	-	nm
- from capital	0.03	-	nm
For the twelve months from 1 April to 31 March (Note c and d)	**14.24**	**13.74**	**3.6%**
- from operations	14.04	13.69	2.6%
- tax-exempt income	0.14	-	nm
- from capital	0.06	0.05	20.0%
For information only			
For the quarter from 1 January to 31 March, before performance fee	3.55	3.37	5.3%
For the twelve months from 1 April to 31 March, before performance fee	14.24	14.05	1.4%

Footnotes

(a) This includes a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. It also includes the distributions of incentive payment (net of Singapore corporate tax) in 2Q FY13/14 and 4Q FY13/14, received as income support for AHTDBC in relation to the property in Beijing ("Z-Link"), for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (b) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders, except for Unitholders who are holding the units as trading assets.

(b) The capital distribution in FY13/14 relates to the distributions of net income from its subsidiary, AHTDBC in 2Q FY13/14 and 4Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 March 2014. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

The capital distribution in FY12/13 was related 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) from a finance lease with a tenant. Such distribution is not taxable in the hands of Unitholders, except 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 qualified for tax transparency treatment. Thus, the income from the finance lease with the tenant which was distributed was classified as distribution from operations and not as capital distribution since 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)(o) on Page 14 and Para 1(d)(ii) on Page 21.

(d) DPU for FY13/14 is calculated based on the summation of DPU for each quarter as follow:

	Q1 FY13/14 cents	Q2 FY13/14 cents	Q3 FY13/14 cents	Q4 FY13/14 cents	FY13/14 cents
Taxable income	3.53	3.52	3.52	3.47	14.04
Tax-exempt income	0.02	0.05	0.02	0.05	0.14
Capital distribution	-	0.03	-	0.03	0.06
Total disttribution	3.55	3.60	3.54	3.55	14.24

(e) Performance fee was paid in FY12/13. No performance fee was payable in FY13/14.

DISTRIBUTION DETAILS

Distribution period	1 January 2014 to 31 March 2014			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Distribution amount per unit (cents)	3.47	0.05	0.03	3.55
Book closure date	29 April 2014			
Payment date	30 May 2014			

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 (Financial Year ended 31 March 2014 vs Financial Year ended 31 March 2013)

	Group			Trust		
	01/04/13 to 31/03/14 (Note a) S$'000	01/04/12 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000	Increase / (Decrease) %
Gross revenue	613,592	575,837	6.6%	605,692	570,184	6.2%
Property services fees	(20,986)	(19,010)	10.4%	(20,763)	(18,681)	11.1%
Property tax	(42,878)	(40,377)	6.2%	(42,525)	(40,038)	6.2%
Other property operating expenses	(113,755)	(107,640)	5.7%	(111,130)	(106,803)	4.1%
Property operating expenses	(177,619)	(167,027)	6.3%	(174,418)	(165,522)	5.4%
Net property income	435,973	408,810	6.6%	431,274	404,662	6.6%
Management fees (Note b)	(35,594)	(33,246)	7.1%	(35,594)	(33,246)	7.1%
Performance fee (Note c)	-	(6,959)	nm	-	(6,959)	nm
Trust expenses	(5,171)	(4,859)	6.4%	(4,885)	(4,591)	6.4%
Finance income (Note d)	30,445	24,899	22.3%	30,353	24,743	22.7%
Finance costs (Note e)	(66,407)	(123,573)	(46.3%)	(65,734)	(122,452)	(46.3%)
Foreign exchange gain (Note f)	19,730	42,274	(53.3%)	19,556	42,265	(53.7%)
Gain on disposal of investment properties (Note g)	12,057	-	nm	12,057	-	nm
Net non property expenses	(44,940)	(101,464)	(55.7%)	(44,247)	(100,240)	(55.9%)
Net income	391,033	307,346	27.2%	387,027	304,422	27.1%
Net change in fair value of financial derivatives (Note h)	(16,934)	(42,979)	(60.6%)	(16,934)	(42,979)	(60.6%)
Net appreciation on revaluation of investment properties (Note i)	131,113	72,779	80.2%	58,272	65,510	(11.0%)
Total return for the year before income tax expense	505,212	337,146	49.8%	428,365	326,953	31.0%
Income tax expense (Note j)	(23,244)	(860)	nm	(1,703)	1,419	nm
Total return for the year after income tax expense	481,968	336,286	43.3%	426,662	328,372	29.9%
Net effect of non (taxable income)/tax deductible expenses and other adjustments (Note k)	(11,499)	42,050	(127.3%)	(29,034)	42,695	(168.0%)
Net appreciation on revaluation of investment properties (Note i)	(131,113)	(72,779)	80.2%	(58,272)	(65,510)	(11.0%)
Income available for distribution	339,356	305,557	11.1%	339,356	305,557	11.1%
Comprising:						
- Taxable income	336,907	304,573	10.6%	336,907	304,573	10.6%
- Tax-exempt income (Note l)	2,449	-	nm	2,449	-	nm
- Distribution from capital (Note m)	-	984	nm	-	984	nm
Income available for distribution	339,356	305,557	11.1%	339,356	305,557	11.1%
Tax-exempt income (prior periods) (Note n)	1,245	-	nm	1,245	-	nm
Distribution from capital (prior periods) (Note o)	1,404	-	nm	1,404	-	nm
Total amount available for distribution	342,005	305,557	11.9%	342,005	305,557	11.9%

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

	01/04/13 to 31/03/14 (Note a) S$'000	01/04/12 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000	Increase / (Decrease) %
Gross rental income	545,992	521,897	4.6%	538,163	516,276	4.2%
Other income (Note p)	67,600	53,940	25.3%	67,529	53,908	25.3%
Audit fee	(294)	(243)	21.0%	(218)	(208)	4.8%
Valuation fees	(440)	(400)	10.0%	(425)	(397)	7.1%
Allowance for impairment loss on doubtful receivables	(172)	(379)	(54.6%)	(172)	(379)	(54.6%)
Depreciation of plant and equipment	(695)	(768)	(9.5%)	(686)	(767)	(10.6%)

Note: nm denotes “not meaningful

Footnotes

(a) The Group had 105 properties and 103 properties as at 31 March 2014 and 31 March 2013 respectively. The Group completed (i) the development of a build-to-suit investment property at Nepal Hill (Unilever Four Acres Singapore) in April 2013, (ii) acquisition of shares in SHJQ, which holds the property, A-REIT City@Jinqiao, via its subsidiary in China, ASRC, in July 2013 and (iii) development of Nexus@one-north, a business park property located at Fusionopolis, Singapore, in September 2013. The Group completed the divestment of the investment property located at 6 Pioneer Walk and investment property Block 5006 at Techplace II in June 2013 and March 2014 respectively.

(b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and the other 80% in cash. 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, completion of Unilever Four Acres Singapore and Nexus@one-north, and acquisition of A-REIT City@Jinqiao.

(c) Performance fee is payable to the Manager if there is a DPU growth exceeding 2.5% (excluding any performance fee payable in the previous financial year). No performance fee is payable for the financial year ended 31 March 2014.

(d) Finance income comprises interest income from interest rate swaps, convertible bonds and bank deposits. In FY13/14, finance income included a fair value gain on convertible bonds of $1.3 million (FY12/13: $15.3 million) and fair value gain on collateral loan of $18.4 million (FY12/13: $51.9 million loss included in finance costs (see note (e) below). 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.

(e) 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 $51.9 million recognised in FY12/13 (FY13/14: gain of $18.4 million included in finance income (see note (d) above)).

(f) Foreign exchange gain mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange gain 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.

(g) This relates to the gain arising from the divestment of investment property located at 6 Pioneer Walk, and investment property Block 5006 at Techplace II, which was completed in June 2013 and March 2014 respectively.

(h) Net change in fair value of financial derivatives in FY13/14 was made up of a $2.5 million fair value loss (FY12/13: $0.4 million gain) on interest rate swaps, and a fair value loss on cross currency swaps of $14.5 million (FY12/13: $43.4 million). Fair value loss on cross currency swaps was mainly due to the weakening of JPY forward exchange rates against SGD. For further details, please refer to Note (o) on Pages 14 and 15.

(i) Independent valuations for the 105 properties were undertaken by CBRE Pte. Ltd., DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd, Cushman & Wakefield Valuation Advisory Services (HK) Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd in March 2014. Net increase in value on revaluation of investment properties is not taxable and is excluded from the computation of total amount available for distribution.

(j) Income tax expense in FY13/14 includes income tax expense relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds, finance lease interest income received from a tenant and incentive payment received as income support for AHTDBC and ASRC in relation to Z-Link and A-REIT City@Jinqiao respectively. Income tax expense in FY12/13 included the reversal of deferred tax liability of $1.9 million that was previously accrued on the finance lease receivable since FY11/12, as IRAS had issued a tax ruling to A-REIT in 2Q FY12/13, granting tax transparency status to both the principal and interest income amount from a finance lease with a tenant. This is partially offset by income tax expenses incurred in China relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds and incentive payment received as income support for AHTDBC in relation to Z-Link. In addition, income tax expenses for both years also included deferred taxation provided on appreciation on revaluation of investment properties held by the China subsidiaries.

(k) Net effect of non (taxable income)/tax deductible expenses and other adjustments comprises:

	Group			Trust		
	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000	Increase / (Decrease) %	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	7,118	6,648	7.1%	7,118	6,648	7.1%
Trustee fee	2,146	2,000	7.3%	2,146	2,000	7.3%
Net change in fair value of financial derivatives	16,934	42,979	(60.6%)	16,934	42,979	(60.6%)
Other net non (taxable income)/tax deductible expenses and other adjustments (Note A)	(35,676)	35,151	nm	(35,676)	33,333	nm
Transfer to general reserve	(107)	(128)	(16.4%)	-	-	-
Unrealised foreign exchange gain	(19,730)	(42,274)	(53.3%)	(19,556)	(42,265)	(53.7%)
Loss/(income) from subsidiaries (Note B)	17,816	(2,326)	nm	-	-	-
Net effect of (non taxable income)/tax deductible expenses and other adjustments	(11,499)	42,050	(127.3%)	(29,034)	42,695	(168.0%)

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 properties.

B. This relates to net loss from ASRC which was excluded from the computation for amount available for distribution, offset by net income from AHTDBC, which has yet to be received by A-REIT as at 31 March 2014. The intention is to distribute net income from subsidiaries, where available, semi-annually, after relevant adjustments such as withholding tax payable.

(l) 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, except for Unitholders who are holding the units as trading assets.

(m) The capital distribution in FY12/13 was related 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, except 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 qualified for tax transparency treatment.

(n) This relates to the distributions of incentive payment (net of Singapore corporate tax) in 2Q FY13/14 and 4Q FY13/14, received as income support for AHTDBC in relation to Z-Link, for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (o) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income, such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(o) The capital distribution in FY13/14 relates to the distributions of net income from its subsidiary, AHTDBC, which was paid in 2Q FY13/14 and 4Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 March 2014. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

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

Gross revenue increased by 6.6% mainly due to the recognition of rental income earned from The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. Positive rental reversion also contributed to the increase in gross revenue. In FY13/14, gross revenue included $1.1 million (DPU impact of 0.05 cents) of licence fees charged to telecommunication companies for the installation of antennas, base station and equipment in A-REIT properties. Infocomm Development Authority of Singapore had implemented a change to the Code of Practice for Info-communication Facilities in Buildings (COPIF 2013) which may negatively impact this income stream.

The increase in property tax of 6.2% was mainly contributed by The Galen that was acquired at 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 FY13/14. In FY13/14, property tax expense included vacancy refund of $4.5 million (or DPU contribution of 0.19 cents). Following IRAS's announcement on the removal of the property tax refund concession on unoccupied buildings with effect from 1 Jan 2014, buildings with vacant periods starting from 1 January 2014 would not be able to make property vacancy claims. The vacancy refund received in 4Q FY13/14 was related to unoccupied space area during the period prior to 1 January 2014.

The acquisition of The Galen, completion of the development at Nexus@one-north, acquisition of shares in SHJQ which holds the property A-REIT City@Jinqiao via its subsidiary in China, ASRC and changes in lease structure of certain properties had also given rise to higher other property expenses in FY13/14. For most of the single-tenanted properties, the properties were maintained by the tenants and expenses such as land rent, property tax, and/or maintenance & conservancy costs may be borne by the tenants. Increase in these 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 difference between net non property expenses in FY13/14 and 12/13 was as follows:

(i) lower finance costs coupled with higher finance income which included a fair value gain on collateral loan of $18.4 million (FY12/13: $51.9 million loss included in finance costs) and a fair value gain on convertible bonds of $1.3 million in FY13/14 (FY12/13: $15.3 million);
(ii) no performance fee is payable for the financial year ended 31 March 2014 (FY12/13: $6.9 million);
(iii) gain arising from the divestment of investment property located at 6 Pioneer Walk and the investment property Block 5006 at Techplace II, which was completed in June 2013 and March 2014 respectively.

offset by:
(iv) higher management fees in FY13/14 (see Note (b) on Page 4).
(v) lower foreign exchange gain of $19.7 million (FY12/13: $42.3 million) arose mainly from translation of the Trust's JPY-denominated MTN.

1 (a)(ii) Statement of total return (4Q FY13/14 vs 4Q FY12/13)

	Group			Trust		
	01/01/14 to 31/03/14 (Note a) S$'000	01/01/13 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %	01/01/14 to 31/03/14 S$'000	01/01/13 to 31/03/13 S$'000	Increase / (Decrease) %
Gross revenue	156,539	145,383	7.7%	154,507	143,962	7.3%
Property services fees	(5,767)	(4,936)	16.8%	(5,674)	(4,854)	16.9%
Property tax	(9,747)	(12,804)	(23.9%)	(9,656)	(12,719)	(24.1%)
Other property operating expenses	(28,718)	(27,530)	4.3%	(27,864)	(27,475)	1.4%
Property operating expenses	(44,232)	(45,270)	(2.3%)	(43,194)	(45,048)	(4.1%)
Net property income	112,307	100,113	12.2%	111,313	98,914	12.5%
Management fees (Note b)	(8,890)	(8,333)	6.7%	(8,890)	(8,333)	6.7%
Performance fee (Note c)	-	(6,959)	nm	-	(6,959)	nm
Trust expenses	(1,000)	(1,007)	(0.7%)	(1,052)	(949)	10.9%
Finance income (Note d)	3,448	9,096	(62.1%)	3,395	9,061	(62.5%)
Finance costs (Note e)	(50,511)	(43,531)	16.0%	(50,334)	(43,313)	16.2%
Foreign exchange (loss)/gain (Note f)	(2,965)	20,111	(114.7%)	(2,811)	20,029	(114.0%)
Gain on disposal of investment property (Note g)	4,852	-	nm	4,852	-	nm
Net non property expenses	(55,066)	(30,623)	79.8%	(54,840)	(30,464)	80.0%
Net income	57,241	69,490	(17.6%)	56,473	68,450	(17.5%)
Net change in fair value of financial derivatives (Note h)	4,449	(18,359)	(124.2%)	4,449	(18,359)	(124.2%)
Net appreciation on revaluation of investment properties (Note i)	131,113	72,779	80.2%	58,272	65,510	(11.0%)
Total return for the period before income tax expense	192,803	123,910	55.6%	119,194	115,601	3.1%
Income tax expense (Note j)	(22,014)	(2,047)	nm	(802)	(107)	nm
Total return for the period after income tax expense	170,789	121,863	40.1%	118,392	115,494	2.5%
Net effect of non tax deductible expenses and other adjustments (Note k)	44,270	19,760	124.0%	23,826	18,860	26.3%
Net appreciation on revaluation of investment properties (Note i)	(131,113)	(72,779)	80.2%	(58,272)	(65,510)	(11.0%)
Income available for distribution	83,946	68,844	21.9%	83,946	68,844	21.9%
Comprising:						
- Taxable income	83,341	68,844	21.1%	83,341	68,844	21.1%
- Tax-exempt income (Note l)	605	-	nm	605	-	nm
Income available for distribution	83,946	68,844	21.9%	83,946	68,844	21.9%
Tax-exempt income (prior periods) (Note m)	623	-	nm	623	-	nm
Distribution from capital (prior periods) (Note n)	702	-	nm	702	-	nm
Total amount available for distribution	85,271	68,844	23.9%	85,271	68,844	23.9%

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

	01/01/14 to 31/03/14 (Note a) S$'000	01/01/13 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %	01/01/14 to 31/03/14 S$'000	01/01/13 to 31/03/13 S$'000	Increase / (Decrease) %
Gross rental income	138,380	132,827	4.2%	136,388	131,421	3.8%
Other income (Note o)	18,159	12,556	44.6%	18,119	12,541	44.5%
Audit fee	(87)	(87)	0.0%	(75)	(78)	(3.8%)
Valuation fees	(107)	(62)	72.6%	(103)	(61)	68.9%
Reversal of allowance/(allowance for) impairment loss on doubtful receivables, net	116	(285)	(140.7%)	116	(285)	(140.7%)
Depreciation of plant and equipment	(174)	(172)	1.2%	(171)	(172)	(0.6%)

Note: nm denotes “not meaningful

Footnotes

(a) The Group had 105 properties and 103 properties as at 31 March 2014 and 31 March 2013 respectively. The Group completed the divestment of the investment property Block 5006 at Techplace II in March 2014.

(b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and the other 80% in cash. 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, completion of Unilever Four Acres Singapore and Nexus@one-north, and acquisition of A-REIT City@Jinqiao.

(c) Performance fee is payable to the Manager if there is a DPU growth exceeding 2.5%. No performance fee is payable for the financial year ended 31 March 2014.

(d) Finance income comprises interest income from interest rate swaps, convertible bonds, bank deposits and accretion gain for refundable security deposits. In 4Q FY12/13, finance income included a fair value gain on convertible bonds of $6.6 million (4Q FY13/14: $26.6 million loss included in finance costs, see note (e) below), and an accretion gain for refundable security deposits of $0.5 million (4Q FY13/14: $0.7 million).

(e) 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). Finance costs was higher in 4Q FY13/14 as it included a fair value loss on convertible bonds of $26.6 million (4Q FY12/13: gain of $6.6 million included in finance income in note (d) above) and a fair value loss on collateral loan of $7.4 million (4Q FY12/13: $26.1 million). The convertible bonds and collateral loan 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.

(f) Foreign exchange (loss)/gain mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange loss in 4Q FY13/14 was mainly due to the strengthening 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.

(g) This relates to the gain arising from the divestment of investment property Block 5006 at Techplace II, which was completed in March 2014.

(h) Net change in fair value of financial derivatives in 4Q FY13/14 was made up of a $3.1 million fair value gain (4Q FY12/13: $1.1 million) on interest rate swaps, and a fair value gain on cross currency swaps of $1.3 million (4Q FY12/13: $19.4 million loss). Fair value gain on cross currency swaps in 4Q FY13/14 was mainly due to the strengthening of JPY forward exchange rates against SGD. For further details, please refer to Note (o) on Pages 14 and 15.

(i) Independent valuations for the 105 properties were undertaken by CBRE Pte. Ltd., DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd, Cushman & Wakefield Valuation Advisory Services (HK) Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd in March 2014. Net increase in value on revaluation of investment properties is not taxable and is excluded from the computation of total amount available for distribution.

(j) Income tax expenses in 4Q FY13/14 and 4Q FY12/13 included income tax expense relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds and incentive payment received as income support for AHTDBC in relation to Z-Link. In 4Q FY13/14, it also included income tax provided on finance lease interest income received from a tenant and on incentive payment received as income support for ASRC in relation to A-REIT City@Jinqiao. In addition, income tax expenses for both 4Q FY13/14 and 4Q FY12/13 also included deferred taxation provided on appreciation on revaluation of investment properties held by the China subsidiaries.

(k) Net effect of non tax deductible expenses and other adjustments comprises:

	Group			Trust		
	01/01/14 to 31/03/14 S$'000	01/01/13 to 31/03/13 S$'000	Increase / (Decrease) %	01/01/14 to 31/03/14 S$'000	01/01/13 to 31/03/13 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	1,777	1,666	6.7%	1,777	1,666	6.7%
Trustee fee	539	502	7.4%	539	502	7.4%
Net change in fair value of financial derivatives	(4,449)	18,359	(124.2%)	(4,449)	18,359	(124.2%)
Other net non tax deductible expenses and other adjustments (Note A)	23,148	20,180	14.7%	23,148	18,362	26.1%
Transfer to general reserve	(1)	(36)	(97.2%)	-	-	-
Unrealised foreign exchange loss/(gain)	2,965	(20,111)	(114.7%)	2,811	(20,029)	(114.0%)
Loss/(income) from subsidiaries (Note B)	20,291	(800)	nm	-	-	-
Net effect of non tax deductible expenses and other adjustments	44,270	19,760	124.0%	23,826	18,860	26.3%

A. Other net non 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 and accretion adjustments for refundable security deposits and gain arising from the divestment of investment property.

B. This relates to net loss from ASRC which was excluded from the computation for amount available for distribution, offset by net income from AHTDBC, which has yet to be received by A-REIT as at 31 March 2014. The intention is to distribute such net income from subsidiaries, where available, semi-annually, after relevant adjustments such as withholding tax payable.

(l) 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, except for Unitholders who are holding the units as trading assets.

(m) This relates to the second distribution of incentive payment (net of Singapore corporate tax) in 4Q FY13/14, received as income support for AHTDBC in relation to Z-Link, for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (n) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(n) This relates to the second distribution of net income from its subsidiary, AHTDBC in 4Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 March 2014. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

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

Gross revenue increased by 7.7% mainly due to the recognition of rental income earned from The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. Positive rental reversion also contributed to the increase in gross revenue.

The decrease in property tax of 23.9% was mainly contributed by vacancy refund of $3.0 million received in 4Q FY13/14 (4Q FY12/13: $1.5 million), of which $1.0 million was related to the rent free fitting out period at 38A Kim Chuan Road in the year 2010. This favourable variance was offset by property tax from The Galen which was acquired at the end of FY12/13, Nexus@one-north that was completed in September 2013, the upward revision in annual value of certain properties including Kim Chuan Telecommunications Complex, 38A Kim Chuan Road, Techpoint, Nordic European Centre, Neuros & Immunos, Honeywell building and 90 Alps Avenue, and changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted. In addition, higher property tax in 4Q FY12/13 was contributed by an adjustment to prior period annual value at Kim Chuan Telecommunications Complex and 38A Kim Chuan Road, FoodAxis @ Senoko and 3 Changi Business Park Crescent.

The acquisition of The Galen and A-REIT City@Jinqiao, completion of Nexus@one-north and changes in lease structure of certain properties had also given rise to higher other property expenses in 4Q FY13/14. For most of the single-tenanted properties, the properties were maintained by the tenants and expenses such as land rent, property tax, and/or maintenance & conservancy costs may be borne by the tenants. These increases 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.

Net non property expenses were higher in 4Q FY13/14 mainly due to:

(i) higher finance costs which included fair value loss on convertible bonds of $26.6 million (4Q FY12/13: gain of $6.6 million) and fair value loss on collateral loan of $7.4 million (4Q FY12/13: $26.1 million)
(ii) foreign exchange loss $3.0 million (4Q FY12/13: gain of $20.1 million) which arose mainly from the translation of the Trust's JPY-denominated MTN);
(iii) higher management fees in 4Q FY13/14 (see Note (b) on Page 9)

offset by:
(iv) no performance fee in 4Q FY13/14(4Q FY12/13: $6.9 million)
(v) gain on disposal of investment property arising from the divestment of investment property Block 5006 at Techplace II, which was completed in March 2014

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

	Group		Trust	
	31/03/14 S$'000	31/03/13 S$'000	31/03/14 S$'000	31/03/13 S$'000
Non-current assets				
Investment properties (Note a)	6,922,966	6,447,054	6,651,419	6,378,190
Investment properties under development (Note b)	-	151,916	-	151,916
Investment in debt securities (Note c)	194,574	145,535	194,574	145,535
Plant and equipment (Note d)	418	992	303	990
Finance lease receivable (Note e)	93,844	63,370	93,844	63,370
Interest in subsidiaries (Note f)	-	-	170,027	48,918
Other assets (Note g)	-	33,070	-	33,070
Derivative assets (Note h)	1,348	12,259	1,348	12,259
	7,213,150	**6,854,196**	**7,111,515**	**6,834,248**
Current assets				
Finance lease receivable (Note e)	1,031	1,901	1,031	1,901
Trade and other receivables (Note i)	65,539	47,301	61,894	46,653
Other assets (Note g)	-	36,040	-	36,040
Derivative assets (Note h)	1,345	64	1,345	64
Cash and cash equivalents	65,928	19,525	57,952	12,544
Property held for sale (Note j)	10,500	-	10,500	-
	144,343	**104,831**	**132,722**	**97,202**
Current liabilities				
Trade and other payables (Note k)	127,423	134,647	120,755	132,981
Security deposits (Note l)	28,527	69,667	26,827	68,394
Derivative liabilities (Note m)	2,658	885	2,658	885
Short term borrowings (Note n)	209,790	109,710	209,790	109,710
Term loan (Note o)	394,986	-	394,986	-
Medium term notes (Note o)	-	124,965	-	124,965
Collateral loan (Note o)	341,091	-	341,091	-
Provision for taxation (Note p)	2,068	759	2,064	478
	1,106,543	**440,633**	**1,098,171**	**437,413**
Non-current liabilities				
Security deposits (Note l)	57,435	4,617	56,982	4,617
Derivative liabilities (Note m)	90,185	105,879	90,185	105,879
Medium term notes (Note o)	499,157	456,202	499,157	456,202
Collateral loan (Note o)	-	359,517	-	359,517
Term loans and borrowings (Note o)	731,932	928,671	717,649	914,920
Deferred tax liabilities	23,675	2,359	-	-
	1,402,384	**1,857,245**	**1,363,973**	**1,841,135**
Net assets	**4,848,566**	**4,661,149**	**4,782,093**	**4,652,902**
Represented by:				
Unitholders' funds	**4,848,566**	**4,661,149**	**4,782,093**	**4,652,902**

	31/03/14 S$'000	31/03/13 S$'000	31/03/14 S$'000	31/03/13 S$'000
Gross borrowings				
Secured borrowings				
Amount repayable after one year	-	754,517	-	754,517
Amount repayable within one year	736,091	-	736,091	-
Unsecured borrowings				
Amount repayable after one year	1,240,387	997,080	1,226,104	983,328
Amount repayable within one year	210,000	235,000	210,000	235,000
	2,186,478	1,986,597	2,172,195	1,972,845

Footnotes

(a) The increase in value of investment properties was mainly due to the acquisition of shares in SHJQ, which holds the property, A-REIT City@Jinqiao, via its subsidiary in China, ASRC, completion of the development of Nexus@one-north and Unilever Four Acres Singapore, and asset enhancement works at 1 Changi Business Park Avenue 1, 31 International Business Park, DBS Asia Hub, Techplace II, Techpoint, Techquest, Logistech, 31 Ubi Road 1, Corporation Place and 5 Toh Guan Road East, offset by the divestment of investment property located at 6 Pioneer Walk and investment property Block 5006 at Techplace II, which was completed in June 2013 and in March 2014 respectively, as well as the reclassification of property located at 1 Kallang Place to Property held for sale (see note (j) below).

(b) Investment properties under development as at 31 March 2013 was related to the Fusionopolis project (Nexus@one-north) which had been completed in September 2013.

(c) Investment in debt securities relates to an investment in convertible bonds (the “CB”) issued by PLC8 Development Pte Ltd (the "Issuer") and due in June 2015. A-REIT had subscribed for an additional amount of $47.8 million convertible bonds in FY13/14. An increase in the fair value of the CB 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 decrease in plant and equipment was due to depreciation charge.

(e) The increase in finance lease receivable was due to the transfer of a build-to-suit investment property from other assets upon its completion 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.

(f) Interest in subsidiaries relates to A-REIT’s investment in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, AHTDBC; and Shanghai (JQ) Investment Holdings Pte. Ltd and its subsidiary, ASRC that was acquired during FY13/14.

(g) 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.

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

(i) The increase in trade and other receivables was mainly due to higher interest income receivable on investment in convertible bonds and higher prepaid expenses.

(j) Property held for sale relates to the proposed divestment of property located at 1 Kallang Place. The divestment is expected to be completed in 1Q FY14/15.

(k) The trade and other payables balance as at 31 March 2014 was lower due to lower accruals of asset enhancement works and development costs.

(l) The increase in security deposits was mainly due to new properties acquired/completed since 1 April 2013.

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

(n) The increase in short term borrowings was mainly to finance the repayment of $125.0 million MTN2009 Note, costs of asset enhancement works and development costs.

(o) **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"), will mature on 14 May 2014. 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 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 $2.177 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 collateral loan may be called in whole or in part, at the option of Ruby Assets, on 1 February 2015 at the early repayment amount. The collateral loan may also be repaid in whole but not in part, at the option of the Trust, on or at any time after 1 February 2015, but not less than 7 business days prior to 1 February 2017. The early repayment amount represents the principal amount of the collateral loan, together with any accrued but unpaid interest up to but excluding the date of repayment. 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. $125.0 million MTN2009 Note had been fully repaid upon maturity in July 2013. On 27 March 2014, A-REIT had issued JPY5.0 billion floating rates notes, which will mature in March 2021, from MTN2009. The notes bear a floating interest rate of 3-month JPYLIBOR + 0.50 per cent per annum payable quarterly in arrear. As at the balance sheet date, S$564.4 million ($200.0 million and JPY24.6 billion) remained outstanding. A-REIT has entered into cross currency swaps to hedge against the JPY-denominated MTN and the SGD-equivalent amount to be repaid for the JPY-denominated MTN has been fixed. The amount reflected in the Balance Sheet relates to the carrying amount of the MTN, net of unamortised transaction costs and the JPY-denominated MTN had been translated at the year end exchange rates.

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

As at 31 March 2014, 65.3% of A-REIT Group's interest rate exposure was fixed with an overall weighted average tenure of 3.5 years remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings as at 31 March 2014 was 2.7% (31 March 2013: 3.3%) (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 6 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.

(p) Provision for taxation comprises mainly income tax payable from AHTDBC, income tax provided on interest income earned from the investment in convertible bonds and incentive payment received as income support for AHTDBC in relation to Z-Link. For FY13/14, it also included income tax provided on finance lease interest income received from a tenant and on incentive payment received as income support for ASRC in relation to A-REIT City@Jinqiao. The Group recognised deferred tax in relation to its investment in China using the tax rate that would apply as a result of recovering its value through use.

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 (Financial Year ended 31 March 2014 vs Financial Year ended 31 March 2013)

	Group	
	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000
Cash flows from operating activities		
Net income	391,033	307,346
Adjustments for		
Allowance for impairment loss on doubtful receivables	172	379
Management fees paid/payable in units	7,118	6,648
Depreciation of plant and equipment	695	768
Finance income	(30,445)	(24,899)
Finance costs	66,407	123,573
Foreign exchange gain	(19,730)	(42,274)
Gain on disposal of investment properties	(12,057)	-
Operating income before working capital changes	403,193	371,541
Changes in working capital		
Trade and other receivables	(12,554)	(4,878)
Trade and other payables	17,153	9,125
Cash generated from operating activities	407,792	375,788
Income tax paid	(757)	(454)
Net cash from operating activities	407,035	375,334
Cash flows from investing activities		
Purchase of investment properties	-	(122,727)
Payment for investment properties and other assets under development	(50,873)	(54,135)
Payment for capital improvement on investment properties	(102,272)	(59,779)
Purchase of plant and equipment	(436)	(7)
Proceeds from sale of investment properties	70,000	-
Acquisiton of subsidiary, net of cash acquired	(11,117)	-
Investment in debt securities	(47,750)	(27,000)
Interest received	7,505	7,037
Net cash used in investing activities	(134,943)	(256,611)
Cash flows from financing activities		
Equity issue costs paid	(130)	(7,328)
Proceeds from issue of units	-	704,900
Distributions paid to Unitholders	(325,815)	(309,376)
Finance costs paid	(66,988)	(75,633)
Transaction costs paid in respect of borrowings	(3,025)	(1,177)
Proceeds from borrowings	783,410	423,066
Repayment of borrowings	(613,429)	(853,206)
Net cash used in financing activities	(225,977)	(118,754)
Net increase/(decrease) in cash and cash equivalents	46,115	(31)
Cash and cash equivalents at beginning of the financial year	19,525	19,589
Effect of exchange rate changes on cash balances	288	(33)
Cash and cash equivalents at end of the financial year	65,928	19,525

1 (c)(ii) Cash flow statement (4Q FY13/14 vs 4Q FY12/13)

	Group	
	01/01/14 to 31/03/14	01/01/13 to 31/03/13
	S$'000	S$'000
Cash flows from operating activities		
Net income	57,241	69,490
Adjustments for		
(Reversal of allowance)/allowance for impairment loss on doubtful receivables, net	(116)	285
Management fees paid/payable in units	1,777	1,666
Depreciation of plant and equipment	174	172
Finance income	(3,448)	(9,096)
Finance costs	50,511	43,531
Foreign exchange loss/(gain)	2,965	(20,111)
Gain on disposal of investment property	(4,852)	-
Operating income before working capital changes	104,252	85,937
Changes in working capital		
Trade and other receivables	(1,353)	(213)
Trade and other payables	2,946	8,354
Cash generated from operating activities	105,845	94,078
Income tax paid	(147)	(113)
Net cash from operating activities	105,698	93,965
Cash flows from investing activities		
Purchase of investment properties	-	(122,727)
Payment for investment properties and other assets under development	(2,481)	(21,553)
Payment for capital improvement on investment properties	(26,113)	(18,155)
Purchase of plant and equipment	(59)	-
Proceeds from divestment of investment property	38,000	-
Investment in debt securities	-	(7,000)
Interest received	2,741	2,660
Net cash generated from/(used in) investing activities	12,088	(166,775)
Cash flows from financing activities		
Equity issue costs paid	-	(5,324)
Proceeds from issue of units	-	406,400
Distributions paid to Unitholders	(85,049)	(81,050)
Finance costs paid	(17,594)	(23,276)
Transaction costs paid in respect of borrowings	(3,025)	-
Proceeds from borrowings	226,310	72,000
Repayment of borrowings	(194,000)	(293,900)
Net cash (used in)/generated from financing activities	(73,358)	74,850
Net increase in cash and cash equivalents	44,428	2,040
Cash and cash equivalents at beginning of the period	21,512	17,220
Effect of exchange rate changes on cash balances	(12)	265
Cash and cash equivalents at end of the financial period	65,928	19,525

1 (d)(i) Statement of movement in unitholders' funds (Financial Year ended 31 March 2014 vs Financial Year ended 31 March 2013)

	Group		Trust	
	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000
Balance at beginning of the financial year	4,661,149	3,917,456	4,652,902	3,917,003
Operations				
Net income (Note a)	391,033	307,346	387,027	304,422
Net change in fair value of financial derivatives	(16,934)	(42,979)	(16,934)	(42,979)
Net appreciation on revaluation of investment properties (Note b)	131,113	72,779	58,272	65,510
Income tax expense/(credit)	(23,244)	(860)	(1,703)	1,419
Net increase in net assets resulting from operations	481,968	336,286	426,662	328,372
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note c)	17,255	11,063	17,255	11,063
Changes in fair value of financial derivatives transferred to the Statement of Total Return (Note d)	3,971	(1,333)	3,971	(1,333)
Net increase in net assets resulting from hedging transactions	21,226	9,730	21,226	9,730
Movement in foreign currency translation reserve (Note e)	2,920	(120)	-	-
Unitholders' transactions				
New units issued	-	704,900	-	704,900
Acquisition fees (IPT acquisition) paid in units	-	3,090	-	3,090
Management fees paid/payable in units	7,118	6,648	7,118	6,648
Equity issue costs	-	(7,465)	-	(7,465)
Distributions to Unitholders	(325,815)	(309,376)	(325,815)	(309,376)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(318,697)	397,797	(318,697)	397,797
Balance at end of the financial year	4,848,566	4,661,149	4,782,093	4,652,902

Footnotes

(a) Included in net income is the divestment gain of $12.1 million, arising from the divestment of investment property located at 6 Pioneer Walk and the investment property Block 5006 at Techplace II which was completed in June 2013 and March 2014 respectively.

(b) Independent valuations for the 105 properties were undertaken by CBRE Pte. Ltd., DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd, Cushman & Wakefield Valuation Advisory Services (HK) Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd in March 2014. Net increase in value on revaluation of investment properties is not taxable and is excluded from the computation of total amount available for distribution.

(c) In 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 FY12/13, the favourable change in the aggregate fair value of the interest rate swaps was mainly due to some of the interest rate swaps nearing their maturity dates.

(d) This relates to the transfer of fair value loss on ineffective interest rate swaps from the hedging reserve to the Statement of Total Return in accordance with FRS39.

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

Statement of movement in unitholders' funds (4Q FY13/14 vs 4Q FY12/13)

	Group		Trust	
	01/01/14 to 31/03/14 S$'000	01/01/13 to 31/03/13 S$'000	01/01/14 to 31/03/14 S$'000	01/01/13 to 31/03/13 S$'000
Balance at beginning of financial period	4,758,514	4,212,699	4,744,393	4,212,060
Operations				
Net income (note a)	57,241	69,490	56,473	68,450
Net change in fair value of financial derivatives	4,449	(18,359)	4,449	(18,359)
Net appreciation on revaluation of investment properties (Note b)	131,113	72,779	58,272	65,510
Income tax expense	(22,014)	(2,047)	(802)	(107)
Net increase in net assets resulting from operations	170,789	121,863	118,392	115,494
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note c)	2,580	3,862	2,580	3,862
Changes in fair value of financial derivatives transferred to the Statement of Total Return (Note d)	-	(1,333)	-	(1,333)
Net increase in net assets resulting from hedging transactions	2,580	2,529	2,580	2,529
Movement in foreign currency translation reserve (Note e)	(45)	1,239	-	-
Unitholders' transactions				
New units issued	-	406,400	-	406,400
Acquisition fees (IPT acquisition) payable in units	-	1,260	-	1,260
Management fees paid/payable in units	1,777	1,666	1,777	1,666
Equity issue costs	-	(5,457)	-	(5,457)
Distributions to Unitholders	(85,049)	(81,050)	(85,049)	(81,050)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(83,272)	322,819	(83,272)	322,819
Balance at end of the financial period	4,848,566	4,661,149	4,782,093	4,652,902

Footnotes

(a) Included in net income is the gain of $4.9 million, arising from the divestment of investment property Block 5006 at Techplace II which was completed in March 2014.

(b) Independent valuations for the 105 properties were undertaken by CBRE Pte. Ltd., DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd, Cushman & Wakefield Valuation Advisory Services (HK) Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd in March 2014. Net increase in value on revaluation of investment properties is not taxable and is excluded from the computation of total amount available for distribution.

(c) In 4Q 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 4Q FY12/13, the favourable change in the aggregate fair value of the interest rate swaps was mainly due to some of the interest rate swaps nearing their maturity dates.

(d) This relates to the transfer of fair value loss on ineffective interest rate swaps from the hedging reserve to the Statement of Total Return in accordance with FRS39.

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

1 (d)(ii) Details of any changes in the units (Financial Year ended 31 March 2014 vs Financial Year ended 31 March 2013)

	Trust	
	01/04/13 to 31/03/14 Units	01/04/12 to 31/03/13 Units
Units issued:		
At beginning of the financial year	2,398,946,090	2,085,077,194
Issue of new units:		
- Issued pursuant to equity raising in March 2013 and May 2012	-	310,000,000
- Acquisition fees (IPT acquisition) paid in units	462,860	898,247
- Management fees paid in units	3,112,708	2,970,649
At end of the financial year	**2,402,521,658**	**2,398,946,090**
Units to be issued:		
Management fees payable in units	1,085,382	1,363,273
Units issued and issuable at end of the financial year	**2,403,607,040**	**2,400,309,363**

Details of any changes in the units (4Q FY13/14 vs 4Q FY12/13)

	Trust	
	01/01/14 to 31/03/14 Units	01/01/13 to 31/03/13 Units
Units issued:		
At beginning of the financial period	2,402,521,658	2,238,946,090
Issue of new units:		
- Issued pursuant to equity raising in March 2013	-	160,000,000
At end of the financial period	**2,402,521,658**	**2,398,946,090**
Units to be issued:		
Management fees payable in units	1,085,382	1,363,273
Units issued and issuable at end of the financial period	**2,403,607,040**	**2,400,309,363**

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 (o) on Page 14 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 $2.177 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 $2.177 per unit, the number of new units to be issued would be 137,804,318 representing 5.7% of the total number of A-REIT Units in issue as at 31 March 2014.

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.

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 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.

The Group has applied the same accounting policies and method of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 March 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 April 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

6.1 EPU for 4Q FY13/14 compared to 3Q FY13/14	Group		Trust	
	4Q FY13/14 01/01/14 to 31/03/14	3Q FY13/14 01/10/13 to 31/12/13	4Q FY13/14 01/01/14 to 31/03/14	3Q FY13/14 01/10/13 to 31/12/13
Basic EPU (Note a)				
Weighted average number of units	2,402,533,717	2,401,161,853	2,402,533,717	2,401,161,853
Earnings per unit in cents (EPU)	7.11	4.38	4.93	4.29
Dilutive EPU (Note b)				
Weighted average number of units	2,540,338,035	2,536,498,164	2,402,533,717	2,536,498,164
Earnings per unit in cents (Dilutive EPU)	7.06	3.69	4.93	3.61

6.2 EPU for 4Q FY13/14 compared to 4Q FY12/13	Group		Trust	
	4Q FY13/14 01/01/14 to 31/03/14	4Q FY12/13 01/01/13 to 31/03/13	4Q FY13/14 01/01/14 to 31/03/14	4Q FY12/13 01/01/13 to 31/03/13
Basic EPU (Note a)				
Weighted average number of units	2,402,533,717	2,262,072,348	2,402,533,717	2,262,072,348
Earnings per unit in cents (EPU)	7.11	5.39	4.93	5.11
Dilutive EPU (Note b)				
Weighted average number of units	2,540,338,035	2,262,072,348	2,402,533,717	2,262,072,348
Earnings per unit in cents (Dilutive EPU)	7.06	5.39	4.93	5.11

6.3 EPU for FY13/14 compared to FY12/13	Group		Trust	
	FY13/14 01/04/13 to 31/03/14	FY12/13 01/04/12 to 31/03/13	FY13/14 01/04/13 to 31/03/14	FY12/13 01/04/12 to 31/03/13
Basic EPU (Note a)				
Weighted average number of units	2,401,017,449	2,225,596,525	2,401,017,449	2,225,596,525
Earnings per unit in cents (EPU)	20.07	15.11	17.77	14.75
Dilutive EPU (Note b)				
Weighted average number of units	2,538,821,767	2,225,596,525	2,538,821,767	2,225,596,525
Earnings per unit in cents (Dilutive EPU)	18.45	15.11	16.27	14.75

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 the financial year ended 31 March 2014, 4Q FY13/14 Group level and 3Q FY13/14, the dilutive EPU were computed on the basis that the collateral loan was converted at the beginning of the period. For the financial year ended 31 March 2013, 4Q FY13/14 Trust level and 4Q FY12/13, the collateral loan was anti-dilutive and was 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. The disclosure of dilutive EPU is in relation to the issuance of collateral loan which has a convertible option to convert the loan in A-REIT Units.

For the financial year ended 31 March 2014, 4Q FY13/14 Group level and 3Q 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 $4,800,000, $1,184,000 and $1,210,000 respectively and deducting the gain on collateral loan of $18,426,000 and $12,657,000 respectively for financial year ended 31 March 2014 and 3Q FY13/14 and adding back loss on collateral loan of $7,446,000 for 4Q FY13/14 Group level from the total return for the year/period after income tax. The adjusted weighted average number of units took into account the potential dilutive units of 137,804,318 (see para 1(d)(ii) on Page 21).

	Group		Trust	
6.4 DPU for 4Q FY13/14 compared to 3Q FY13/14	4Q FY13/14 01/01/14 to 31/03/14	3Q FY13/14 01/10/13 to 31/12/13	4Q FY13/14 01/01/14 to 31/03/14	3Q FY13/14 01/10/13 to 31/12/13
Number of units in issue	2,402,521,658	2,402,521,658	2,402,521,658	2,402,521,658
Distribution per unit in cents (Note a)	3.55	3.54	3.55	3.54

	Group		Trust	
6.5 DPU for 4Q FY13/14 compared to 4Q FY12/13	4Q FY13/14 01/01/14 to 31/03/14	4Q FY12/13 01/01/13 to 31/03/13	4Q FY13/14 01/01/14 to 31/03/14	4Q FY12/13 01/01/13 to 31/03/13
Number of units in issue	2,402,521,658	2,398,946,090	2,402,521,658	2,398,946,090
Distribution per unit in cents (Note a)	3.55	3.06	3.55	3.06

	Group		Trust	
6.6 DPU for FY13/14 compared to FY12/13	FY13/14 01/04/13 to 31/03/14	FY12/13 01/04/12 to 31/03/13	FY13/14 01/04/13 to 31/03/14	FY12/13 01/04/12 to 31/03/13
Number of units in issue	2,402,521,658	2,398,946,090	2,402,521,658	2,398,946,090
Distribution per unit in cents (Note a)	14.24	13.74	14.24	13.74

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	
	31/03/14 cents	31/03/13 cents	31/03/14 cents	31/03/13 cents
Net asset value per unit	201.7	194.2	199.0	193.8
Adjusted net asset value per unit (Note a)	198.2	191.3	195.4	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 4Q FY13/14 vs 4Q FY12/13

	Group		
	4Q FY13/14 01/01/14 to 31/03/14 S$'000	4Q FY12/13 01/01/13 to 31/03/13 S$'000	Increase / (Decrease) %
Gross revenue	156,539	145,383	7.7%
Property operating expenses	(44,232)	(45,270)	(2.3%)
Net property income	112,307	100,113	12.2%
Non property expenses	(9,890)	(16,299)	(39.3%)
Net finance costs	(47,063)	(34,435)	36.7%
Foreign exchange (loss)/gain	(2,965)	20,111	(114.7%)
Gain on disposal of investment property	4,852	-	nm
	(55,066)	(30,623)	79.8%
Net income	57,241	69,490	(17.6%)
Net change in fair value of financial derivatives	4,449	(18,359)	(124.2%)
Net appreciation on revaluation of investment properties	131,113	72,779	80.2%
Total return for the period before income tax expense	192,803	123,910	55.6%
Income tax expense	(22,014)	(2,047)	nm
Total return for the period after income tax expense	170,789	121,863	40.1%
Net effect of non tax deductible expenses and other adjustments	44,270	19,760	124.0%
Net appreciation on revaluation of investment properties	(131,113)	(72,779)	80.2%
Income available for distribution	83,946	68,844	21.9%
Comprising:			
- Taxable income	83,341	68,844	21.1%
- Tax-exempt income (Note a)	605	-	nm
Income available for distribution	83,946	68,844	21.9%
Tax-exempt income (prior periods) (Note b)	623	-	nm
Distribution from capital (prior periods) (Note c)	702	-	nm
Total amount available for distribution	85,271	68,844	23.9%
Earnings per unit (cents)	7.11	5.39	31.9%
Distribution per unit (cents)	3.55	3.06	16.0%

Note: nm denotes “not meaningful

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, except for Unitholders who are holding the units as trading assets.

(b) This relates to the second distribution of incentive payment (net of Singapore corporate tax) in 4Q FY13/14, received as income support for AHTDBC in relation to Z-Link, for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (c) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income, such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(c) This relates to the second distribution of net income from its subsidiary, AHTDBC in 4Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 March 2014. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

Gross revenue increased by 7.7% mainly due to the recognition of rental income earned from The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. Positive rental reversion also contributed to the increase in gross revenue.

The 2.3% decrease in property operating expenses was mainly contributed by:

(i) Lower property tax mainly contributed by vacancy refund of $3.0 million received in 4Q FY13/14 (4Q FY12/13: $1.5 million), of which $1.0 million was related to the rent free fitting out period at 38A Kim Chuan Road in year 2010. This favourable variance is offset by property tax from new acquisition and development projects completed in end FY12/13 and FY13/14, upward revision in annual value of certain properties including Kim Chuan Telecommunications Complex, 38A Kim Chuan Road, Techpoint, Nordic European Centre, Neuros & Immunos, Honeywell building and 90 Alps Avenue, as well as changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted. In addition, higher property tax in 4Q FY12/13 was contributed by an adjustment to prior period annual value at Kim Chuan Telecommunications Complex and 38A Kim Chuan Road, FoodAxis @ Senoko and 3 Changi Business Park Crescent;

(ii) lower utilities charges in 4Q 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;

Offset by:

(iii) expenses from The Galen, A-REIT City@Jinqiao and Nexus@one-north which were acquired/completed at the end of FY12/13, in July 2013 and in September 2013 respectively;

(iv) changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted had contributed to the higher property operating expenses; and

(v) higher maintenance and conservancy costs at certain properties mainly due to the increase in term contracts costs.

Lower non property expenses mainly due to performance fee $6.9 million in 4Q FY12/13, but none in 4Q FY13/14.

The difference between net finance costs in 4Q FY13/14 and 4Q FY12/13 was as follows:

(i) fair value loss on convertible bonds of $26.6 million in 4Q FY13/14 (4Q FY12/13: $6.6 million gain);
(ii) lower fair value loss on collateral loan of $7.4 million in 4Q FY13/14 (4Q FY12/13: $26.1 million);
(iii) higher interest income from interest rate swaps and convertible bonds;
(iv) lower interest expenses from lower borrowings and lower interest rates; and
(v) accretion gain of $0.7 million in 4Q FY13/14 on refundable security deposits (4Q FY12/13: $0.5 million).

Foreign exchange (loss)/gain mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange loss in 4Q FY13/14 was mainly due to the strengthening 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.

Net change in fair value of financial derivatives in 4Q FY13/14 was made up of a $3.1 million fair value gain on interest rates swaps (4Q FY12/13: $1.1 million) and a fair value gain on cross currency swaps of $1.3 million (4Q FY12/13: loss of $19.4 million). Fair value gain on cross currency swaps in 4Q FY13/14 was mainly due to the strengthening of the JPY forward exchange rates against SGD.

Income tax expense in 4Q FY13/14 was higher mainly because of deferred tax provided on appreciation on revaluation of investment properties held by China subsidiaries, income tax on finance lease interest income and income tax provided on higher interest income earned from investment in convertible bonds and income tax provided on incentive payment received as income support for ASRC in relation to A-REIT City@Jinqiao.

The difference between net effect of non tax deductible expenses and other adjustments in 4Q FY13/14 and 4 FY12/13 was as follows:

(i) higher fair value loss on convertible bonds of $26.6 million in 4Q FY13/14 (4Q FY12/13: gain of $6.6 million);
(ii) higher fair value loss on collateral loan of $7.4 million in 4Q FY13/14 (4Q FY12/13: $26.1 million);
(iii) foreign exchange loss of $3.0 million (4Q FY12/13: gain of $20.1 million) which arose mainly from the translation of the Trust's JPY-denominated MTN.

offset by:

(iv) gain on divestment of investment property Block 5006 Techplace II of $4.9 million in 4Q FY13/14 (4Q FY12/13: $Nil)
(v) net fair value gain on financial derivatives of $4.4 million in 4Q FY13/14 (4Q FY12/13: loss of $18.4 million).
(vi) accretion gain on refundable security deposits of $0.7 million in 4Q FY13/14 (4Q FY12/13:$0.5 million)
(vii) higher deduction of upfront fee on new loans of $3.0 million in 4Q FY13/14 (4Q FY12/13: $1.5 million)

Total amount available for distribution was 23.9% higher than 4Q FY12/13 mainly due to higher net property income, tax-exempt income from finance lease interest income received from a tenant, tax exempt income from incentive payment (net of Singapore corporate tax) in 4Q FY13/14 received as income support for AHTDBC in relation to Z-Link, and capital distribution of net income from its subsidiary, AHTDBC.

Review of Performance 4Q FY13/14 vs 3Q FY13/14

	Group		
	4Q FY13/14 01/01/14 to 31/03/14 S$'000	3Q FY13/14 01/10/13 to 31/12/13 S$'000	Increase / (Decrease) %
Gross revenue	156,539	154,436	1.4%
Property operating expenses	(44,232)	(45,863)	(3.6%)
Net property income	112,307	108,573	3.4%
Non property expenses	(9,890)	(10,504)	(5.8%)
Net finance (costs)/income	(47,063)	7,552	nm
Foreign exchange (loss)/gain	(2,965)	16,602	(117.9%)
Gain on disposal of investment property	4,852	-	nm
	(55,066)	13,650	nm
Net income	57,241	122,223	(53.2%)
Net change in fair value of financial derivatives	4,449	(16,667)	(126.7%)
Net appreciation on revaluation of investment properties	131,113	-	nm
Total return for the period before income tax expense	192,803	105,556	82.7%
Income tax expenses	(22,014)	(412)	nm
Total return for the period after income tax expense	170,789	105,144	62.4%
Net effect of non tax deductible/(taxable income) and other adjustments	44,270	(20,042)	nm
Net appreciation on revaluation of investment properties	(131,113)	-	nm
Income available for distribution	83,946	85,102	(1.4%)
Comprising:			
- Taxable income	83,341	84,494	(1.4%)
- Tax-exempt income (Note a)	605	608	(0.4%)
Income available for distribution	83,946	85,102	(1.4%)
Tax-exempt income (prior periods) (Note b)	623	-	nm
Distribution from capital (prior periods) (Note c)	702	-	nm
Total amount available for distribution	85,271	85,102	0.2%
Earnings per unit (cents)	7.11	4.38	62.3%
Distribution per unit (cents)	3.55	3.54	0.3%

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, except for Unitholders who are holding the units as trading assets.

(b) This relates to the second distribution of incentive payment (net of Singapore corporate tax) in 4Q FY13/14, received as income support for AHTDBC in relation to Z-Link, for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (c) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(c) This relates to the second distribution of net income from its subsidiary, AHTDBC, in 4Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 March 2014. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

Property operating expenses was lower in 4Q FY13/14 by 3.6% mainly due to lower property tax expenses that is contributed by higher property tax vacancy refund received in 4Q FY13/14, but offset by higher marketing fees due to payment for Ascendas Partnership Reward in January 2014.

Non property expenses are lower by 5.8% mainly due to higher professional fees incurred in 3Q FY13/14.

The difference between net finance costs in 4Q FY13/14 and net finance income in 3Q FY13/14 was mainly due to a fair value loss on convertible bonds of $26.6 million in 4Q FY13/14 (3Q FY13/14: gain of $8.4 million), fair value loss on collateral loan of $7.4 million (3Q FY13/14: gain of $12.7 million) offset by accretion gain of $0.7 million on refundable security deposits in 4Q FY13/14 (3Q FY13/14: $0.4 million).

Foreign exchange (loss)/gain mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange loss in 4Q FY13/14 was due to the strengthening 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.

Net change in fair value of financial derivatives in 4Q FY13/14 was made up of a fair value gain on interest rate swaps of $3.1 million (3Q FY13/14: $0.6 million loss), and a $1.3 million fair value gain on cross currency swaps (3Q FY13/14: $16.0 million loss). Fair value gain on cross currency swaps was mainly due to the strengthening of the JPY forward exchange rates against SGD.

Independent valuations for the 105 properties were undertaken by CBRE Pte. Ltd., DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd, Cushman & Wakefield Valuation Advisory Services (HK) Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd in March 2014. Net increase in value on revaluation of investment properties is not taxable and is excluded from the computation of total amount available for distribution.

Higher income tax expense for 4Q FY13/14 mainly due to deferred tax provided on appreciation on revaluation of investment properties held by the China subsidiaries.

The difference between net non tax deductible expenses/(taxable income) and other adjustments in 4Q FY13/14 and 3Q FY13/14 was as follows:

(i) fair value loss on convertible bonds of $26.6 million in 4Q FY13/14 (3Q FY13/14: gain $8.4 million).
(ii) fair value loss on collateral loan of $7.4 million in 4Q FY13/14 (3Q FY13/14: gain of $12.7 million); and
(iii) foreign exchange loss of $3.0 million in 4Q FY13/14 (3Q FY13/14: gain of $16.6 million) which arose mainly from the translation of the Trust's JPY-denominated MTN;

offset by:
(iv) upfront fee of $3.0 million on a new loan facility (3Q FY13/14: $Nil);
(v) net fair value gain on financial derivatives of $4.4 million in 4Q FY13/14 (3Q FY13/14: loss of $16.7 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

The Ministry of Trade and Industry (MTI) reported that the Singapore economy grew by 4.1% in 2013, higher than the 1.9% growth achieved in 2012. The Singapore Government's focus continues to be on "restructuring for quality growth". The tightening of foreign labour supply continues to weigh on growth in some labour-intensive sectors due to increase in costs of operations. The Government also implemented a slew of policies and measures to cool the property market.

The pace of the US Federal Reserve's tapering of its asset purchase programme and the expectation of an increase in interest rates in the United States could weigh on financial markets and business sentiments.

For 2014, the Government is projecting that the Singapore economy will grow at between 2.0% to 4.0%.

According to MTI's advance estimates, the Singapore economy grew by 5.1% on a y-o-y basis in 1Q 2014, compared to 5.5% in the previous quarter. The manufacturing sector grew the most at 8.0% y-o-y, followed by construction at 6.5% and services producing industries at 4.7%. The expansion in manufacturing was largely due to a sharp rebound in the cyclical biomedical manufacturing output and stronger growth in chemicals output.

The Purchasing Manager's Index (PMI) stayed at above 50 in the last three months, with March 2014 PMI at 50.8 points. This was a marginal dip of 0.1 point over February 2014 due to lower new orders as well as lower levels of production output and inventory. The electronics sector recorded an expansion at 51.6 in March 2014, an increase of 0.4 point over the previous month and is the 14th consecutive month of expansion. Electronics production output, inventory and imports continued to expand whilst stockholdings of finished goods reverted to contraction.

Non-oil domestic exports ("NODX") fell 6.0% in 2013 due to weak electronics shipment (-11.3%) and decline in shipments to the European Union (-25.5%). In March 2014, NODX declined 6.6% y-o-y due to both electronic (-16.1%) and non-electronic domestic exports (-2.4%). NODX to all 10 major markets, except China and Malaysia, contracted in March 2014. However, when compared with Feb 2014, March NODX grew 8.9%.

URA industrial property price index increased 3.2% in 2013 while the rental index increased by 5% in 2013. According to the CBRE 1Q 2014 Market View, rental rates for business park space (city fringe) stood at S$5.40 psf per month whilst for business park space (rest of the island) rental rates were at S$3.85 psf per month. Ground floor rental rates for factory space and warehouse space stayed flat at S$1.90 psf per month and S$1.83 psf per month in 1Q 2014 respectively.

The occupancy rate of factory space island-wide finished the year 2013 at 92.5%. Warehouse space ended the year with an occupancy rate of 90.8%. Business park occupancy rate improved to 84.1% in 4Q2013 from 80.8% in 3Q 2013.

China

According to the National Bureau of Statistics, the China Purchasing Managers' Index ("PMI") was at 50.3 in March 2014, up 0.1 point from 50.2 in February 2014. The Markit/HSBC Services PMT also increased to 51.9 in March 2014 from 51.0 in the previous month.

China's exports fell by 6.6% y-o-y and imports dropped 11.3% y-o-y in March 2014. This is the second straight month of falling exports for China. In February, exports dropped by 18.1%. For the whole of 2013, China's economy expanded by 7.7%.

The Chinese Government's target for economic growth in 2014 is 7.5%. It is also moving forward with the reforms to shift its growth model away from exports, credit-fuelled investment and construction of infrastructure and real estate, and to rebalance the economy towards consumption-driven growth. The Government now stresses three macroeconomic goals — job creation, price stability, and GDP growth.

Outlook for the financial year ending 31 March 2015

For FY14/15, about 21.3% of A-REIT's lease (by rental income) is due for renewal. With around 1,300 tenants in a portfolio of 103 properties in Singapore and 2 business park properties in China, A-REIT is well-diversified in terms of rental income. No single property accounts for more than 4.3% of A-REIT's monthly gross revenue. A-REIT's portfolio has a mix of long and short term leases (30.1% versus 69.9% by asset value respectively) with a weighted average lease to expiry of about 3.9 years which will provide a predictable earnings stream.

In 2014, while the supply of industrial space in Singapore is expected to increase, the demand outlook for business and industrial space is likely to remain healthy on the back of a tentative global recovery. Singapore remains an attractive business gateway to Asia. The average passing rental rates of leases in our portfolio due for renewal in the FY14/15 are still below the market spot rental rates; hence, positive rental reversion can be expected when leases are renewed.

However, Government regulations and actions may have impact on cost of operations. Operating costs could increase given the tight labour market, although measures are being taken to mitigate the impact. With about 10.4% vacancy in the portfolio, there could be potential upside in net property income when these spaces are leased out in due course, the speed of which will largely depend on prevailing market conditions.

In China, the Manager will continue to look for opportunities in the target product segments and cities. Over the longer term, demand for such space has strong underlying fundamentals as the Chinese Government deepens economic reforms, domestic consumption grows and the Chinese people strive for a higher quality living and work environment.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2015.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	45th distribution for the period from 1 January 2014 to 31 March 2014
Distribution Type:	Taxable income/Tax-exempt income/Capital distribution
Distribution Rate:	Taxable income – 3.47 cents per unit Tax-exempt income – 0.05 cents per unit Capital distribution – 0.03 cents per unit Total distribution – 3.55 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. <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:	29 April 2014
Date payable:	30 May 2014

11. Distributions

(b) Corresponding period of the immediately preceding year

(i) Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	41st distribution for the period from 19 March 2013 to 31 March 2013
Distribution Type:	Taxable income
Distribution Rate:	Taxable income – 0.37 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%.
Book closure date:	23 April 2013
Payment date:	27 May 2013

(b) Corresponding period of the immediately preceding year

(ii) Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	40th distribution for the period from 01 January 2013 to 18 March 2013
Distribution Type:	Taxable income
Distribution Rate:	Taxable income – 2.69 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%.
Book closure date:	18 March 2013
Payment date:	25 April 2013

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 31 March 2014:

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 on a quarterly basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager. With effect from FY14/15, the Manager will make distributions on semi-annual basis.

15. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

Not applicable for announcement of full year results.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for business or geographical segments

(a) By Business segments

	Group		
	01/04/13 to 31/03/14 (Note a) S$'000	01/04/12 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %
Gross revenue			
Business & Science Park Properties (Note b)	219,481	195,951	12.0%
Hi-Specifications Industrial Properties (Note c)	159,267	157,046	1.4%
Light Industrial Properties (Note d)	93,860	87,274	7.5%
Logistics and Distributions Centres (Note e)	125,994	120,571	4.5%
Warehouse Retail Facilities	14,990	14,995	(0.0%)
Gross revenue	613,592	575,837	6.6%

	Group		
	01/04/13 to 31/03/14 (Note a) S$'000	01/04/12 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %
Net property income			
Business & Science Park Properties (Note b)	143,592	131,675	9.1%
Hi-Specifications Industrial Properties (Note c)	113,506	107,117	6.0%
Light Industrial Properties (Note d)	70,875	65,792	7.7%
Logistics and Distributions Centres (Note e)	94,780	91,634	3.4%
Warehouse Retail Facilities	13,220	12,592	5.0%
Net property income	435,973	408,810	6.6%

Footnotes

(a) 105 properties as at 31 March 2014 and 103 properties as at 31 March 2013. A-REIT's business is investing in business space and industrial properties (including business & science park, hi-specs industrial, light industrial, logistics & distribution centres and warehouse retail facilities).

(b) Increase in gross revenue and net property income in Business and Science Park Properties was mainly contributed by The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. These were offset by higher operating expenses from 31 International Business Park due to conversion from single-tenanted to multi-tenanted lease structure.

(c) Increase in net property income in Hi-Specs Industrial properties is mainly due to higher revenue from positive rental reversion at certain properties and lower operating expenses. The lower operating expenses are mainly contributed by lower utiliites charges due to more efficient use of energy as a result of the completion of chiller upgrading at Corporation Place and lower pre-committed utiltiies rate at certain properties, lower property tax at Kim Chuan Telecommunication Complex due to vacancy refund received in relation to rent free fitting out period during year 2010 offset by higher operating expenses at Aztech due to conversion from single-tenanted to multi-tenanted lease structure.

(d) Increase in gross revenue and net property income in Light Industrial Properties mainly due to an increase in occupancy achieved in FoodAxis@Senoko, and higher renewal rates at Techplace I and Techplace II. Higher operating expenses mainly from maintenance and conservancy costs, utilities and higher property service fees were in line with the higher revenue, offset by lower property tax arising from property vacancy refund received.

(e) Increase in gross revenue in Logistics and Distributions Centres. Properties was mainly due to increase in occupancy at 10 Toh Guan and 9 Changi South, positive rental reversion at PioneerHub offset by loss of revenue from disposal of property located at 6 Pioneer Walk Higher operating expenses at 10 Toh Guan and 5 Toh Guan mainly due to the conversion from single-tenanted to multi-tenanted lease structure.

(b) By Geographical segments

	Group		
	01/04/13 to 31/03/14 (Note a) S$'000	01/04/12 to 31/03/13 (Note a) S$'000	Increase / (Decrease) %
Gross revenue			
Singapore (Note b)	605,692	570,184	6.2%
China (Note c)	7,900	5,653	39.7%
Gross revenue	613,592	575,837	6.6%
Net property income			
Singapore (Note b)	431,426	404,662	6.6%
China (Note c)	4,547	4,148	9.6%
Net property income	435,973	408,810	6.6%

Footnotes

(a) 105 properties as at 31 March 2014 and 103 properties as at 31 March 2013. A-REIT's business is investing in business space and industrial properties (including business & science park, hi-specs industrial, light industrial, logistics & distribution centres and warehouse retail facilities).

(b) Increase in gross revenue and net property income from properties located in Singapore is mainly due to The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north and finance lease interest income received from a tenant. Positive rental also contributed to the higher revenue and net property income. These are partially offset by loss of revenue from divestment of investment property located at 6 Pioneer Walk and higher operating expenses due to the change in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted.

(c) Increase in gross revenue and net property income from property located in China is mainly contributed by the acquisition of shares in SHJQ, which holds the property, A-REIT City@Jinqiao via its subsidiary in China, ASRC.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Para 8 for the review of the actual performance.

18. Breakdown of revenue

	Group		
	01/04/13 to 31/03/14 (Note a & b) S$'000	01/04/12 to 31/03/13 (Note a & b) S$'000	Increase / (Decrease) %
(a) Gross revenue reported for first half year	302,617	285,284	6.1%
(b) Net income after tax for first half year (Note c)	210,751	122,548	72.0%
(c) Gross revenue reported for second half year	310,975	290,553	7.0%
(d) Net income after tax for second half year (Note d)	157,038	183,938	(14.6%)

Footnotes

(a) 105 properties as at 31 March 2014 and 103 properties as at 31 March 2013.

(b) Increase in gross revenue and net income after tax over FY12/13 was mainly due to the completion of development projects in FY13/14 and acquisitions made in end FY12/13 and during FY13/14.

(c) Higher net income after tax for first half year of FY13/14 was mainly due to fair value gain on convertible bonds of $19.4 million (FY12/13: $7.6 million), fair value gain on collateral bonds of $13.2 million (FY12/13: loss of $30.9 million), foreign exchange gain of $6.1 million (FY12/13: loss of $9.0 million) and gain on disposal of investment property of $7.2 million (FY12/13: $Nil).

(d) Lower net income after tax for second half year of FY13/14 was mainly due to lower foreign exchange gain of $13.6 million (FY12/13: $51.3 million), fair value loss on convertible bonds of $18.1 million (FY12/13: gain of $7.7 million), and deferred tax provision of $21.1 million (FY12/13: $0.1 million) offset by gain on collateral loans $5.2 million (FY12/13: loss of $21.1. million) and gain on disposal of investment property of $4.9 million (3Q FY13/14: $Nil).

19. Breakdown of the total distribution for the financial years ended 31 March 2014 and 31 March 2013

	Group	
	01/04/13 to 31/03/14 S$'000	01/04/12 to 31/03/13 S$'000
01 Jan 14 to 31 Mar 14	85,271	-
01 Oct 13 to 31 Dec 13	85,049	-
01 July 13 to 30 Sep 13	86,431	-
01 Apr 13 to 30 Jun 13	85,231	-
19 Mar 13 to 31 Mar 13		8,876
01 Jan 13 to 18 Mar 13	-	60,228
01 Oct 12 to 31 Dec 12	-	81,050
01 July 12 to 30 Sep 12	-	78,985
14 May 12 to 30 Jun 12	-	40,276
01 Apr 12 to 13 May 12	-	36,087
Total distribution to unitholders	341,982	305,502

20. CONFIRMATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in Ascendas Funds Management (S) Limited (the “Company”) or in any of A-REIT’s principal subsidiaries who is a relative or a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of A-REIT.

21. USE OF PROCEEDS FROM PRIVATE PLACEMENTS

(i) **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 of the balance of proceeds 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.

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

Mary Judith de Souza
Company Secretary
21 April 2014