A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 104 properties in Singapore and 2 properties in China, with a tenant base of around 1,390 customers across the following segments: Business & Science Park, Hi-Specs Industrial, Light Industrial, Logistics & Distribution Centres and Integrated Development Amenities & Retail (previously known as Warehouse Retail Facilities).

The Group results include the consolidation of wholly owned subsidiaries and special purpose companies set up to grant loans to the Trust. The commentaries below are based on the Group results unless otherwise stated.

SUMMARY OF A-REIT GROUP RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	Group		
	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000 (Restated) (Note a)	Increase %
Gross revenue	**499,693**	**457,053**	**9.3%**
Net property income	**345,538**	**323,666**	**6.8%**
Total amount available for distribution:	**261,892**	**256,734**	**2.0%**
- from operations	258,061	253,566	1.8%
- tax-exempt income (Note b)	3,101	2,466	25.8%
- from capital (Note b)	730	702	4.0%
	Cents per Unit		
Distribution per Unit ("DPU") (Note d and e)	FY14/15	FY13/14	Increase %
For the quarter from 1 October to 31 December	**3.59**	**3.54**	**1.4%**
- from operations	3.56	3.52	1.1%
- tax-exempt income (Note c)	0.03	0.02	50.0%

Footnotes

(a) The Group adopted FRS 110 *Consolidated Financial Statements* with effect from 1 April 2014 which resulted in the Group consolidating Ruby Assets Pte. Ltd. ("Ruby Assets") and Emerald Assets Limited ("Emerald Assets") since 1Q FY14/15. The comparative figures for YTD 3Q FY13/14 and 3Q FY13/14 have been restated on similar basis for comparison. Please refer to Para 4 on page 22.

(b) This includes a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. It also includes the distributions of net income and incentive payment (net of Singapore corporate tax) received as income support relating to the properties in China.

(c) As tax has been withheld on exempt income, the distribution is exempt from tax in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(d) With effect from 1 April 2014, A-REIT makes distribution semi-annually for every six-month period ending 30 September and 31 March.

(e) As at 31 December 2014, none of the S$300 million Exchangeable Collateralised Securities ("ECS") with maturity date on 1 February 2017 is converted into A-REIT Units ("Units"). Accordingly, the actual quantum of DPU may differ if any of the ECS is converted into Units. For more details on the ECS, please refer to Para 1(b)(i)(l) on Page 15 and 16 and Para 1(d)(ii) on Page 21.

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

1(a)(i) Statement of total return (YTD 3Q FY14/15 vs YTD 3Q FY13/14)

	Group			Trust		
	01/04/14 to 31/12/14 (Note a) S$'000	01/04/13 to 31/12/13 (Note a) S$'000 (Restated)	Increase / (Decrease) %	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000	Increase / (Decrease) %
Gross revenue	499,693	457,053	9.3%	486,973	451,185	7.9%
Property services fees	(18,531)	(15,219)	21.8%	(17,932)	(15,089)	18.8%
Property tax	(41,325)	(33,131)	24.7%	(40,341)	(32,869)	22.7%
Other property operating expenses	(94,299)	(85,037)	10.9%	(90,980)	(83,266)	9.3%
Property operating expenses	(154,155)	(133,387)	15.6%	(149,253)	(131,224)	13.7%
Net property income	345,538	323,666	6.8%	337,720	319,961	5.6%
Management fees (Note b)	(28,483)	(26,704)	6.7%	(28,483)	(26,704)	6.7%
Trust expenses	(3,606)	(4,182)	(13.8%)	(2,812)	(3,833)	(26.6%)
Finance income (Note c)	7,185	61,746	(88.4%)	7,240	61,658	(88.3%)
Finance costs (Note d)	(75,774)	(50,628)	49.7%	(75,205)	(50,100)	50.1%
Foreign exchange (loss)/gain (Note e)	(32,074)	(7,720)	nm	18,172	22,367	(18.8%)
Gain on disposal of investment properties (Note f)	2,023	7,205	(71.9%)	2,023	7,205	(71.9%)
Net non property expenses	(130,729)	(20,283)	nm	(79,065)	10,593	nm
Net income (*)	214,809	303,383	(29.2%)	258,655	330,554	(21.8%)
Net change in fair value of financial derivatives (Note g)	51,338	8,773	nm	(1,220)	(21,383)	(94.3%)
Net appreciation on revaluation of investment property (Note h)	28,112	-	nm	-	-	-
Total return for the period before tax	294,259	312,156	(5.7%)	257,435	309,171	(16.7%)
Tax expense (Note i)	(3,119)	(1,230)	153.6%	(2,086)	(901)	131.5%
Total return for the period	291,140	310,926	(6.4%)	255,349	308,270	(17.2%)
Attributable to:						
Unitholders	291,109	311,179	(6.4%)	255,349	308,270	(17.2%)
Non-controlling interests	31	(253)	nm	-	-	-
	291,140	310,926	(6.4%)	255,349	308,270	(17.2%)

Note: nm denotes "not meaningful"

(*) Excluding the impact of consolidating Ruby Assets and Emerald Assets, net income of the Group would have been $267.3 million and $333.8 million for YTD 3Q FY14/15 and YTD 3Q FY13/14 respectively.

1(a)(i) Statement of total return (YTD 3Q FY14/15 vs YTD 3Q FY13/14) (cont'd)

	Group			Trust		
	01/04/14 to 31/12/14 (Note a) S$'000	01/04/13 to 31/12/13 (Note a) S$'000 (Restated)	Increase / (Decrease) %	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000	Increase / (Decrease) %
Statement of distribution						
Total return for the period attributable to Unitholders	291,109	311,179	(6.4%)	255,349	308,270	(17.2%)
Net effect of non (taxable income) /tax deductible expenses and other adjustments (Note j)	(2,918)	(55,769)	(94.8%)	4,730	(52,860)	(108.9%)
Net appreciation on revaluation of investment property (Note h)	(28,112)	-	nm	-	-	-
Income available for distribution	260,079	255,410	1.8%	260,079	255,410	1.8%
Comprising:						
- Taxable income	258,061	253,566	1.8%	258,061	253,566	1.8%
- Tax-exempt income (Note k)	2,018	1,844	9.4%	2,018	1,844	9.4%
Income available for distribution	260,079	255,410	1.8%	260,079	255,410	1.8%
Tax-exempt income (prior periods) (Note l)	1,083	622	74.1%	1,083	622	74.1%
Distribution from capital (prior periods) (Note m)	730	702	4.0%	730	702	4.0%
Total amount available for distribution	261,892	256,734	2.0%	261,892	256,734	2.0%

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

	01/04/14 to 31/12/14 (Note a) S$'000	01/04/13 to 31/12/13 (Note a) S$'000 (Restated)	Increase / (Decrease) %	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000	Increase / (Decrease) %
Gross rental income	440,963	407,612	8.2%	428,677	401,775	6.7%
Other income (Note n)	58,730	49,441	18.8%	58,296	49,410	18.0%
Allowance for impairment loss on doubtful receivables (Note o)	(558)	(289)	93.1%	(558)	(289)	93.1%
Depreciation of plant and equipment (Note p)	(133)	(521)	(74.5%)	(114)	(515)	(77.9%)

Note: nm denotes "not meaningful

Footnotes

(a) The Group adopted FRS 110 *Consolidated Financial Statements* with effect from 1 April 2014, which resulted in the Group consolidating Ruby Assets and Emerald Assets since 1Q FY14/15. The comparative figures for YTD 3Q FY13/14 have been restated on similar basis for comparison.

The Group had 106 properties and 105 properties as at 31 December 2014 and 31 December 2013 respectively. Since January 2014, the Group completed (i) the acquisition of Aperia through acquiring the share capital of PLC 8 Holdings Ptd. Ltd. ("PLC8H") in August 2014 (ii) the acquisition of Hyflux Innovation Centre ("HIC") in June 2014 and (iii) the divestment of the investment property located at 1 Kallang Place in May 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; and with effect from 1 April 2014, the Manager has improved the basis of determination of management fees by excluding derivative assets and investment properties under development from the computation of Deposited Property. This has resulted in a lower management fees than it would have been under the previous computation method. Overall, management fees for the period increased in line with higher Deposited Property value contributed mainly by the acquisition of HIC and Aperia in 1Q and 2Q FY14/15 respectively, fair value gain on revaluation of investment properties, completion of Nexus@one-north and acquisition of A-REIT City@Jinqiao in FY13/14.

(c) Finance income comprises interest income from interest rate swaps, convertible bonds, bank deposits and accretion adjustments for refundable security deposits. Finance income in YTD 3Q FY13/14 was higher as it included a fair value gain on ECS of $25.9 million and a fair value gain on convertible bonds of $27.9 million (YTD 3Q FY14/15: loss of $5.5 million and $16.6 million respectively, recognised in finance costs (see note (d) below)).

(d) Finance costs comprise interest expenses on loans, interest rate swaps, amortised costs of establishing debt facilities (including the Medium Term Notes ("MTN"), Transferrable Loan Facilities and Committed Revolving Credit Facilities). The higher finance costs was mainly due to the fair value loss on convertible bonds of $16.6 million and the fair value loss on ECS of $5.5 million (YTD 3Q FY13/14: gain of $27.9 million and $25.9 million respectively, recognised in finance income (see note (c) above)). The fair value loss on convertible bonds recognised in YTD 3Q FY14/15 was attributed to the reversal of fair value gain recognised in prior periods upon acquisition of PLC8H Group. The convertible bonds and ECS (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) Foreign exchange loss in YTD 3Q FY14/15 at Group level was mainly due to the realisation of exchange loss from the repayment of Emerald Assets's EURO-denominated MTN and from the strengthening of HKD spot exchange rate against SGD relating to the HKD-denominated MTN, offset by the weakening of JPY spot exchange rate against SGD relating to the JPY-denominated MTN. YTD 3Q FY13/14 Group level foreign exchange loss mainly arose from the translation of EURO-denominated MTN by Emerald Assets, offset by foreign exchange gain which arose from the translation of JPY-denominated MTN by the Trust. Cross currency swaps relating to the JPY-denominated MTN and HKD-denominated MTN were entered into to hedge used against the foreign exchange exposure. Emerald Assets' cross currency interest rate swap to hedge against the EURO-denominated MTN had matured in May 2014, resulting in an offsetting fair value gain in YTD 3Q FY14/15 (see note (g) below).

(f) This relates to the gain arising from the divestment of investment properties located at 1 Kallang Place and 6 Pioneer Walk, which were completed in May 2014 and June 2013 respectively.

(g) Net change in fair value of financial derivatives in YTD 3Q FY14/15 was made up of a $11.8 million fair value gain on interest rate swaps (YTD 3Q FY13/14: loss of $5.6 million) offset by a $13.0 million fair value loss on cross currency swaps (YTD 3Q FY13/14: $15.7 million) at Trust level and a reversal of fair value loss amounting to $52.5 million on cross currency interest rate swap from Emerald Assets upon maturity of the swap. The fair value loss on cross currency swaps for both financial periods was mainly due to the weakening of JPY forward exchange rates against SGD relating to the JPY/SGD cross currency swaps and in addition, the loss in YTD 3Q FY14/15 was partially offset by the fair value gain due to the strengthening of the HKD forward exchange rates against SGD relating to the HKD/SGD cross currency swaps. YTD 3Q FY13/14 recorded a fair value gain on the cross currency interest rate swap from Emerald Assets. For further details, please refer to Note (l) on Pages 15 to 16.

(h) This relates to the appreciation on revaluation of investment property upon acquisition of Aperia through acquiring the share capital of PLC8H, in line with the accounting policy of the Group.

(i) Tax expense includes income tax expense relating to a China subsidiary, income tax provided on interest income earned from investment in convertible bonds, finance lease interest income received from a tenant, income support relating to HIC and incentive payment received as income support in relation to both Ascendas Z-Link and A-REIT City@Jinqiao.

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

	Group			Trust		
	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000 (Restated)	Increase / (Decrease) %	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	5,697	5,341	6.7%	5,697	5,341	6.7%
Trustee fee	1,730	1,606	7.7%	1,730	1,606	7.7%
Net change in fair value of financial derivatives	1,220	21,383	(94.3%)	1,220	21,383	(94.3%)
Other net non tax deductible expenses/ (taxable income) and other adjustments (Note A)	14,255	(58,823)	nm	14,255	(58,823)	nm
Transfer to general reserve	(234)	(106)	120.8%	-	-	-
Foreign exchange gain	(20,461)	(22,695)	(9.8%)	(18,172)	(22,367)	(18.8%)
Income from subsidiaries (Note B)	(5,125)	(2,475)	107.1%	-	-	-
Net effect of non (taxable income)/tax deductible expenses and other adjustments	(2,918)	(55,769)	(94.8%)	4,730	(52,860)	nm

Note: nm denotes “not meaningful”

A. Other net non tax deductible expenses/(taxable income) and other adjustments include mainly set-up costs on loan facilities, commitment fees paid on undrawn committed credit facilities, net change in fair value of ECS and convertible bonds, accretion adjustments for refundable security deposits, gain arising from the divestment of investment properties and incentive payment received as income support relating to Ascendas Z-Link, A-REIT City@Jinqiao and HIC. The income support relating to HIC has not been received by the Trust and the intention is to distribute such income support amount after receipt from the vendor.

B. This relates to income from Ascendas Hi-Tech Development (Beijing) Co., Limited (“AHTDBC”), A-REIT Shanghai Realty Co., Limited (“ASRC”) and PLC8H, which has yet to be received by A-REIT as at 31 December 2014. The net income from subsidiaries, where available, will be distributed after relevant adjustments such as withholding tax payable.

(k) 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.

(l) This relates to the distribution of incentive payment (net of Singapore corporate tax) received as income support relating to the properties in China. 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.

(m) This relates to the distribution of net income from the property in China. Income will be distributed after its annual audited financial statements had been filed and corporate taxes paid. It is deemed to be capital distribution from a tax perspective until this income is remitted to A-REIT in Singapore. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(n) Other income includes revenue from utilities charges, interest income from finance lease receivable, car park revenue, income support and claims on liquidated damages. Other income is higher in YTD 3Q FY14/15 mainly due to income support relating to HIC and incentive payment received as income support in relation to A-REIT City@Jinqiao and higher car park income.

(o) Increase in allowance for doubtful debts due to specific provision on outstanding debts in excess of security deposits.

(p) Lower depreciation in YTD 3Q FY14/15 mainly due to certain fixed assets being fully depreciated.

Gross revenue increased by 9.3% mainly due to the recognition of rental income earned from Nexus@one-north, A-REIT City@Jinqiao, HIC and Aperia. Positive rental reversion from certain properties, income support relating to HIC and incentive payment received as income support in relation to A-REIT City@Jinqiao also contributed to the increase in gross revenue.

The increase in property operating expenses by 15.6% are mainly contributed from Nexus@one-north, A-REIT City@Jinqiao, HIC and Aperia and changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted.

The increase in property tax of 24.7% was mainly contributed by changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted and revision of annual value by IRAS at certain properties, in particular the property located at 38A Kim Chuan Road. Nexus@one-north, HIC and Aperia which were acquired in September 2013, June 2014 and August 2014 also contributed to the higher property tax in YTD 3Q FY14/15. YTD 3Q FY14/15, property tax expense also included vacancy refund of $1.0 million (or DPU contribution of 0.04 cents) (YTD 3Q FY13/14: $1.5 million, DPU impact of 0.06 cents). Following IRAS's announcement on the removal of the property tax refund concession on unoccupied spaces with effect from 1 January 2014, buildings with vacant periods starting from 1 January 2014 would not be able to make property vacancy claims. The vacancy refund received in YTD 3Q FY14/15 was related to unoccupied space area during the period prior to 1 January 2014.

The differences between net non property expenses in YTD 3Q FY14/15 and YTD 3Q FY13/14 are as follows:

(i) higher net finance costs which included a fair value loss on convertible bonds of $16.6 million arising from reversal of fair value gain on convertible bonds upon acquisition of PLC8H Group (YTD 3Q FY13/14: gain of $27.9 million) and a fair value loss on ECS of $5.5 million (YTD 3Q FY13/14: gain of $25.9 million);
(ii) higher management fees in YTD 3Q FY14/15 (see Note (b) on Page 5);
(iii) higher foreign exchange loss of $32.1 million (YTD 3Q FY13/14: $7.7 million) (see Note (e) on Page 5).
(iv) lower gain on divestment of an investment property located at 1 Kallang Place of $2.0 million (YTD 3Q FY13/14: $7.2 million gain on divestment of an investment property located at Pioneer Walk);
offset by:
(v) lower trust expenses in YTD 3Q FY14/15 due to write back of accruals of prior year expenses no longer required.

1 (a)(ii) Statement of total return (3Q FY14/15 vs 3Q FY13/14)

	Group			Trust		
	01/10/14 to 31/12/14 (Note a) S$'000	01/10/13 to 31/12/13 (Note a) S$'000 (Restated)	Increase / (Decrease) %	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000	Increase / (Decrease) %
Gross revenue	171,734	154,436	11.2%	166,886	151,798	9.9%
Property services fees	(6,471)	(5,346)	21.0%	(6,284)	(5,253)	19.6%
Property tax	(17,284)	(11,536)	49.8%	(16,677)	(11,449)	45.7%
Other property operating expenses	(33,380)	(28,981)	15.2%	(32,090)	(28,173)	13.9%
Property operating expenses	(57,135)	(45,863)	24.6%	(55,051)	(44,875)	22.7%
Net property income	114,599	108,573	5.6%	111,835	106,923	4.6%
Management fees (Note b)	(9,814)	(9,038)	8.6%	(9,814)	(9,038)	8.6%
Trust expenses	(514)	(1,467)	(65.0%)	(199)	(1,220)	(83.7%)
Finance income (Note c)	1,282	24,359	(94.7%)	1,250	24,249	(94.8%)
Finance costs (Note d)	(26,929)	(16,801)	60.3%	(26,793)	(16,607)	61.3%
Foreign exchange gain (Note e)	9,320	7,319	27.3%	6,946	15,680	(55.7%)
Net non property (expenses)/income	(26,655)	4,372	nm	(28,610)	13,064	nm
Net income (*)	87,944	112,945	(22.1%)	83,225	119,987	(30.6%)
Net change in fair value of financial derivatives (Note f)	5,167	(7,453)	nm	5,167	(16,667)	(131.0%)
Total return for the period before tax	93,111	105,492	(11.7%)	88,392	103,320	(14.4%)
Tax expense (Note g)	(945)	(412)	129.4%	(498)	(322)	54.7%
Total return for the period	92,166	105,080	(12.3%)	87,894	102,998	(14.7%)
Attributable to:						
Unitholders	92,165	105,144	(12.3%)	87,894	102,998	(14.7%)
Non-controlling interests	1	(64)	nm	-	-	-
	92,166	105,080	(12.3%)	87,894	102,998	(14.7%)

Note: nm denotes “not meaningful”

(*) Excluding the impact of consolidating Ruby Assets and Emerald Assets, net income of the Group would have been $87.9 million and $122.2 million for 3Q FY14/15 and 3Q FY13/14 respectively.

1 (a)(ii) Statement of total return (3Q FY14/15 vs 3Q FY13/14) (cont'd)

	Group			Trust		
	01/10/14 to 31/12/14 (Note a) S$'000	01/10/13 to 31/12/13 (Note a) S$'000 (Restated)	Increase / (Decrease) %	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000	Increase / (Decrease) %
Statement of distribution						
Total return for the period attributable to Unitholders	92,165	105,144	(12.3%)	87,894	102,998	(14.7%)
Net effect of non taxable income and other adjustments (Note h)	(5,726)	(20,042)	(71.4%)	(1,455)	(17,896)	(91.9%)
Income available for distribution	86,439	85,102	1.6%	86,439	85,102	1.6%
Comprising:						
- Taxable income	85,766	84,494	1.5%	85,766	84,494	1.5%
- Tax-exempt income (Note i)	673	608	10.7%	673	608	10.7%
Total amount available for distribution	86,439	85,102	1.6%	86,439	85,102	1.6%

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

	01/10/14 to 31/12/14 (Note a) S$'000	01/10/13 to 31/12/13 (Note a) S$'000 (Restated)	Increase / (Decrease) %	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000	Increase / (Decrease) %
Gross rental income	152,424	137,796	10.6%	147,881	135,167	9.4%
Other income (Note j)	19,310	16,640	16.0%	19,005	16,631	14.3%
Allowance for impairment loss on doubtful receivables (Note k)	(80)	(214)	(62.6%)	(80)	(214)	(62.6%)
Depreciation of plant and equipment (Note l)	(46)	(176)	(73.9%)	(38)	(172)	(77.9%)

Note: nm denotes "not meaningful"

Footnotes

(a) The Group adopted FRS 110 *Consolidated Financial Statements* with effect from 1 April 2014 and resulted in the Group consolidating Ruby Assets and Emerald Assets since 1Q FY14/15. The comparative figures for 3Q FY13/14 have been restated on similar basis for comparison.

The Group had 106 properties and 105 properties as at 31 December 2014 and 31 December 2013 respectively. Since January 2014, the Group completed (i) the acquisition of Aperia through acquiring the share capital of PLC8H in August 2014 (ii) the acquisition of HIC in June 2014 and (iii) the divestment of the investment property located at 1 Kallang Place in May 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; and with effect from 1 April 2014, the Manager has improved the basis of determination of management fees by excluding derivative assets and investment properties under development from the computation of Deposited Property. This has resulted in a lower management fees than it would have been under the previous computation method. Overall, management fees for the period increased in line with higher Deposited Property value contributed mainly by the acquisition of HIC and Aperia in 1Q and 2Q FY14/15 respectively and fair value gain on revaluation of investment properties.

(c) Finance income comprises interest income from interest rate swaps, convertible bonds, bank deposits and accretion adjustments for refundable security deposits. Finance income in 3Q FY13/14 was higher as it included a fair value gain on ECS of $12.7 million (3Q FY14/15: loss of $8.3 million included in finance costs (see note (d) below)) and a fair value gain on convertible bonds of $8.5 million (3Q FY14/15: Nil). The convertible bonds and ECS (with embedded derivatives) have been designated at fair value through profit or loss in accordance with FRS 39, where changes in fair value therein are recognised in the Statement of Total Return as finance income or finance costs.

(d) Finance costs comprise interest expenses on loans, interest rate swaps, amortised costs of establishing debt facilities (including MTN, Transferrable Loan Facilities, Committed Revolving Credit Facilities). The higher finance costs was mainly due to fair value loss on ECS of $8.3 million (3Q FY13/14: gain of $12.7 million included in finance income (see note (c) above)).

(e) Foreign exchange gain in 3Q FY14/15 was mainly due to the weakening of JPY spot exchange rate against SGD relating to the JPY-denominated MTN, offset by the foreign exchange loss due to the strengthening of HKD spot exchange rate against SGD relating to the HKD-denominated MTN. Foreign exchange gain in 3Q FY13/14 mainly arose from the translation of JPY-denominated MTN by the Trust, offset by loss on the translation of EURO-denominated MTN by Emerald Assets. Cross currency swaps relating to the JPY-denominated MTN and the HKD-denominated MTN were entered into to hedge against the foreign exchange exposure. Emerald Assets' cross currency interest rate swap to hedge against the EURO-denominated MTN had matured in May 2014, resulting in an offsetting fair value gain in 1Q FY14/15.

(f) Net change in fair value of financial derivatives in 3Q FY14/15 was made up of a fair value gain on interest rate swaps of $5.3 million (3Q FY13/14: loss of $0.6 million) offset by a loss on cross currency swaps of $0.1 million (3Q FY13/14: $16.0 million). The fair value loss on cross currency swaps in both financial periods was mainly due to the weakening of JPY forward exchange rates against SGD relating to the JPY/SGD cross currency swaps and in addition in 3Q FY14/15, the loss was partially offset by the fair value gain due to the strengthening of HKD forward exchange rates against SGD relating to the HKD/SGD cross currency swaps. 3Q FY13/14 Group level included a fair value gain on the cross currency interest rate swap from Emerald Assets. For further details, please refer to Note (l) on Pages 15 to 16.

(g) Tax expense includes income tax expense relating to a China subsidiary, income tax provided on interest income earned from investment in convertible bonds, finance lease interest income received from a tenant and income support relating to HIC. 3Q FY14/15 included taxes provided on incentive payment received as income support in relation to A-REIT City@Jinqiao while 3Q FY13/14 included taxes provided on incentive payment received as income support in relation to Ascendas Z-Link. The last tranche of income payment received as income support in relation to Ascendas Z-Link had been fully recognised in September 2014.

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

	Group			Trust		
	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000 (Restated)	Increase / (Decrease) %	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	1,963	1,808	8.6%	1,963	1,808	8.6%
Trustee fee	597	543	9.9%	597	543	9.9%
Net change in fair value of financial derivatives	(5,167)	16,667	nm	(5,167)	16,667	nm
Other net non tax deductible expenses/(taxable income) and other adjustments (Note A)	8,098	(21,234)	nm	8,098	(21,234)	nm
Transfer to general reserve	(105)	(26)	nm	-	-	-
Foreign exchange gain	(9,320)	(16,602)	(43.9%)	(6,946)	(15,680)	(55.7%)
Income from subsidiaries (Note B)	(1,792)	(1,198)	49.6%	-	-	-
Net effect of non taxable income and other adjustments	(5,726)	(20,042)	(71.4%)	(1,455)	(17,896)	(91.9%)

Note: nm denotes "not meaningful

A. Other net non tax deductible expenses/(taxable income) and other adjustments include mainly set-up costs on loan facilities, commitment fees paid on undrawn committed credit facilities, net change in fair value of ECS and convertible bonds, accretion adjustments for refundable security deposits and incentive payment received as income support relating to A-REIT City@Jinqiao and HIC. The rental support from HIC has not been received by the Trust and the intention is to distribute such income support amount after receipt from the vendor.

B. This relates to income from AHTDBC, ASRC and PLC8H, which has yet to be received by A-REIT as at 31 December 2014. The net income from the subsidiaries, where available, will be distributed after relevant adjustments such as withholding tax payable.

(i) 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.

(j) Other income includes revenue from utilities charges, interest income from finance lease receivable, car park revenue, income support and claims on liquidated damages. Other income is higher in 3Q FY14/15 mainly due to income support relating to HIC and incentive payment received as income support in relation to A-REIT City@Jinqiao and higher car park income.

(k) Lower allowance for doubtful debts mainly due to lesser specific provision on outstanding debts in excess of security deposits in 3Q FY14/15.

(l) Lower depreciation in 3Q FY14/15 mainly due to certain fixed assets being fully depreciated.

Gross revenue increased by 11.2% mainly due to the recognition of rental income earned from, HIC and Aperia and increase in occupancy at A-REIT City@Jinqiao which was acquired in July 2013 and Nexus@one-north which was completed in September 2013. Positive rental reversion in certain properties and incentive payment received as income support in relation to A-REIT City@Jinqiao and income support from HIC also contributed to the increase in gross revenue.

The increase in property operating expenses by 24.6% was mainly due to the newly acquired properties by the Group - HIC and Aperia and higher expenses due to increase in occupancy at A-REIT City@Jinqiao and at Nexus@one-north. The changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted had also resulted in higher property operating expenses in 3Q FY14/15.

The increase in property tax of 49.8% was mainly due to the revision of annual value by IRAS at certain properties, in particular the property at 38A Kim Chuan Road. The changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted, acquisition of HIC and Aperia also contributed to the increase in property tax in 3Q FY14/15. In 3Q FY14/15, property tax expense also included vacancy refund of $0.2 million (or DPU contribution of 0.01 cents) (3Q FY13/14: $0.4 million, DPU impact of 0.02 cents). Following IRAS's announcement on the removal of the property tax refund concession on unoccupied spaces with effect from 1 January 2014, buildings with vacant periods starting from 1 January 2014 would not be able to make property vacancy claims. The vacancy refund received in 3Q FY14/15 was related to unoccupied space area during the period prior to 1 January 2014.

The difference between net non property expenses in 3Q FY14/15 and 3Q FY13/14 was as follows:

(i) higher finance costs in 3Q FY14/15 which included fair value loss on ECS of $8.3 million (3Q FY13/14: gain of $12.7 million);
(ii) higher finance income in 3Q FY13/14 as it included a fair value gain on ECS of $12.7 million (3Q FY14/15: loss of $8.3 million) and a fair value gain on convertible bonds of $8.5 million (3Q FY14/15: Nil);
(iii) higher management fees in 3Q FY14/15 (see Note (b) on Page 9);
offset by:
(iv) higher net foreign exchange gain of $9.3 million (3Q FY13/14: $7.3 million) (see Note (e) on Page 10);
(v) lower trust expenses in 3Q FY14/15 due to write back of accruals of prior year expenses, no longer required.

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

	Group		Trust	
	31/12/14 S$'000	31/03/14 S$'000 (Restated) (Note a)	31/12/14 S$'000	31/03/14 S$'000
Non-current assets				
Investment properties (Note b)	7,703,490	6,922,966	7,425,930	6,651,419
Investment in debt securities (Note c)	-	194,574	-	194,574
Plant and equipment (Note d)	1,640	418	190	303
Finance lease receivables	93,040	93,844	93,040	93,844
Interest in subsidiaries (Note e)	-	-	171,651	170,027
Derivative assets (Note f)	15,925	1,348	15,925	1,348
	7,814,095	**7,213,150**	**7,706,736**	**7,111,515**
Current assets				
Finance lease receivables	1,067	1,031	1,067	1,031
Trade and other receivables (Note g)	83,249	65,139	76,944	61,894
Derivative assets (Note f)	-	1,345	-	1,345
Cash and cash equivalents	33,712	67,328	10,679	57,952
Property held for sale (Note h)	-	10,500	-	10,500
	118,028	**145,343**	**88,690**	**132,722**
Current liabilities				
Trade and other payables (Note i)	180,661	128,366	151,337	120,755
Security deposits (Note j)	28,531	28,527	28,496	26,827
Derivative liabilities (Note k)	1,621	55,216	1,621	2,658
Short term borrowings	200,000	209,790	200,000	209,790
Term loans (Note l)	14,807	342,451	-	394,986
Collateral loan (Note l)	-	-	346,623	341,091
Exchangeable Collateralised Securities (Note l)	346,623	341,091	-	-
Provision for taxation (Note m)	3,290	2,068	2,955	2,064
	775,533	**1,107,509**	**731,032**	**1,098,171**
Non-current liabilities				
Other payables	2,175	-	2,175	-
Security deposits (Note j)	76,166	57,435	72,967	56,982
Derivative liabilities (Note k)	103,737	90,185	103,737	90,185
Amount due to a subsidiary	-	-	44,523	-
Medium term notes (Note l)	778,385	499,157	778,385	499,157
Term loans and borrowings (Note l)	1,278,316	731,932	1,278,316	717,649
Deferred tax liabilities	24,540	23,675	-	-
	2,263,319	**1,402,384**	**2,280,103**	**1,363,973**
Net assets	**4,893,271**	**4,848,600**	**4,784,291**	**4,782,093**
Represented by:				
Unitholders' funds	4,893,207	4,848,566	4,784,291	4,782,093
Non-controlling interests	64	34	**-**	**-**
	4,893,271	**4,848,600**	**4,784,291**	**4,782,093**

	31/12/14 S$'000	31/03/14 S$'000 (Restated)	31/12/14 S$'000	31/03/14 S$'000
Gross borrowings				
Secured borrowings				
Amount repayable within one year	346,623	683,556	346,623	736,091
Unsecured borrowings				
Amount repayable after one year	2,067,784	1,240,387	2,067,784	1,226,104
Amount repayable within one year	214,807	210,000	200,000	210,000
	2,629,214	2,133,943	2,614,407	2,172,195

Footnotes

(a) The Group's comparative balance sheet as at 31 March 2014 had been restated to take into account the retrospective adjustments relating to FRS 110 (please refer to Para 4 of page 22).

(b) The increase in value of investment properties was mainly due to the acquisition of HIC in June 2014, acquisition of Aperia in August 2014, gain on revaluation of investment property relating to Aperia and asset enhancement works at various properties.

(c) The convertible bonds were fully redeemed in 2Q FY14/15.

(d) Higher fixed assets at Group level due to purchases of new fixed assets at the China subsidiaries. Lower fixed assets at Trust level due to certain fixed assets being fully depreciated.

(e) Interest in subsidiaries relates to A-REIT's investment in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, AHTDBC; Shanghai (JQ) Investment Holdings Pte. Ltd and its subsidiary, ASRC, PLC8H and its subsidiary, PLC 8 Development Pte. Ltd and A-REIT J.W. Investment Pte. Ltd.

(f) The increase in derivative assets was mainly due to a favourable change in the fair value of certain cross currency swaps.

(g) The increase in trade and other receivables was in tandem with higher gross revenue in YTD 3Q FY14/15 and higher prepaid expenses.

(h) Property held for sale relating to the divestment of property located at 1 Kallang Place, which was completed in May 2014.

(i) Increase in trade and other payables was mainly due to accrual of costs on asset enhancement works and additional provision for property tax on upward adjustments of annual values for certain properties.

(j) The increase in security deposits was mainly contributed by HIC and Aperia which were acquired in June 2014 and August 2014, respectively.

(k) Derivative liabilities at Group level decreased mainly due to favourable change in the fair value of certain interest rate swaps at the Trust level and the derecognition of derivative liability relating to the cross currency interest rate swap of Emerald Assets which matured in May 2014, offset by the unfavourable change in the fair value of certain cross currency swaps at the Trust level.

(l) **Details of borrowings**

Term loans

The Group had a secured term loan of S$395 million ("Commercial Mortgage Backed Securities") granted to the Trust through a special purpose company, Emerald Assets. The term loan was fully repaid on 14 May 2014. Accordingly, the collateral for the credit facilities had been fully discharged.

Collateral loan and Exchangeable Collateralised Securities

In March 2010, a collateral loan of S$300 million ("Collateral Loan") was granted by a special purpose company, Ruby Assets, to the Trust. The expected maturity date of the Collateral Loan is 1 February 2017 and it bears a fixed interest rate of 1.6% per annum.

As collateral for the Collateral Loan granted by Ruby Assets, the Trustee has granted in favour of Ruby Assets the following:

(i) a mortgage over the 19 properties in the Trust portfolio;

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

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

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

In order to fund the Collateral Loan to the Trust, Ruby Assets issued $300.0 million Exchangeable Collateralised Securities ("ECS") on 26 March 2010. The ECS bear a fixed coupon of 1.60% per annum and have a legal maturity date of 1 February 2019. The Collateral Loan has the same terms mirroring that of the ECS.

The ECS are exchangeable by the ECS Holders into new units of A-REIT ("Units") at the adjusted exchange price of $2.1394 (3Q FY13/14: $2.2167) per unit, at any time on and after 6 May 2010 up to the close of business on 23 January 2017 (subject to satisfaction of certain conditions). The Trust has the option to pay cash in lieu of delivering the Units. There has been no exchange of any of the ECS since the date of issue.

The ECS may be redeemed, in whole or in part, at the option of the ECS Holders, on 1 February 2015 at the early redemption amount of the ECS. The ECS may also be redeemed, in whole but not in part, at the option of Ruby Assets on or any time after 1 February 2015 but not less than 7 business days prior to 1 February 2017 at the early redemption amount if the Volume Weighted Average Price of the A-REIT Units is at least 130% of the adjusted exchange price for 20 consecutive trading days (subject to the satisfaction of certain conditions). The early redemption amount represents the redemption price upon maturity which is equal to the principal amount, together with any accrued but unpaid interest up to but excluding the date of redemption.

Medium Term Notes

A-REIT established a S$1.0 billion Multicurrency Medium Term Note Programme in March 2009 ("MTN2009").

The $125.0 million notes had been fully repaid upon maturity in July 2013. On 27 March 2014, A-REIT issued JPY5.0 billion floating rates notes, which will mature in March 2021. The notes bear a floating interest rate of 3-month JPY LIBOR + 0.50% per annum payable quarterly in arrear. On 16 May 2014 and 21 May 2014, A-REIT issued a total of S$95.0 million 2.50% fixed rate notes, which will mature in May 2019. On 26 August 2014, A-REIT issued HKD620.0 million, 1.67% fixed rate notes which will mature in February 2018. On 4 September 2014, A-REIT issued HKD640.0 million, 3.64% fixed rate notes, which will mature in September 2029.

As at the balance sheet date, S$862.2 million (S$295.0 million and JPY24.6 billion and HKD1,260.0 million) remain outstanding. A-REIT entered into cross currency swaps to hedge against the foreign exchanges risk arising from the principal amount of the JPY-denominated MTN and HKD-denominated MTN. The amount reflected in the Balance Sheet relates to the carrying amount of the MTN translated at the reporting date rate, net of unamortised transaction costs.

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

As at 31 December 2014, 66.1% of the Group's interest rate exposure was fixed with an overall weighted average tenure of 3.3 years remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings as at 31 December 2014 was 2.7% (31 March 2014: 2.7%) (including amortised costs of borrowings). The Group adopts cash flow hedge accounting for some of its borrowings. 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 ECS and cross currency swaps are recognised in the Statement of Total Return in accordance with FRS 39.

(m) 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 in relation to Ascendas Z-Link, A-REIT City@Jinqiao and income support relating to HIC. 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)(i) Cash flow statement (YTD 3Q FY14/15 vs YTD 3Q FY13/14)

	Group	
	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000 (Restated)
Cash flows from operating activities		
Net income	214,809	303,383
Adjustments for		
Allowance for impairment loss on doubtful receivables	558	289
Management fees paid/payable in units	5,697	5,341
Depreciation of plant and equipment	133	521
Finance income	(7,185)	(61,746)
Finance costs	75,774	50,628
Foreign exchange gain	32,074	7,720
Gain on disposal of investment properties	(2,023)	(7,205)
Operating income before working capital changes	319,837	298,931
Changes in working capital		
Trade and other receivables	(20,202)	(11,192)
Trade and other payables	22,662	14,193
Cash generated from operating activities	322,297	301,932
Income tax paid	(1,905)	(610)
Net cash generated from operating activities	320,392	301,322
Cash flows from investing activities		
Purchase of investment properties	(191,384)	-
Payment for investment properties and other assets under development	(2,202)	(48,392)
Payment for capital improvement on investment properties	(69,029)	(76,160)
Purchase of plant and equipment	(1,351)	(377)
Proceeds from sale of investment properties	12,600	32,000
Acquisition of subsidiary, net of cash acquired	(251,895)	(11,117)
Investment in debt securities	-	(47,750)
Interest received	3,669	4,764
Net cash used in investing activities	(499,592)	(147,032)
Cash flows from financing activities		
Equity issue costs paid	-	(130)
Distributions paid to Unitholders	(260,786)	(240,766)
Finance costs paid	(48,102)	(48,221)
Transaction costs paid in respect of borrowings	(674)	-
Proceeds from borrowings	1,445,860	557,100
Repayment of borrowings	(991,000)	(419,429)
Net cash generated from/(used in) financing activities	145,298	(151,446)
Net (decrease)/increase in cash and cash equivalents	(33,902)	2,844
Cash and cash equivalents at beginning of the financial period	67,328	27,766
Effect of exchange rate changes on cash balances	286	301
Cash and cash equivalents at end of the financial period	33,712	30,911

1 (c)(ii) Cash flow statement (3Q FY14/15 vs 3Q FY13/14)

	Group	
	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000 (Restated)
Cash flows from operating activities		
Net income	87,944	112,945
Adjustments for		
Allowance for impairment loss on doubtful receivables	80	214
Management fees paid/payable in units	1,963	1,808
Depreciation of plant and equipment	46	176
Finance income	(1,282)	(24,359)
Finance costs	26,929	16,801
Foreign exchange gain	(9,320)	(7,319)
Operating income before working capital changes	106,360	100,266
Changes in working capital		
Trade and other receivables	(8,959)	(8,769)
Trade and other payables	17,595	2,252
Cash generated from operating activities	114,996	93,749
Income tax paid	(838)	(204)
Net cash generated from operating activities	114,158	93,545
Cash flows from investing activities		
Payment for investment properties and other assets under development	(247)	(12,237)
Payment for capital improvement on investment properties	(30,806)	(22,559)
Purchase of plant and equipment	(1,052)	(327)
Investment in debt securities	-	(6,000)
Interest received	420	1,024
Net cash used in investing activities	(31,685)	(40,099)
Cash flows from financing activities		
Distributions paid to Unitholders	(175,496)	(86,431)
Finance costs paid	(15,720)	(13,638)
Transaction costs paid in respect of borrowings	(74)	-
Proceeds from borrowings	314,000	149,100
Repayment of borrowings	(212,000)	(106,100)
Net cash used in financing activities	(89,290)	(57,069)
Net decrease in cash and cash equivalents	(6,817)	(3,623)
Cash and cash equivalents at beginning of the period	40,224	34,377
Effect of exchange rate changes on cash balances	305	157
Cash and cash equivalents at end of the financial period	33,712	30,911

1 (d)(i) Statement of movement in unitholders' funds (YTD 3Q FY14/15 vs YTD 3Q FY13/14)

	Group		Trust	
	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000 (Restated)	01/04/14 to 31/12/14 S$'000	01/04/13 to 31/12/13 S$'000
Balance at beginning of the financial period	4,848,566	4,661,149	4,782,093	4,652,902
Operations				
Total return for the period attributable to Unitholders of the Trust (Note a)	291,109	311,179	255,349	308,270
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note b)	4,213	14,675	4,213	14,675
Changes in fair value of financial derivatives transferred to the Statement of Total Return (Note c)	(2,275)	3,971	(2,275)	3,971
Net increase in net assets from hedging transactions	1,938	18,646	1,938	18,646
Movement in foreign currency translation reserve (Note d)	6,683	2,965	-	-
Unitholders' transactions				
Management fees paid/payable in units	5,697	5,341	5,697	5,341
Distributions to Unitholders	(260,786)	(240,766)	(260,786)	(240,766)
Net decrease in net assets from Unitholders' transactions	(255,089)	(235,425)	(255,089)	(235,425)
Balance at end of the financial period	4,893,207	4,758,514	4,784,291	4,744,393

Footnotes

(a) Included in total return is the divestment gain of $2.0 million, arising from the divestment of the investment property located at 1 Kallang Place in May 2014 (YTD 3Q FY13/14: $7.2 million, arising from the divestment of investment property located at 6 Pioneer Walk in June 2013). The total return at Group level for YTD 3Q FY14/15 also included a gain of $28.1 million, on revaluation of Aperia upon its acquisition (YTD 3Q FY13/14: Nil).

(b) In both YTD 3Q FY14/15 and YTD 3Q FY13/14, the forward interest rates at the end of each period was 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.

(c) This relates to the transfer of fair value gain due to the expiry of effective interest rate swaps from the hedging reserve to the Statement of Total Return in accordance with FRS 39.

(d) 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 (3Q FY14/15 vs 3Q FY13/14)

	Group		Trust	
	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000 (Restated)	01/10/14 to 31/12/14 S$'000	01/10/13 to 31/12/13 S$'000
Balance at beginning of financial period	4,965,740	4,733,261	4,868,190	4,723,276
Operations				
Total return for the period attributable to Unitholders of the Trust	92,165	105,144	87,894	102,998
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note a)	1,740	2,742	1,740	2,742
Net increase in net assets resulting from hedging transactions	1,740	2,742	1,740	2,742
Movement in foreign currency translation reserve (Note b)	7,095	1,990	-	-
Unitholders' transactions				
Management fees paid/payable in units	1,963	1,808	1,963	1,808
Distributions to Unitholders (Note c)	(175,496)	(86,431)	(175,496)	(86,431)
Net decrease in net assets resulting from Unitholders' transactions	(173,533)	(84,623)	(173,533)	(84,623)
Balance at end of the financial period	4,893,207	4,758,514	4,784,291	4,744,393

Footnotes

(a) In both 3Q FY14/15 and 3Q FY13/14, the forward interest rates at the end of each period was 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.

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

(c) The distribution payment was higher in 3Q FY14/15 because 1H FY14/15 distributions is paid in this quarter. This is due to the change in distribution frequency from quarterly to semi-annually with effect from 1 April 2014.

1 (d)(ii) Details of any changes in the units (YTD 3Q FY14/15 vs YTD 3Q FY13/14)

	Trust	
	01/04/14 to 31/12/14 Units	01/04/13 to 31/12/13 Units
Units issued:		
At beginning of the financial period	2,402,521,658	2,398,946,090
Issue of new units:		
- Acquisition fees (IPT acquisition) paid in units	-	462,860
- Management fees paid in units	3,184,914	3,112,708
At end of the financial period	**2,405,706,572**	**2,402,521,658**
Units to be issued:		
Management fees payable in units	277,946	281,383
Units issued and issuable at end of the financial period	**2,405,984,518**	**2,402,803,041**

Details of any changes in the units (3Q FY14/15 vs 3Q FY13/14)

	Trust	
	01/10/14 to 31/12/14 Units	01/10/13 to 31/12/13 Units
Units issued:		
At beginning of the financial period	2,404,060,171	2,400,871,877
- Management fees paid in units	1,646,401	1,649,781
At end of the financial period	**2,405,706,572**	**2,402,521,658**
Units to be issued:		
Management fees payable in units	277,946	281,383
Units issued and issuable at end of the financial period	**2,405,984,518**	**2,402,803,041**

ECS of S$300 million with maturity date on 1 February 2017 was issued by Ruby Assets. Please refer to Note (l) on Page 15 and 16 for further details of the ECS.

The ECS are exchangeable by the ECS Holders into A-REIT Units at the adjusted exchange price of $2.1394 (3Q FY13/14: $2.2167) per unit, at any time on and after 6 May 2010 up to the close of business on 23 January 2017 (subject to satisfaction of certain conditions). There has been no exchange of any of the ECS since the date of issue.

Assuming the ECS is fully converted based on the adjusted conversion price of $2.1394 per unit, the number of new units to be issued would be 140,226,231 representing 5.8% of the total number of Units in issue as at 31 December 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 but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements ("SSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

Please see attached review report.

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

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 2014, except for the adoption of the new and revised Financial Reporting Standards ("FRS") (including its consequential amendments) which became effective for financial period beginning on or after 1 April 2014.

The Group adopted FRS 110 *Consolidated Financial Statements*, which establishes a single control model as the basis for determining the entities that will be consolidated. It also requires management to exercise significant judgement to determine which investees are controlled, and therefore are required to be consolidated by the Group.

The Group has re-evaluated its involvement with Ruby Assets and Emerald Assets under the new control model. Although the Group does not own any equity interests in Ruby Assets and Emerald Assets, the Manager has determined that the Group has de facto control over both entities. Accordingly, the Group consolidates both entities with effect from 1 April 2014.

The comparative financial information has been restated to reflect the consolidation of both Ruby Assets and Emerald Assets.

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

Please refer to item 4 above.

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

6.1 EPU for 3Q FY14/15 compared to 2Q FY14/15	Group		Trust	
	3Q FY14/15 01/10/14 to 31/12/14	2Q FY14/15 01/07/14 to 30/09/14	3Q FY14/15 01/10/14 to 31/12/14	2Q FY14/15 01/07/14 to 30/09/14
Basic EPU (Note a)				
Weighted average number of units	2,404,367,418	2,404,072,346	2,404,367,418	2,404,072,346
Earnings per unit in cents (EPU)	3.83	4.70	3.66	3.41
Dilutive EPU (Note b)				
Weighted average number of units	2,404,367,418	2,543,932,485	2,404,367,418	2,543,932,485
Earnings per unit in cents (Dilutive EPU)	3.83	4.11	3.66	2.89

6.2 EPU for 3Q FY14/15 compared to 3Q FY13/14	Group		Trust	
	3Q FY14/15 01/10/14 to 31/12/14	3Q FY13/14 01/10/13 to 31/12/13 (Restated)	3Q FY14/15 01/10/14 to 31/12/14	3Q FY13/14 01/10/13 to 31/12/13
Basic EPU (Note a)				
Weighted average number of units	2,404,367,418	2,401,161,853	2,404,367,418	2,401,161,853
Earnings per unit in cents (EPU)	3.83	4.38	3.66	4.29
Dilutive EPU (Note b)				
Weighted average number of units	2,404,367,418	2,536,498,164	2,404,367,418	2,536,498,164
Earnings per unit in cents (Dilutive EPU)	3.83	3.69	3.66	3.61

6.3 EPU for YTD 3Q FY14/15 compared to YTD 3Q FY13/14	Group		Trust	
	YTD 3Q FY14/15 01/04/14 to 31/12/14	YTD 3Q FY13/14 01/04/13 to 31/12/13 (Restated)	YTD 3Q FY14/15 01/04/14 to 31/12/14	YTD 3Q FY13/14 01/04/13 to 31/12/13
Basic EPU (Note a)				
Weighted average number of units	2,403,737,769	2,400,522,239	2,403,737,769	2,400,522,239
Earnings per unit in cents (EPU)	12.11	12.96	10.62	12.84
Dilutive EPU (Note b)				
Weighted average number of units	2,543,964,000	2,535,858,550	2,543,964,000	2,535,858,550
Earnings per unit in cents (Dilutive EPU)	11.80	11.39	10.40	11.28

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 YTD 3Q FY14/15, YTD 3Q FY13/14, 2Q FY14/15 and 3Q FY13/14 the dilutive EPU were computed on the basis that the ECS was converted at the beginning of the period. For 3Q FY14/15, the ECS 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 Units would decrease earnings per unit. The disclosure of dilutive EPU is in relation to the issuance of ECS which has a convertible option to convert the convertible bonds into Units in A-REIT.

For YTD 3Q FY14/15, YTD 3Q FY13/14, 2Q FY14/15 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 ECS of $3,616,000, $3,616,000, $1,210,000 and $1,210,000 respectively and adding the loss on ECS of $5,532,000 in YTD 3Q FY14/15 and deducting the gain on ECS of $25,872,000, $9,561,000 and $12,657,000 in YTD 3Q FY13/14, 2Q FY14/15 and 3Q FY13/14 respectively, from the total return for the period after income tax. The adjusted weighted average number of units took into account the potential dilutive units of 140,226,231 (see para 1(d)(ii) on Page 21).

	Group		Trust	
6.4 DPU for 3Q FY14/15 compared to 2Q FY14/15	3Q FY14/15 01/10/14 to 31/12/14	2Q FY14/15 01/07/14 to 30/09/14	3Q FY14/15 01/10/14 to 31/12/14	2Q FY14/15 01/07/14 to 30/09/14
Number of units in issue	2,405,706,572	2,404,060,171	2,405,706,572	2,404,060,171
Distribution per unit in cents (Note a)	3.59	3.66	3.59	3.66

	Group		Trust	
6.5 DPU for 3Q FY14/15 compared to 3Q FY13/14	3Q FY14/15 01/10/14 to 31/12/14	3Q FY13/14 01/10/13 to 31/12/13	3Q FY14/15 01/10/14 to 31/12/14	3Q FY13/14 01/10/13 to 31/12/13
Number of units in issue	2,405,706,572	2,402,521,658	2,405,706,572	2,402,521,658
Distribution per unit in cents (Note a)	3.59	3.54	3.59	3.54

	Group		Trust	
6.6 DPU for YTD 3Q FY14/15 compared to YTD 3Q FY13/14	YTD 3Q FY14/15 01/04/14 to 31/12/14	YTD 3Q FY13/14 01/04/13 to 31/12/13	YTD 3Q FY14/15 01/04/14 to 31/12/14	YTD 3Q FY13/14 01/04/13 to 31/12/13
Number of units in issue	2,405,706,572	2,402,521,658	2,405,706,572	2,402,521,658
Distribution per unit in cents (Note a)	10.89	10.69	10.89	10.69

Footnotes

(a) As at book closure date, none of the S$300 million ECS is converted into Units. Accordingly, the actual quantum of DPU may differ if any of these ECS is converted into Units.

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

	Group		Trust	
	31/12/14 cents	31/03/14 cents (Restated)	31/12/14 cents	31/03/14 cents
Net asset value per unit	203	202	199	199
Adjusted net asset value per unit (Note a)	200	198	195	195

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 3Q FY14/15 vs 3Q FY13/14

	Group		
	3Q FY14/15 01/10/14 to 31/12/14 S$'000	3Q FY13/14 01/10/13 to 31/12/13 S$'000 (Restated)	Increase / (Decrease) %
Gross revenue	171,734	154,436	11.2%
Property operating expenses	(57,135)	(45,863)	24.6%
Net property income	114,599	108,573	5.6%
Non property expenses	(10,328)	(10,505)	(1.7%)
Net finance (costs)/income	(25,647)	7,558	nm
Foreign exchange gain	9,320	7,319	27.3%
	(26,655)	4,372	nm
Net income (*)	87,944	112,945	(22.1%)
Net change in fair value of financial derivatives	5,167	(7,453)	nm
Total return for the period before tax	93,111	105,492	(11.7%)
Tax expense	(945)	(412)	129.4%
Total return for the period	92,166	105,080	(12.3%)
Attributable to:			
Unitholders	92,165	105,144	(12.3%)
Non-controlling interests	1	(64)	nm
Total return for the period	92,166	105,080	(12.3%)

Statement of distribution			
Total return for the period attributable to Unitholders	92,165	105,144	(12.3%)
Net effect of non tax deductible expenses and other adjustments	(5,726)	(20,042)	(71.4%)
Income available for distribution	86,439	85,102	1.6%
Comprising:			
- Taxable income	85,766	84,494	1.5%
- Tax-exempt income (Note a)	673	608	10.7%
Total amount available for distribution	86,439	85,102	1.6%
Earnings per unit (cents)	3.83	4.38	(12.6%)
Distribution per unit (cents)	3.59	3.54	1.4%

Note: nm denotes "not meaningful"

(*) Excluding the impact of consolidating Ruby Assets and Emerald Assets, net income would have been $87.9 million and $122.2 million for 3Q FY14/15 and 3Q FY13/14 respectively.

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.

Gross revenue increased by 11.2% mainly due to the recognition of rental income earned from HIC and Aperia and increase in occupancy at Nexus@one-north and A-REIT City@Jinqiao. Positive rental reversion in certain properties and incentive payment received as income support in relation to A-REIT City@Jinqiao and income support relating to HIC also contributed to the increase in gross revenue.

The 24.6% increase in property operating expenses was largely contributed by:

(i) higher property tax mainly due to changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted and due to the revision of annual value by IRAS at certain properties, in particular the property at 38A Kim Chuan Road;
(ii) expenses for HIC and Aperia which were acquired/completed in June 2014 and August 2014 respectively and higher expenses due to increase in occupancy at A-REIT City@Jinqiao which was acquired in July 2013 and Nexus@one-north which was completed in September 2013; and
(iii) higher other property operating expenses due to changes in lease structure arising from conversion of certain properties from single-tenanted to multi-tenanted.

The net finance costs in 3Q FY14/15 as compared to net finance income in 3Q FY13/14 was mainly due to:

(i) fair value loss on ECS of $8.3 million (3Q FY13/14: gain of $12.7 million);
(ii) accretion loss of $0.1 million on refundable security deposits (3Q FY13/14: gain of $0.4 million);
(iii) higher interest expenses from higher borrowings;
(iv) lower interest income in 3Q FY14/15 as 3Q FY13/14 included interest income from investment in convertible bonds in PLC 8 Development Pte Ltd prior to the acquisition of the shares in PLC8H in August 2014;
(v) fair value gain on convertible bonds of $8.5 million in 3Q FY13/14 (3Q FY14/15: Nil).

Foreign exchange gain in 3Q FY14/15 was mainly due to the weakening of JPY spot exchange rate against SGD relating to the JPY-denominated MTN, offset by the strengthening of HKD spot exchange rate against SGD relating to the HKD-denominated MTN. The foreign exchange gain in 3Q FY13/14 mainly arose from the translation of JPY-denominated MTN at the Trust offset by foreign exchange loss on translation of EURO-denominated MTN at Emerald Assets.

Net change in fair value of financial derivatives in 3Q FY14/15 was made up of a $5.3 million fair value gain on interest rates swaps (3Q FY13/14: loss of $0.6 million) offset by a fair value loss on cross currency swaps of $0.1 million (3Q FY13/14: $16.0 million). The fair value loss on cross currency swaps in both financial periods was mainly due to the weakening of the JPY forward exchange rates against SGD relating to the JPY/SGD cross currency swaps and in addition in 3Q FY14/15, the loss was partially offset by the fair value gain due to the strengthening of HKD forward exchange rates against SGD relating to the HKD/SGD cross currency swaps. 3Q FY13/14 included a fair value gain on the cross currency interest rate swap from Emerald Assets.

Tax expense in 3Q FY14/15 was higher mainly because of the tax payable on the incentive payment received as income support in relation to A-REIT City @Jinqiao, income support from HIC, and higher income tax in line with higher profit at AHTDBC.

The movement in net effect of non tax deductible expenses and other adjustments between 3Q FY14/15 and 3Q FY13/14 was mainly due to:

(i) fair value loss on ECS of $8.3 million (3Q FY13/14: gain of $12.7 million);
(ii) lower foreign exchange gain $9.3 million (3Q FY13/14: $16.6 million);
(iii) accretion loss of $0.1 million on refundable security deposits (3Q FY13/14: gain of $0.4 million);
(iv) fair value gain on convertible bonds of $8.5 million in 3Q FY13/14 (3Q FY14/15: Nil); and
offset by:
(v) net fair value gain on financial derivatives of $5.2 million (3Q FY13/14: loss of $16.6 million);
(vi) $0.9 million of net incentive payment received as income support in relation to A-REIT City @Jinqiao (3Q FY13/14: Nil) and $0.6 million net income support from HIC (3Q FY13/14: Nil), 3Q FY13/14 included $0.2 million net incentive payment received as income support in relation to Ascendas Z-Link (3Q FY14/15: Nil).

Review of Performance 3Q FY14/15 vs 2Q FY14/15

	Group		
	3Q FY14/15 01/10/14 to 31/12/14 S$'000	2Q FY14/15 01/07/14 to 30/09/14 S$'000	Increase / (Decrease) %
Gross revenue	171,734	164,781	4.2%
Property operating expenses	(57,135)	(50,114)	14.0%
Net property income	114,599	114,667	(0.1%)
Non property expenses	(10,328)	(11,191)	(7.7%)
Net finance costs	(25,647)	(19,834)	29.3%
Foreign exchange gain	9,320	14,079	(33.8%)
	(26,655)	(16,946)	57.3%
Net income (*)	87,944	97,721	(10.0%)
Net change in fair value of financial derivatives	5,167	(12,002)	nm
Net appreciation on revaluation of investment property	-	28,112	nm
Total return for the period before tax	93,111	113,831	(18.2%)
Tax expense	(945)	(851)	11.0%
Total return for the period	92,166	112,980	(18.4%)
Attributable to:			
Unitholders	92,165	112,985	(18.4%)
Non-controlling interests	1	(5)	nm
Total return for the period	92,166	112,980	(18.4%)
Statement of distribution			
Total return for the period attributable to Unitholders	92,165	112,985	(18.4%)
Net effect of non (taxable income)/tax deductible expenses and other adjustments	(5,726)	1,160	nm
Net appreciation on revaluation of investment property	-	(28,112)	nm
Income available for distribution	86,439	86,033	0.5%
Comprising:			
- Taxable income	85,766	85,357	0.5%
- Tax-exempt income (Note a)	673	676	(0.4%)
Income available for distribution	86,439	86,033	0.5%
Tax-exempt income (prior periods) (Note b)	-	1,083	nm
Distribution from capital (prior periods) (Note c)	-	730	nm
Total amount available for distribution	86,439	87,846	(1.6%)
Earnings per unit (cents)	3.83	4.70	(18.5%)
Distribution per unit (cents) (Note d)	3.59	3.66	(1.9%)

Note: nm denotes “not meaningful

(*) Excluding the impact of consolidating Ruby Assets and Emerald Assets, net income would have been $87.9 million and $97.7 million for 3Q FY14/15 and 2Q FY14/15 respectively.

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

(b) This relates to the first distribution of incentive payment (net of Singapore corporate tax) in 2Q FY14/15, received as income support relating to the properties in China. 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 distribution of net income from the property in China. Income will be distributed after its annual audited financial statements had been filed and corporate taxes paid. It is deemed to be capital distribution from a tax perspective until this income is remitted to A-REIT in Singapore. Such distribution is not taxable in the hands of Unitholders, except for Unitholders who are holding the units as trading assets.

(d) DPU for 3Q FY14/15 is lower than 2Q FY14/15 by 0.07 cents because 2Q FY14/15 included both exempt distribution relating to incentive payment received as income support of 0.05 cents and distribution of 0.03 cents of income from China subsidiaries which is deemed to be capital from a tax perspective. Excluding these exempt and capital distributions relating to the China subsidiaries which are made semi-annually in the second and fourth quarter, DPU from operations for 3Q FY14/15 is 0.01 cents higher than 2Q FY14/15.

Gross revenue increased marginally by 4.2% mainly due to the contribution from Aperia acquired in August 2014, higher occupancy at certain properties but offset by the impact from the changes in lease structure arising from conversion of some properties from single-tenanted to multi-tenanted.

Property operating expenses were higher in 3Q FY14/15 by 14.0% mainly contributed by Aperia which was acquired in August 2014, higher property tax due to upward adjustment in annual value for certain properties and also from the changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted.

Non property expenses was lower by 7.7% mainly due to write-back of accruals of prior year's trust expenses no longer required.

Net finance costs in 3Q FY14/15 was higher mainly due to
(i) fair value loss on ECS of $8.3 million (2Q FY14/15: gain of $9.6 million);
(ii) accretion loss of $0.1 million on refundable security deposits (2Q FY14/15: gain on $1.3 million);
offset by:
(iii) fair value loss on convertible bonds of $14.2 million in 2Q FY14/15 (3Q FY14/15: Nil).

Foreign exchange gain in 3Q FY14/15 and 2Q FY14/15 was mainly due to the weakening of JPY spot exchange rate against SGD relating to the JPY-denominated MTN, offset by foreign exchange loss arising from the strengthening of HKD spot exchange rate against SGD relating to the HKD-denominated MTN.

Net change in fair value of financial derivatives in 3Q FY14/15 was made up of fair value gain on interest rate swaps of $5.3 million (2Q FY14/15: $5.0 million) offset by fair value loss on cross currency swaps of $0.1 million (2Q FY14/15: $17.0 million). The fair value loss on cross currency swaps in 3Q FY14/15 and 2Q FY14/15 was mainly due to the weakening of the JPY forward exchange rates against SGD relating to the JPY/SGD cross currency swaps partially offset by the fair value gain due to the strengthening of HKD forward exchange rates against SGD relating to theHKD/SGD cross currency swaps.

Higher tax expenses in 3Q FY14/15 was mainly due to higher income tax provided at AHTDBC in line with higher profit.

Net non taxable income in 3Q FY14/15 as compared to a non tax deductible expenses and other adjustments in 3Q FY13/14 were mainly due to the following:

(i) net fair value gain on financial derivatives of $5.2 million (2Q FY14/15: loss of $12.0 million);
(ii) higher net incentive payment received as income support of $0.9 million in relation to A-REIT City@Jinqiao (2Q FY14/15: $0.7 million);
(iii) fair value loss on convertible bonds of $14.2 million in 2Q FY14/15 (3Q FY14/15: Nil);
offset by:
(iv) fair value loss on ECS of $8.3 million (2Q FY14/15: gain of $9.6 million);
(v) accretion loss on refundable security deposits of $0.1 million (2Q FY14/15: gain of $1.3 million);
(vi) lower foreign exchange gain of $9.3 million (2Q FY14/15: $14.1 million).

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 2Q FY14/15 Financial Results Announcement under Paragraph 10 on page 31 and 32. The Trust has not disclosed any financial forecast to the market.

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

In 4Q 2014, Singapore's economy grew by 1.5% year-on-year ("y-o-y"), slower than the 2.8% growth in 3Q 2014. The manufacturing sector contracted by 2.0% y-o-y, a reversal from the 1.7% expansion in the previous quarter, mainly due to the decline in output of the transport engineering, electronics and general manufacturing clusters. For the whole of 2014, the Singapore economy grew by 2.8%.

Singapore's manufacturing PMI declined to 49.6 in December 2014 from 51.8 in November 2014. This is the lowest level reported since February 2013 and is in line with the weak manufacturing PMI reported in the rest of the world. The decline was attributable to a contraction in new orders and slower growth in export orders.

December 2014 non-oil domestic exports ("NODX") rose by 2.3% y-o-y (after a 0.8% increase in November). This was due an expansion in both electronic and non-electronic NODX. Exports to all of Singapore's top 10 NODX markets rose, except China, the US, Japan and Indonesia. The top three contributors were South Korea, Malaysia and the EU.

According to JTC Corporation ("JTC"), prices and rental rates of industrial space continued to moderate, declining by 0.9% q-o-q and 1.8% q-o-q respectively. According to CBRE 4Q 2014 Market View, rental rates for business park space held steady at $5.50 psf per month for city fringe space whilst rental rates dipped 1.4% q-o-q to $3.65 psf per month from $3.70 psf per month for the rest of the island. JTC Business Park median rent was S$4.00 psf per month. CBRE Ground floor rental rates for factory space and warehouse space remained unchanged q-o-q at $1.85 psf per month and $1.83 psf per month respectively.

The occupancy rate of island-wide industrial space remained relatively stable at 90.9% in 3Q 2014. Business park occupancy rate improved to 86.1% (from 85.0% in 2Q 2014). Occupancy of the warehouse segment also improved to 90.4% (from 88.5% in 2Q 2014) as a result of take up of a few new single-user warehouses. However, single-user factory space and multiple-user factory space registered lower occupancies of 93.2% and 86.8% (down from 93.4% and 87.3% respectively in 2Q 2014) on the back of a 0.6% and 1.5% q-o-q increase in available stock.

The Government announced that it will reduce its industrial land sales programme in the first half of 2015. A total of 9 sites with a combined area of 6.46ha will be placed on the Confirmed List under the Government Land Sales Programme. This is less than the 12.06ha placed on the same list in the second half of 2014.

Certain tax concessions applicable to Singapore-listed REITs are due to expire on 31 March 2015. These include:
(1) the exemption of tax on qualifying foreign-sourced income,
(2) the remission of stamp duties for the transfer of Singapore properties into REITs,
(3) tax remission claims for GST incurred for the setting up of special purpose vehicles ("SPVs") that hold non-residential properties and business expenses incurred by the SPVs and
(4) the concessionary income tax rate of 10% for non-resident institutional investors.

If the concessions are not renewed, stamp duties will be applicable on properties transferred into A-REIT and qualifying foreign-sourced income will be taxed after 31 March 2015.

In 2015, the growth outlook for Singapore remains modest and is expected to grow by 2.0% to 4.0%. The business environment remains challenging due to the ongoing economic restructuring, changing government regulations and policies on manpower and industrial land use and rising operating costs. Whilst gradual improvements in the US economy may support externally-oriented sectors in Singapore, uncertainties in Eurozone and China continue to pose downside risks.

China

China's GDP grew by 7.3% y-o-y in 4Q 2014, similar to the preceding quarter. This brings GDP growth for 2014 to 7.4%, a shade below the government's target of 7.5%. China's manufacturing PMI continued to decline to 50.1% in December 20014, indicating that growth momentum has weakened.

The Chinese government has been proactive in implementing policy changes to rebalance China's economy for more sustainable growth. The transition from a capital-intensive and export-oriented growth approach to a consumption-led model is expected to weigh on China's economic growth. Nevertheless, strong domestic demand supported by a growing middle class segment should continue to drive China's economic growth positively in the near future.

Outlook for the financial year ending 31 March 2015

At the beginning of FY14/15, about 21.3% of A-REIT's property income was due for renewal, of which 6.2% were leases of single-tenanted buildings and 15.1% were leases of multi-tenanted buildings. The Manager had proactively negotiated and secured renewal commitments for many of these lessees. As at 31 December 2014, 3.9% of A-REIT's property income is due for renewal (comprising 0.2% of single-tenanted building tenancies and 3.7% of multi-tenanted building tenancies).

With a customer base of around 1,390 tenants in a portfolio of 104 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 4.1% of A-REIT's monthly gross revenue. A-REIT's predictable earnings stream is underpinned by its portfolio of long and short term leases (22.7% versus 77.3% by asset value respectively) with a weighted average lease to expiry of about 3.9 years.

With 13.2% vacant space in A-REIT's portfolio, there could be potential upside when some of the space is leased, the speed of which will largely depend on prevailing market conditions. In addition, the average passing rental rates of most of the leases in our portfolio due for renewal in FY14/15 are still below the market spot rental rates; hence, positive rental reversion can be expected when such leases are renewed.

In China, the Manager will continue to adopt a prudent approach while seeking opportunities in the target product segments and cities. Over the longer term, demand for high quality business and industrial space should be strong as the Chinese Government reforms the economy towards a more sustainable growth driven by domestic consumption and private demand.

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

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: No (distribution to be made semi-annually with effect from 1 April 2014)

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: 44^{th} distribution for the period from 1 October 2013 to 31 December 2013

Distribution Type/ Rate	Taxable	Tax-exempt	Total
Amount (cents per units)	3.52	0.02	3.54

Par value of units: Not applicable

Tax Rate:

Taxable income distribution

Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt Income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of A-REIT on the income of A-REIT against their Singapore income tax liability.

Book closure date: 27 January 2014

Payment date: 27 February 2014

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

With effect from FY14/15, distribution is made semi-annually for every six-month period ending 30 September and 31 March.

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. Directors confirmation pursuant to Rule 705(5) of the Listing Manual

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

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

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

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

Mary Judith de Souza
Company Secretary
22 January 2015

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
61 Science Park Road
#02-18 The Galen
Singapore Science Park II
Singapore 117525

22 January 2015

Dear Sirs

Ascendas Real Estate Investment Trust and its subsidiaries
Review of Interim Financial Information for the 9-month period ended 31 December 2014

Introduction

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the nine-month period ended 31 December 2014. The Interim Financial Information comprises the following:

- Balance sheets of the Trust and the Group as at 31 December 2014;
- Portfolio statement of the Group as at 31 December 2014;
- Statements of total return of the Trust and the Group for the three-month and nine-month periods ended 31 December 2014;
- Distribution statements of the Trust and the Group for the three-month and nine-month periods ended 31 December 2014;
- Statements of movements in unitholders' funds of the Trust and the Group for the three-month and nine-month periods ended 31 December 2014;
- Statement of cash flows of the Group for the nine-month period ended 31 December 2014; and
- Certain explanatory notes to the above Interim Financial Information.

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of the RAP 7 relevant to interim financial information issued by the Institute of Singapore Chartered Accountants.

Restriction of Use

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

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore