A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

Ascendas Real Estate Investment Trust ("A-REIT" or the "Trust") 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 ("Units") were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT and its subsidiaries (the "Group") have a diversified portfolio of 102 properties in Singapore and 2 properties in China, with a tenant base of around 1,430 customers across the following segments: Business & Science Park, Hi-Specs Industrial, Light Industrial, Logistics & Distribution Centres and Integrated Development Amenities & Retail.

The Group results include the consolidation of wholly owned subsidiaries and special purpose companies. The commentaries below are based on the Group results unless otherwise stated.

SUMMARY OF A-REIT GROUP RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

		Group		
	Note	01/04/15 to 30/09/15 **('1H FY15/16')** S$'000	01/04/14 to 30/09/14 **('1H FY14/15')** S$'000	Variance %
Gross revenue		**363,132**	**327,959**	**10.7%**
Net property income		**248,068**	**230,939**	**7.4%**
Total amount available for distribution:	(a)	**192,645**	**175,453**	**9.8%**
- from operations	(a)	189,541	172,295	10.0%
- tax-exempt income	(b)	2,220	2,428	(8.6%)
- from capital	(c)	884	730	21.1%
		Cents per Unit		
Distribution per Unit ("DPU")	(d)	FY15/16	FY14/15	Variance %
For the quarter from 1 July to 30 September		**4.160**	**3.660**	**13.7%**
- from operations	(a)	4.095	3.550	15.4%
- tax-exempt income	(b)	0.046	0.080	(42.5%)
- from capital	(c)	0.019	0.030	(36.7%)
For the six months from 1 April to 30 September		**8.001**	**7.300**	**9.6%**
- from operations	(a)	7.872	7.170	9.8%
- tax-exempt income	(b)	0.092	0.100	(8.0%)
- from capital	(c)	0.037	0.030	23.3%

Note: "n.m." denotes "not meaningful"

Footnotes

(a) Included in the total amount available for distribution and DPU was a one-off distribution of taxable income from operations of S$6.5 million (DPU impact of 0.271 cents) for 1H FY15/16 in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront fees for certain credit facilities incurred in FY09/10. The table below illustrates the impact of the rollover adjustment on both the amount available for distribution and DPU:

	Note	Group		
		1H FY15/16 S$'000	**1H FY14/15** S$'000	Variance %
Total amount available for distribution:		192,645	175,453	9.8%
Recurrent amount available for distribution	(1)	186,120	175,453	6.1%
		Cents per unit		Variance %
DPU		8.001	7.300	9.6%
Recurrent DPU	(1)	7.730	7.300	5.9%

(1) Excludes the impact of the rollover adjustments

(b) This includes the distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. It also includes the distribution of net income and 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, the distribution is exempt from tax in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets. The amount of incentive payment (net of Singapore corporate tax) received and included as distributable income amounted to S$0.8 million or 0.035 cents impact on DPU for 1H FY15/16 (1H FY 14/15: S$1.1 million or 0.045 cents).

(c) This relates to the distribution of net income from the properties in China. Income will be distributed after the annual audited financial statements of the Chinese subsidiaries are 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) As at 30 September 2015, none of the S$300.0 million Exchangeable Collateralised Securities ("ECS") with a maturity date of 1 February 2017 had been converted into 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)(i) on Pages 9 to 10 and Para 1(d)(ii) on Page 14.

DPU for 1H FY15/16 is calculated based on the summation of DPU for each quarter as follows:

DPU (cents)	**1Q FY15/16**	**2Q FY15/16**	**1H FY15/16**
Taxable	3.777	4.095	7.872
Tax-exempt	0.046	0.046	0.092
Capital	0.018	0.019	0.037
Total	**3.841**	**4.160**	**8.001**

DISTRIBUTION DETAILS

Distribution period	1 April 2015 to 30 September 2015			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Distribution amount per unit (cents)	7.872	0.092	0.037	8.001
Book closure date	30 October 2015			
Payment date	27 November 2015			

1(a) Statement of Total Return and Distribution Statement

		Group (Note a)					
Statement of Total Return	Note	01/07/15 to 30/09/15 **('2Q FY15/16')** S$'000	01/07/14 to 30/09/14 **('2Q FY14/15')** S$'000	Variance %	**1H FY15/16** S$'000	**1H FY14/15** S$'000	Variance %
Gross revenue	(b)	**182,625**	**164,781**	**10.8%**	**363,132**	**327,959**	**10.7%**
Property services fees		(7,326)	(6,185)	18.4%	(14,598)	(12,060)	21.0%
Property tax		(16,247)	(12,102)	34.3%	(31,314)	(24,041)	30.3%
Other property operating expenses		(35,249)	(31,827)	10.8%	(69,152)	(60,919)	13.5%
Property operating expenses	(c)	**(58,822)**	**(50,114)**	**17.4%**	**(115,064)**	**(97,020)**	**18.6%**
Net property income		**123,803**	**114,667**	**8.0%**	**248,068**	**230,939**	**7.4%**
Management fees	(d)	(10,043)	(9,663)	3.9%	(19,998)	(18,669)	7.1%
Trust and other expenses	(e)	(2,016)	(1,528)	31.9%	(3,020)	(3,092)	(2.3%)
Finance income		15,245	12,524	21.7%	24,039	8,704	176.2%
Finance costs		(20,550)	(32,358)	(36.5%)	(41,620)	(51,646)	(19.4%)
Foreign exchange (loss)/gain	(f)	(33,706)	14,079	n.m.	(19,549)	(41,394)	(52.8%)
Gain on disposal of investment properties	(g)	-	-	n.m.	-	2,023	(100.0%)
Net non property expenses		**(51,070)**	**(16,946)**	**n.m.**	**(60,148)**	**(104,074)**	**(42.2%)**
Net income	(h)	**72,733**	**97,721**	**(25.6%)**	**187,920**	**126,865**	**48.1%**
Net change in fair value of financial derivatives	(i)	50,752	(12,002)	n.m.	23,283	46,171	(49.6%)
Net appreciation on revaluation of investment property	(j)	-	28,112	(100.0%)	4,471	28,112	(84.1%)
Total return for the period before tax		**123,485**	**113,831**	**8.5%**	**215,674**	**201,148**	**7.2%**
Tax expense	(k)	(698)	(851)	(18.0%)	(1,141)	(2,174)	(47.5%)
Total return for the period		**122,787**	**112,980**	**8.7%**	**214,533**	**198,974**	**7.8%**
Attributable to:							
Unitholders		123,166	112,985	9.0%	214,928	198,944	8.0%
Non-controlling interests		(379)	(5)	n.m.	(395)	30	n.m.
		122,787	**112,980**	**8.7%**	**214,533**	**198,974**	**7.8%**
Distribution Statement							
Total return for the period attributable to Unitholders		123,166	112,985	9.0%	214,928	198,944	8.0%
Other net non (taxable income)/ tax deductible expenses and other adjustments	(l)	(23,865)	1,160	n.m.	(19,528)	2,808	n.m.
Net appreciation on revaluation of investment properties	(j)	-	(28,112)	(100.0%)	(4,471)	(28,112)	(84.1%)
Income available for distribution		99,301	86,033	15.4%	190,929	173,640	10.0%
Comprising:							
- Taxable income		98,605	85,357	15.5%	189,541	172,295	10.0%
- Tax-exempt income	(m)	696	676	3.0%	1,388	1,345	3.2%
Income available for distribution		99,301	86,033	15.4%	190,929	173,640	10.0%
Tax-exempt income (prior periods)	(n)	416	1,083	(61.6%)	832	1,083	(23.2%)
Distribution from capital	(o)	442	730	(39.5%)	884	730	21.1%
Total amount available for distribution		**100,159**	**87,846**	**14.0%**	**192,645**	**175,453**	**9.8%**

Note: "n.m." denotes "not meaningful"

Explanatory notes to the statement of total returns and distribution statement

(a) The Group had 104 properties and 106 properties as at 30 September 2015 and 30 September 2014 respectively. Since September 2014, the Group completed (i) the acquisition of The Kendall in March 2015, (ii) the divestment of an investment property located at 26 Senoko Way in April 2015 and (iii) the divestment of BBR Building in September 2015. Also, as the land titles of both The Aries and The Gemini have been amalgamated subsequent to the completion of asset enhancement works for the link between the two buildings in June 2015, A-REIT will be reporting both buildings as a single property going forward.

(b) Gross revenue comprises gross rental income and other income (which includes revenue from utilities charges, interest income from finance lease receivable, car park revenue, income support and claims on liquidated damages).

Gross revenue for 1H FY15/16 increased by 10.7% mainly due to contributions from (i) the acquisition of Hyflux Innovation Centre ("HIC") (in June 2014), Aperia (in September 2014) and The Kendall, (ii) positive rental reversion on renewals and (iii) increase in occupancy at certain properties.

(c) Property operating expenses comprises property services fees, property taxes and other property operating expenses (which includes maintenance and conservancy costs, utilities expenses, marketing fees, property and lease management fees, land rent and other miscellaneous property-related expenses).

Property operating expenses increased by 18.6% mainly attributable to the acquisition of HIC, Aperia and The Kendall and higher property tax in 1H FY15/16 due to the upward adjustment in annual value for certain properties (in particular retrospective upward revisions in the annual value of Techplace II from 2013 and Aperia from 2014). Included in the property operating expenses for 1H FY14/15 were property tax vacancy refunds amounting to S$0.8 million. Following IRAS's announcement on the removal of the property tax refund concession on unoccupied buildings with effect from 1 January 2014, buildings with vacant periods starting from 1 January 2014 would not be able to make property vacancy refund claims. The vacancy refund received in 1H FY14/15 related to unoccupied space area during the period prior to 1 January 2014.

(d) 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 determining management fees by excluding derivative assets and investment properties under development from the computation of deposited property. This results in lower management fees than it would have been under the previous computation method.

Higher management fees in 1H FY15/16 were mainly due to higher deposited property value which was underpinned by higher valuations for the existing investment properties under management and new acquisitions made.

(e) Trust and other expenses comprise statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. The trust and other expenses in 1H FY15/16 remained comparable to the prior year.

(f) Foreign exchange gain/(loss) arose mainly from the revaluation of Euro, JPY, HKD and AUD denominated loans. Cross currency swaps relating to these loans were entered into to hedge against the foreign exchange exposure. The foreign exchange gain/(loss) is largely offset by the fair value gain/(loss) from cross currency swaps. Please refer to note (i) below.

1H FY15/16 recorded a foreign exchange loss of S$19.5 million, mainly from the weakening of the SGD against the HKD and JPY in relation to the HKD denominated Medium Term Notes ("MTN") and JPY denominated MTN respectively. The foreign exchange loss recorded in 1H FY14/15 was mainly due to the realisation of exchange losses from the settlement of Emerald Assets Limited's Euro-denominated MTN.

(g) The gain on disposal of investment properties recorded in 1H FY14/15 arose from the divestment of an investment property located at 1 Kallang Place in May 2014.

(h) The following items have been included in net income:

	Note	Group					
		2Q FY15/16 S$'000	2Q FY14/15 S$'000	Variance %	1H FY15/16 S$'000	1H FY14/15 S$'000	Variance %
Gross revenue							
Gross rental income		164,395	147,158	11.7%	323,619	289,289	11.9%
Other income		18,230	17,623	3.4%	39,513	38,670	2.2%
Property operating expenses							
Reversal of allowance / (allowance) for impairment loss on doubtful receivables		110	(248)	(144.4%)	358	(478)	(174.9%)
Depreciation of plant and equipment		(47)	(44)	6.8%	(94)	(87)	8.0%
Finance income	(1)						
Accretion gain on security deposits		178	1,259	(85.9%)	-	1,763	(100.0%)
Interest income		1,132	1,704	(33.6%)	2,010	4,208	(52.2%)
Gain on fair value of ECS		13,935	9,561	45.7%	22,029	2,733	n.m.
		15,245	**12,524**	**21.7%**	**24,039**	**8,704**	**176.2%**
Finance costs	(2)						
Accretion loss on security deposits		-	-	n.m.	(260)	-	n.m.
Interest expense		(18,891)	(17,280)	9.3%	(37,875)	(33,540)	12.9%
Other borrowing costs		(1,659)	(902)	83.9%	(3,485)	(1,532)	127.5%
Loss on fair value of CB		-	(14,176)	(100.0%)	-	(16,574)	(100.0%)
		(20,550)	**(32,358)**	**(36.5%)**	**(41,620)**	**(51,646)**	**(19.4%)**

Note: "n.m." denotes "not meaningful"

1. Finance income comprises interest income from interest rate swaps, convertible bonds ("CB"), bank deposits, accretion gains for refundable security deposits and fair value gain on ECS.

2. Finance costs comprise interest expenses on loans, interest rate swaps, amortised costs of establishing debt facilities (including the MTN, Transferrable Loan Facilities and Committed Revolving Credit Facilities), accretion loss for refundable security deposits and fair value loss on CB.

(i) Net change in fair value of financial derivatives arose mainly from the revaluation of interest rate swaps and cross currency swaps entered into to hedge against the interest rate and foreign exchange exposures of the Group.

	Group					
	2Q FY15/16 S$'000	2Q FY14/15 S$'000	Variance %	1H FY15/16 S$'000	1H FY14/15 S$'000	Variance %
Fair value gain on interest rate swaps	8,246	4,952	66.5%	6,645	6,502	2.2%
Fair value gain/(loss) on cross currency swaps	42,506	(16,954)	n.m.	16,638	39,669	(58.1%)
Net change in fair value of financial derivatives	50,752	(12,002)	n.m.	23,283	46,171	(49.6%)

Note: "n.m." denotes "not meaningful"

(j) The appreciation on revaluation of investment properties recorded in 1H FY15/16 represents the valuation uplift in relation to BBR Building ("BBR") based on the selling price of S$13.9 million. The sale price compares favourably against the valuation as at 31 March 2015 of S$9.3 million. In 1H FY14/15, the Group recorded an appreciation on revaluation of investment properties upon the acquisition of Aperia through acquiring the share capital of PLC8 Holdings Pte. Ltd. ("PLC8H"). The appreciation on revaluation of investment properties is not taxable and has been excluded from the computation of total amount available for distribution.

(k) Tax expense includes income tax expense relating to the Group's China subsidiaries, income tax provided on (i) interest income earned from investment in CB, (ii) finance lease interest income received from a tenant, (iii) income support relating to HIC and (iv) incentive payment received as income support in relation to A-REIT City @Jinqiao.

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

		Group					
	Note	2Q FY15/16 S$'000	2Q FY14/15 S$'000	Variance %	1H FY15/16 S$'000	1H FY14/15 S$'000	Variance %
Management fees paid/payable in units		2,009	1,933	3.9%	4,000	3,734	7.1%
Trustee fee		620	584	6.2%	1,229	1,133	8.5%
Net change in fair value of financial derivatives		(50,752)	12,002	n.m.	(23,283)	6,387	n.m.
Other net non (taxable income)/ tax deductible expenses and other adjustments	A	(12,599)	2,584	n.m.	(20,982)	6,157	n.m.
Transfer to general reserve		(163)	(56)	191.1%	(290)	(129)	124.8%
Foreign exchange loss/(gain)		34,227	(14,079)	n.m.	18,363	(11,141)	n.m.
Income from subsidiaries	B	(3,732)	(1,808)	106.4%	(5,090)	(3,333)	52.7%
Rollover adjustment from prior years	C	6,525	-	n.m.	6,525	-	n.m.
Other net non (taxable income)/ tax deductible expenses and other adjustments		(23,865)	1,160	n.m.	(19,528)	2,808	n.m.

Note: "n.m." denotes "not meaningful"

A. Other net non (taxable income)/tax deductible expenses 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 CB, accretion adjustments for refundable security deposits, gain arising from the divestment of investment properties and incentive payments received as income support relating to Ascendas Z-Link, A-REIT City @Jinqiao and HIC.

B. This relates to net 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 30 September 2015. The net income from subsidiaries, where available, will be distributed after relevant adjustments such as withholding tax payable.

C. The amount relates to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront fees incurred in FY09/10.

(m) 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.

(n) 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. The DPU impact in 1H FY15/16 for the amount of incentive payment (net of Singapore corporate tax) received and included as distributable income is 0.035 cents (1H FY 14/15: 0.045 cents).

(o) This relates to the distribution of net income from the properties in China. Income will be distributed after its annual audited financial statements are 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.

1(b)(i) Statement of Financial Position

		Group		Trust	
		30/09/15	31/03/15	30/09/15	31/03/15
	Note	S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment properties		7,912,376	7,867,930	7,606,569	7,558,780
Investment property under development	(a)	11,461	-	-	-
Plant and equipment	(b)	164	260	76	152
Finance lease receivables		92,449	92,842	92,449	92,842
Interest in subsidiaries	(c)	-	-	182,614	179,324
Other assets	(d)	97,894	3,106	97,894	-
Derivative assets	(e)	51,305	38,736	51,305	38,736
		8,165,649	**8,002,874**	**8,030,907**	**7,869,834**
Current assets					
Finance lease receivables		1,166	1,002	1,166	1,002
Trade and other receivables		82,307	90,064	74,479	83,484
Cash and cash equivalents		36,319	41,590	13,914	14,389
Property held for sale	(f)	-	24,800	-	24,800
		119,792	**157,456**	**89,559**	**123,675**
Current liabilities					
Trade and other payables	(g)	151,514	188,548	128,593	163,064
Security deposits		33,549	27,810	32,742	27,809
Derivative liabilities	(h)	222	1,291	222	1,291
Short term borrowings	(i)	365,105	270,000	365,105	270,000
Term loans	(i)	149,589	15,525	149,589	-
Provision for taxation		2,661	3,651	2,296	3,303
		702,640	**506,825**	**678,547**	**465,467**
Non-current liabilities					
Other payables		2,175	2,175	2,175	2,175
Security deposits		77,555	79,504	74,233	75,838
Derivative liabilities	(h)	77,837	87,484	77,837	87,484
Amount due to a subsidiary		-	-	44,473	44,473
Medium term notes	(i)	1,065,661	797,129	1,065,661	797,129
Collateral loan	(i)	-	-	343,995	366,024
Exchangeable Collateralised Securities	(i)	343,995	366,024	-	-
Term loans and borrowings	(i)	934,889	1,279,046	919,647	1,279,046
Deferred tax liabilities		28,035	28,553	-	-
		2,530,147	**2,639,915**	**2,528,021**	**2,652,169**
Net assets		**5,052,654**	**5,013,590**	**4,913,898**	**4,875,873**
Represented by:					
Unitholders' funds		5,053,010	5,013,551	4,913,898	4,875,873
Non-controlling interests		(356)	39	-	**-**
		5,052,654	**5,013,590**	**4,913,898**	**4,875,873**

	Group		Trust	
	30/09/15	31/03/15	30/09/15	31/03/15
	S$'000	S$'000	S$'000	S$'000
Gross borrowings				
Secured borrowings				
Amount repayable after one year	343,995	366,024	343,995	366,024
Unsecured borrowings				
Amount repayable after one year	2,008,838	2,086,444	1,993,596	2,086,444
Amount repayable within one year	515,105	285,525	515,105	270,000
	2,867,938	2,737,993	2,852,696	2,722,468

Explanatory notes to the statement of financial position

(a) Investment property under development relates to the development project undertaken by A-REIT in Jiashan, China.

(b) Plant and equipment was lower mainly due to the depreciation of certain plant and equipment.

(c) 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 ("PLC8D"); A-REIT J.W. Investment Pte. Ltd and its subsidiary, A-REIT J.W. Facilities Co. Ltd ("AJWFC").

(d) Other assets as at 30 September 2015 relate to deposit paid for the proposed acquisition of a portfolio of 26 logistics properties located in Australia. Other assets as at 31 March 2015 relate to deposit paid for land acquisition for the development of a logistic facility in Jiashan, China, which has since been reclassified as investment property under development during 1Q FY15/16.

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

(f) Property held for sale as at 31 March 2015 relates to the property located at 26 Senoko Way, which was divested in April 2015.

(g) The decrease in trade and other payables was mainly due to the payment of trade payables and amounts in relation to asset enhancement works and operating expenses previously accrued.

(h) Derivative liabilities at Group level decreased mainly due to favourable changes in the fair value of certain interest rate swaps and certain cross currency swaps.

(i) **Details of borrowings**

<u>*Collateral loan and Exchangeable Collateralised Securities*</u>
In March 2010, a collateral loan of S$300.0 million ("Collateral Loan") was granted by a special purpose company, Ruby Assets Pte. Ltd. ("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 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 S$300.0 million 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 at the adjusted exchange price of S$2.0886 (1Q FY14/15: S$2.145) 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 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 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 MTN Programme in March 2009 and the programme limit of S$1.0 billion has been increased to S$5.0 billion with effect from 2 March 2015.

On 3 June 2015, A-REIT issued S$150.0 million, 3.20% fixed rate notes, which will mature in June 2022. On 3 August 2015, A-REIT issued S$100.0 million, 2.95% fixed rate notes, which will mature in August 2020.

As at the reporting date, S$1,112.2 million (comprising S$545.0 million, JPY24.6 billion and HKD1,260.0 million) MTN remain outstanding. A-REIT entered into cross currency swaps to hedge against the foreign exchange risk arising from the principal amount of the JPY-denominated MTN and HKD-denominated MTN. The amount reflected in the Statement of Financial Position relates to the carrying amount of the MTN translated using the rate at the reporting date, net of unamortised transaction costs.

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

As at 30 September 2015, 72.1% (31 March 2015: 68.2%) of the Group's interest rate exposure was fixed with an overall weighted average tenure of 3.4 years (31 March 2015: 3.7 years) remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings as at 30 September 2015 was 2.73% (31 March 2015: 2.68%) (including amortised costs of borrowings). The Group adopts cash flow hedge accounting for some of its interest rate swaps. The effective hedge portion of changes in the fair value of interest rate swaps for which hedge accounting is adopted 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.

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

	Group			
	2Q FY15/16 S$'000	2Q FY14/15 S$'000	1H FY15/16 S$'000	1H FY14/15 S$'000
Cash flows from operating activities				
Total return for the year before tax	123,485	113,831	215,674	201,148
Adjustments for				
(Reversal of allowance)/allowance for impairment loss on doubtful receivables	(110)	248	(358)	478
Depreciation of plant and equipment	47	44	94	87
Finance income	(15,245)	(12,524)	(24,039)	(8,704)
Finance costs	20,550	32,358	41,620	51,646
Foreign exchange (gain)/loss	33,706	(14,079)	19,549	41,394
Gain on disposal of investment properties	-	-	-	(2,023)
Management fees paid/payable in units	2,009	1,933	4,000	3,734
Net change in fair value of financial derivatives	(50,752)	12,002	(23,283)	(46,171)
Net appreciation on revaluation of investment property	-	(28,112)	(4,471)	(28,112)
Operating income before working capital changes	113,690	105,701	228,786	213,477
Changes in working capital				
Trade and other receivables	8,273	(3,615)	12,214	(11,245)
Trade and other payables	(16,089)	13,930	(8,614)	5,067
Cash generated from operating activities	105,874	116,016	232,386	207,299
Income tax paid	(1,695)	(880)	(2,129)	(1,066)
Net cash generated from operating activities	**104,179**	**115,136**	**230,257**	**206,233**
Cash flows from investing activities				
Purchase of investment properties	-	-	-	(191,384)
Payment for investment property under development	(2,036)	(1,804)	(13,117)	(1,954)
Payment for capital improvement on investment properties	(34,004)	(20,422)	(84,398)	(38,223)
Purchase of plant and equipment	-	(235)	(114)	(299)
Deposits paid for the acquisition of investment properties	(97,894)	-	(97,894)	-
Proceeds from divestment of investment property	13,900	-	38,700	12,600
Acquisiton of subsidiary, net of cash acquired	-	(251,895)	-	(251,895)
Interest received	1,390	2,215	1,433	3,249
Net cash used in investing activities	**(118,644)**	**(272,141)**	**(155,390)**	**(467,906)**
Cash flows from financing activities				
Distributions paid to Unitholders	-	-	(175,648)	(85,290)
Finance costs paid	(20,550)	(18,305)	(36,759)	(32,382)
Transaction costs paid in respect of borrowings	(417)	(405)	(1,263)	(600)
Proceeds from borrowings	216,136	466,860	744,136	1,131,860
Repayment of borrowings	(179,242)	(279,000)	(610,242)	(779,000)
Net cash generated/(used in) from financing activities	**15,927**	**169,150**	**(79,776)**	**234,588**
Net decrease in cash and cash equivalents	**1,462**	**12,145**	**(4,909)**	**(27,085)**
Cash and cash equivalents at beginning of the period	34,716	27,932	41,590	67,328
Effect of exchange rate changes on cash balances	141	147	(362)	(19)
Cash and cash equivalents at end of the financial period	**36,319**	**40,224**	**36,319**	**40,224**

1(d)(i) Statement of movement in unitholders' funds (1H FY15/16 vs 1H FY14/15)

	Note	Group		Trust	
		1H FY15/16 S$'000	1H FY14/15 S$'000	1H FY15/16 S$'000	1H FY14/15 S$'000
Balance at beginning of the financial period		**5,013,551**	**4,848,566**	**4,875,873**	**4,782,093**
Operations					
Total return for the year attributable to Unitholders of the Trust	(a)	214,928	198,944	209,547	167,455
Hedging transactions					
Effective portion of changes in fair value of financial derivatives	(b)	220	2,473	220	2,473
Changes in fair value of financial derivatives transferred to the Statement of Total Return	(c)	(218)	(2,275)	(218)	(2,275)
Net increase in net assets from hedging transactions		2	198	2	198
Movement in foreign currency translation reserve	(d)	(3,947)	(412)	-	-
Unitholders' transactions					
Divestment fees (IPT) paid in units		124	-	124	-
Management fees paid/payable in units		4,000	3,734	4,000	3,734
Distributions to Unitholders	(e)	(175,648)	(85,290)	(175,648)	(85,290)
Net decrease in net assets from Unitholders' transactions		(171,524)	(81,556)	(171,524)	(81,556)
Balance at end of the financial period		**5,053,010**	**4,965,740**	**4,913,898**	**4,868,190**
Non-controlling interests					
Balance at beginning of the financial period		39	34	-	-
Total return for the year attributable to non-controlling interests		(395)	30	-	-
Balance at end of the financial period		**(356)**	**64**	**-**	**-**
Total		**5,052,654**	**4,965,804**	**4,913,898**	**4,868,190**

Footnotes

(a) Included in total return is the net appreciation on revaluation of investment properties of S$4.5 million (1H FY14/15: S$28.1 million).

(b) In both 1H FY15/16 and 1H FY14/15, the forward interest rates at the end of each period were higher than those at the beginning of the financial year. Hence, the aggregate fair values of the interest rate swaps registered a favourable change as compared to the beginning of the financial year.

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

(d) This represents the foreign exchange translation differences arising from translation of the financial statements of AHTDBC, ASRC and AJWFC.

(e) The distribution payment is higher in 1H FY15/16 due to the change in distribution frequency from quarterly to semi-annually with effect from 1 April 2014.

	Note	Group 2Q FY15/16 S$'000	Group 2Q FY14/15 S$'000	Trust 2Q FY15/16 S$'000	Trust 2Q FY14/15 S$'000
Balance at beginning of the financial period		**4,926,161**	**4,845,376**	**4,792,494**	**4,782,329**
Operations					
Total return for the year attributable to Unitholders of the Trust	(a)	123,166	112,985	119,271	81,878
Hedging transactions					
Effective portion of changes in fair value of financial derivatives	(b)	-	2,050	-	2,050
Net increase in net assets from hedging transactions		-	2,050	-	2,050
Movement in foreign currency translation reserve	(c)	1,550	3,396	-	-
Unitholders' transactions					
Divestment fees (IPT) paid in units		124	-	124	-
Management fees paid/payable in units		2,009	1,933	2,009	1,933
Net increase in net assets from Unitholders' transactions		2,133	1,933	2,133	1,933
Balance at end of the financial period		**5,053,010**	**4,965,740**	**4,913,898**	**4,868,190**
Non-controlling interests					
Balance at beginning of the financial period		23	69	-	-
Total return for the year attributable to non-controlling interests		(379)	(5)	-	-
Balance at end of the financial period		**(356)**	**64**	**-**	**-**
Total		**5,052,654**	**4,965,804**	**4,913,898**	**4,868,190**

Footnotes

(a) Included in the total return for 2Q FY14/15 was the net appreciation on revaluation of investment property of S$28.1 million (2Q FY15/16: Nil).

(b) In 2Q FY14/15, the forward interest rate at the end of the financial period was higher than that 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 financial period.

(c) This represents the foreign exchange translation differences arising from translation of the financial statements of AHTDBC, ASRC and AJWFC.

1(d)(ii) Details of any changes in the units

	Group and Trust			
	2Q FY15/16 Units	2Q FY14/15 Units	1H FY15/16 Units	1H FY14/15 Units
Issued units at beginning of the financial period	**2,407,746,767**	**2,404,060,171**	**2,405,706,572**	**2,402,521,658**
Issue of new units:				
- Management fees paid in units	-	-	1,615,325	1,538,513
- Acquisition fees paid in units	-	-	424,870	-
- Divestment fees paid in units	48,431	-	48,431	-
Issued units at the end of the financial period	**2,407,795,198**	**2,404,060,171**	**2,407,795,198**	**2,404,060,171**
Units to be issued:				
Management fees payable in units	1,174,694	1,120,184	1,174,694	1,120,184
Units issued and issuable at end of the financial period	**2,408,969,892**	**2,405,180,355**	**2,408,969,892**	**2,405,180,355**

ECS of S$300.0 million with maturity date on 1 February 2017 was issued by Ruby Assets. Please refer to Para 1(b)(i)(i) Pages 9 to 10 for further details of the ECS.

The ECS are exchangeable by the ECS Holders into Units at the adjusted exchange price of S$2.0886 (1H FY14/15: S$2.145) 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 S$2.0886 per Unit, the number of new Units to be issued would be 143,636,885 representing 6.0% of the total number of A-REIT Units in issue as at 30 September 2015.

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 methods 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 2015.

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

	Note	Group			
		2Q FY15/16	2Q FY14/15	1H FY15/16	1H FY14/15
EPU					
Basic EPU	(a)				
Weighted average number of units		2,407,766,379	2,404,072,346	2,407,031,922	2,403,427,347
Earnings per unit in cents (EPU)		5.116	4.700	8.929	8.280
Diluted EPU	(b)				
Weighted average number of units		2,551,403,264	2,543,932,485	2,550,668,807	2,543,287,486
Earnings per unit in cents (Diluted)		4.329	4.110	7.657	7.810
DPU					
Number of units in issue		2,407,795,198	2,404,060,171	2,407,795,198	2,404,060,171
Distribution per unit in cents	(c)	4.160	3.660	8.001	7.300

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) Diluted EPU is determined by adjusting the total return for the period on the basis that the ECS was converted at the beginning of 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 diluted EPU is in relation to the issuance of ECS which has a convertible option to convert the CB into Units.

For 2Q FY15/16 and 1H FY15/16, the diluted EPU was computed based on the adjusted total return for the period derived by adding back the interest expense on ECS of S$1.2 million and S$2.4 million respectively and deducting the gain on fair valuation of ECS of S$13.9 million and S$22.0 million 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 143,636,885.

For 2Q FY14/15 and 1H FY14/15, the dilutive EPU was computed based on the adjusted total return for the period derived by adding back the interest expense on ECS of S$1.2 million and S$2.4 million respectively and deducting the gain on fair valuation of ECS of S$9.6 million and S$2.7 million 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 139,860,139.

(c) As at the reporting date, none of the S$300.0 million ECS had been converted into Units. Accordingly, the actual quantum of DPU may differ if any of these ECS are converted into Units.

Included in the DPU for 2Q FY15/16 and 1H FY15/16 is a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront fees incurred in FY09/10. The table below illustrates the impact of the rollover adjustment on the DPU:

		Group			
	Note	2Q FY15/16 cents	2Q FY14/15 cents	1H FY15/16 cents	1H FY14/15 cents
DPU		4.160	3.660	8.001	7.300
Recurrent DPU	(1)	3.889	3.660	7.730	7.300

(1) Excludes the impact of the rollover adjustments

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

		Group		**Trust**	
	Note	1H FY15/16 cents	1H FY14/15 cents	1H FY15/16 cents	1H FY14/15 cents
Net asset value per unit		210	207	204	202
Adjusted net asset value per unit	(a)	202	199	196	195

Footnote

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

8. Review of Performance

	Note	Group				
		2Q FY15/16 (A) S$'000	1Q FY15/16 (B) S$'000	Variance (A) vs (B) %	2Q FY14/15 (C) S$'000	Variance (A) vs (C) %
Gross revenue		182,625	180,507	1.2%	164,781	10.8%
Property operating expenses		(58,822)	(56,242)	4.6%	(50,114)	17.4%
Net property income		**123,803**	**124,265**	**(0.4%)**	**114,667**	**8.0%**
Non property expenses		(12,059)	(10,959)	10.0%	(11,191)	7.8%
Net finance costs		(5,305)	(12,276)	(56.8%)	(19,834)	(73.3%)
Foreign exchange (loss)/gain		(33,706)	14,157	n.m.	14,079	n.m.
		(51,070)	(9,078)	n.m.	(16,946)	n.m.
Net income		**72,733**	**115,187**	**(36.9%)**	**97,721**	**(25.6%)**
Net change in fair value of financial derivatives		50,752	(27,469)	n.m.	(12,002)	n.m.
Net appreciation on revaluation of investment properties		-	4,471	(100.0%)	28,112	(100.0%)
Total return for the period before tax		**123,485**	**92,189**	**33.9%**	**113,831**	**8.5%**
Tax expense		(698)	(443)	57.6%	(851)	(18.0%)
Total return for the period		**122,787**	**91,746**	**33.8%**	**112,980**	**8.7%**
Attributable to:						
Unitholders		123,166	91,762	34.2%	112,985	9.0%
Non-controlling interests		(379)	(16)	n.m.	(5)	n.m.
Total return for the period		**122,787**	**91,746**	**33.8%**	**112,980**	**8.7%**
Statement of distribution						
Total return for the period attributable to Unitholders		123,166	91,762	34.2%	112,985	9.0%
Net effect of non (taxable income)/tax deductible and other adjustments		(23,865)	4,337	n.m.	1,160	n.m.
Net appreciation on revaluation of investment properties		-	(4,471)	(100.0%)	(28,112)	(100.0%)
Income available for distribution		**99,301**	**91,628**	**8.4%**	**86,033**	**15.4%**
Comprising:						
- Taxable income		98,605	90,936	8.4%	85,357	15.5%
- Tax-exempt income		696	692	0.6%	676	3.0%
Income available for distribution		99,301	91,628	8.4%	86,033	15.4%
Tax-exempt income (prior periods)		416	416	0.0%	1,083	(61.6%)
Distribution from capital (prior periods)		442	442	0.0%	730	(39.5%)
Total amount available for distribution		**100,159**	**92,486**	**8.3%**	**87,846**	**14.0%**
Earnings per unit (cents)		**5.116**	**3.813**	**34.2%**	**4.700**	**8.9%**
Distribution per unit (cents)		**4.160**	**3.841**	**8.3%**	**3.660**	**13.7%**
Recurrent amount available for distribution	(1)	**93,634**	**92,486**	**1.2%**	**87,846**	**6.6%**
Recurrent distribution per unit (cents)	(1)	**3.889**	**3.841**	**1.2%**	**3.660**	**6.3%**

Note: "n.m." denotes "not meaningful"

(1) Excludes the impact of the rollover adjustments

2Q FY15/16 vs 1Q FY15/16

Gross revenue increased by 1.2% mainly due to (i) positive rental reversion on renewals, (ii) higher occupancy rates at Aperia and across several logistics properties due to new leases and (iii) leasing up of properties which underwent conversion from a single-lease building to a multi-tenants building during FY14/15.

Property operating expenses in 2Q FY15/16 increased 4.6% mainly from additional accruals for property tax for Aperia due to an upward adjustment of the annual value of the property from October 2014. 2Q FY15/16 also saw higher electricity consumption, with majority of the costs being recoverable from the tenants.

Non property expenses was 10.0% higher in 2Q FY15/16, mainly due to the reversal of accrued expenses following the finalisation of the amounts payable as these balances were no longer required in the previous quarter.

Net finance costs were 56.8% lower in 2Q FY15/16 mainly due to a higher fair value gain on ECS of S$13.9 million recognised (1Q FY15/16: S$8.1 million) and an accretion gain on security deposits of S$0.2 million as compared to an accretion loss on security deposits of S$0.4 million in 1Q FY15/16.

Foreign exchange loss in 2Q FY15/16 was mainly contributed by the weakening of the SGD against the HKD and JPY in relation to the HKD denominated MTN and JPY denominated MTN respectively. Foreign exchange gain in 1Q FY15/16 was mainly due to the weakening of the JPY and HKD against the SGD in relation to the JPY-denominated MTN and the HKD-denominated MTN respectively.

Net change in fair value of financial derivatives in 2Q FY15/16 was made up of a S$8.2 million fair value gain on interest rates swaps (1Q FY15/16: loss of S$1.6 million) and a S$42.5 million fair value gain on cross currency swaps (1Q FY15/16: loss of S$25.9 million). The fair value gain on cross currency swaps in 2Q FY15/16 was mainly due to the strengthening of the JPY and HKD forward exchange rates against SGD relating to the JPY/SGD and HKD/SGD cross currency swaps.

Higher tax expenses in 2Q FY15/16, as included in 1Q FY15/16 was a reversal of tax provision for income support received in relation to HIC due to A-REIT successfully obtained an advance tax ruling from IRAS to accord tax transparency on the income.

The movement in net effect of non (taxable income) / tax deductible expenses and other adjustments between 2Q FY15/16 and 1Q FY15/16 was mainly due to fair value gain on financial derivatives of S$50.8 million (1Q FY15/16: loss of S$27.5 million), partially offset by (i) foreign exchange loss of S$34.2 million (1Q FY15/16: gain of S$15.9 million) and (ii) fair value gain on ECS of S$13.9 million (1Q FY15/16: S$8.1 million).

2Q FY15/16 vs 2Q FY14/15

Gross revenue increased by 10.8% mainly due to contributions from (i) the acquisition of Aperia and The Kendall, (ii) contributions from completed asset enhancement initiatives, (iii) positive rental reversion on renewals and (iv) increased occupancy at certain properties.

Property operating expenses increased by 17.4% mainly attributable to the acquisition of Aperia and The Kendall and higher property tax in 2Q FY15/16 due to the upward adjustment in annual value for certain properties (such as Techplace II in 2013 and Aperia in 2014).

Non property expenses increased by 7.8% in 2Q FY15/16, mainly due to higher management fees which is in line with the higher Deposited Property.

Net finance costs in 2Q FY15/16 were 73.3% lower mainly due to a fair value loss on CB of S$14.2 million in 2Q FY14/15 (2Q FY15/16: Nil).

Foreign exchange loss in 2Q FY15/16 was mainly contributed by the weakening of the SGD against the HKD and JPY in relation to the HKD denominated MTN and JPY denominated MTN respectively. Foreign exchange gain in 2Q 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.

Net change in fair value of financial derivatives in 2Q FY15/16 was made up of a S$8.2 million fair value gain on interest rates swaps (2Q FY14/15: S$5.0 million) and a S$42.5 million fair value gain on cross currency swaps (2Q FY14/15: loss of S$17.0 million). The fair value gain on cross currency swaps in 2Q FY15/16 was mainly due to the strengthening of the JPY and HKD forward exchange rates against SGD relating to the JPY/SGD and HKD/SGD cross currency swaps.

Lower tax expenses in 2Q FY15/16 were mainly due to a lower amount of incentive payment received as income support in relation to A-REIT City @Jinqiao.

The movement in net effect of non (taxable income) / tax deductible expenses and other adjustments between 2Q FY15/16 and 2Q FY14/15 was mainly due to fair value gain on financial derivatives of S$50.8 million (2Q FY14/15: loss of S$12.0 million), partially offset by (i) foreign exchange loss of S$34.2 million (2Q FY14/15: gain of S$14.1 million). Included in 2Q FY15/16 was S$6.5 million rollover adjustments for taxable income from prior years whereas 2Q FY14/15 included S$14.2 million in relation to the fair value loss on CB.

Subsequent Event

On 18 September 2015 the Group had announced the proposed acquisition of a portfolio of 26 logistics properties located in Australia. For more details in relation to the Australian market and the proposed acquisition, please refer to Para 10 on Page 21.

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 1Q FY15/16 Financial Results Announcement under Paragraph 10 from page 18 to 19. 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 3Q 2015, the Singapore economy grew by 1.4% y-o-y, lower than the 2.0% growth in the previous quarter. The manufacturing sector continued to drag down the economy, declining 6.0% y-o-y largely due to a fall in the output of the electronics, biomedical manufacturing and transport engineering clusters.

According to the Ministry of Trade and Industry, the global economy performed weaker than expected in the first half of 2015. While growth in the regional economies has generally softened, the advanced economies are expected to see a gradual pick-up in growth. The US economy is projected to improve at a modest pace supported by private domestic demand. Similarly, growth in the Eurozone is expected to improve supported by quantitative easing measures implemented since March 2015. On the other hand, China's growth is expected to ease, weighed down by the on-going property market correction and excess capacity in many industries.

Downside risks remain in the external economic environment such as a sharper-than-expected slowdown in the Chinese economy and political uncertainty in the Eurozone.

The Government expects the Singapore economy to grow at a pace of 2.0% to 2.5% in 2015. Labour-intensive sectors continue to be affected by tight labour market conditions but domestically-oriented sectors should see modest growth.

Singapore's manufacturing Purchasing Managers' Index ("PMI") contracted for the third consecutive month in September. The PMI of 48.6 in September was attributed to further contraction in new orders, new export orders as well as production output.

In September 2015, non-oil domestic exports ("NODX") rose by 0.3% y-o-y compared to a 8.4% y-o-y contraction in August 2015. This was due to an expansion in electronic NODX which outweighed the decrease in non-electronic NODX.

According to JTC Corporation ("JTC"), price and rental rate growth of industrial space continued to soften following the increase in supply of industrial land and space by the Government in recent years. In 3Q 2015, the industrial price and rental index fell by 0.3% and 0.8% q-o-q respectively. Rental index for business park, multiple-user factory and warehouse declined by 130 bps, 110 bps and 60 bps respectively over the previous quarter.

The occupancy of island-wide industrial space declined by 0.2% points q-o-q to 90.8% on the back of a 1.0% increase in supply. Business park occupancy rate declined to 84.4% from 85.3% in 2Q 2015. Similarly, occupancy of single-user and multi-user factory space declined to 92.2% from 92.8% and 87.3% from 87.4% respectively. On the other hand, warehouse space occupancy rate improved to 92.5% from 91.6%.

According to URA, 3Q 2015 median rental rates for business park properties and multi-user factories declined q-o-q from S$4.20 to S$4.15 psf per month and S$1.90 to S$1.88 psf per month respectively. For warehouses, median rental rates rose q-o-q from S$1.98 to S$2.01 psf per month.

<u>China</u>

In 3Q 2015, China's GDP growth dipped to 6.9% y-o-y, lower than the 7.0% growth achieved in the first two quarters of 2015. China's manufacturing PMI was 49.8% in September 2015 (49.7 in August 2015), marking two consecutive months of contraction. Foreign direct investment ("FDI") has been stagnating in the last 2 years due to the decline in manufacturing FDI. Manufacturing FDI fell 12.3% in 2014 and 6.8% in 2013.

China continues to face significant challenges in rebalancing its economy. Declining factory output and investment growth in China remains a key risk to its overall economic performance. To balance reforms and short-term economic growth, the Chinese government has continued to stimulate the economy through devaluation of the yuan, interest rate cuts and increased infrastructure spending.

Australia

Australia's 2015 GDP growth is slowing to about 2% due to lower capital expenditure, post the mining boom.

However, the Australian economy is shifting from investment-led to consumption-driven growth. Real consumption is driven by population growth and housing-related consumption. The current positive trend for consumption, housing and exports are expected to be further supported by low interest rates, offshore demand and the low Australian currency. The Australian PMI rose to 52.1 in September 2015, expanding for the third consecutive month (51.7 in August 2015). With the recent signing of the Trans-Pacific Partnership Agreement, reduced tariffs on many Australian products are expected to help boost agricultural and manufacturing exports.

In September 2015, A-REIT announced the proposed acquisition of a portfolio of 26 logistics properties in the key Australian cities of Sydney, Melbourne, Brisbane and Perth.

The asset class is in-line with A-REIT's core interest and offers a good fit for A-REIT. All 26 properties are located on freehold land, well-managed and have a good customer base. The acquisition is expected to strengthen A-REIT's portfolio and generate a new income stream that is complementary to Singapore. The acquisition is expected to complete in the fourth quarter of 2015.

Outlook for the financial year ending 31 March 2016

With a customer base of around 1,430 tenants in a portfolio of 102 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 6.0% of A-REIT's monthly gross revenue. The stability of A-REIT's future performance is underpinned by the diversity and depth of its portfolio.

As at 30 September 2015, leases for about 10.2% of A-REIT's property income were due for renewal compared to 18.1% at the beginning of FY15/16. The Manager will continue to proactively negotiate and secure renewal commitment for leases that are due for renewal to achieve healthy occupancy and ensure sustainable returns from the portfolio.

With 11.0% 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 FY15/16 are still below market spot rental rates; hence, moderate positive rental reversion can be expected when such leases are renewed.

However, the industrial property market conditions in Singapore are expected to remain challenging. With significant new supply and tepid economic growth both in Singapore and globally, there may be pressure on occupancy growth. The Manager will continue to improve and reposition A-REIT's assets to serve the needs of current and prospective tenants. Simultaneously, A-REIT will evaluate and seek growth opportunities in developed and mature markets to deliver stable distributions to and maintain capital stability for our Unitholders.

Barring any unforeseen events 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 2016.

11. Distributions

Any distributions declared for the current financial period: Yes

Name of distribution: 48th distribution for the period from 1 April 2015 to 30 September 2015

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	7.872	0.092	0.037	8.001

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.

Capital distribution
Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.

Book closure date: 30 October 2015

Payment date: 27 November 2015

(a) Corresponding period of the immediately preceding year

Any distributions declared for the current financial period: Yes

Name of distribution: 46th distribution for the period from 1 April 2014 to 30 September 2014

(With effect from 1 April 2014, A-REIT's distribution frequency has been changed from quarterly to semi-annual basis)

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	7.170	0.100	0.030	7.300

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.

Capital distribution
Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.

Book closure date: 31 October 2014

Payment date: 28 November 2014

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 period ended 30 September 2015:

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, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual 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.

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

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

This release may contain forward-looking statements that involve assumptions, 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 A-REIT's 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 October 2015

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

22 October 2015

Dear Sirs

Ascendas Real Estate Investment Trust and its subsidiaries
Review of Interim Financial Information for the six-month period ended 30 September 2015

Introduction

We have reviewed the accompanying interim financial information of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the six-month period ended 30 September 2015 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 30 September 2015;
- Portfolio statement of the Group as at 30 September 2015;
- Statements of total return of the Group for the three-month and six-month periods ended 30 September 2015;
- Distribution statements of the Group for the three-month and six-month periods ended 30 September 2015;
- Statements of movements in unitholders' funds of the Group and the Trust for the three-month and six-month periods ended 30 September 2015;
- Statement of cash flows of the Group for the six-month period ended 30 September 2015; 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 in meeting 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