



A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 103 properties in Singapore, 27 properties in Australia and 3 properties in China, with tenant base of around 1,470 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 YEAR ENDED 31 MARCH 2016

	Note	Group		
		01/04/15 to 31/03/16 ('FY15/16') S\$'000	01/04/14 to 31/03/15 ('FY14/15') S\$'000	Variance %
Gross revenue		760,988	673,487	13.0%
Net property income		533,701	462,727	15.3%
Total amount available for distribution:		378,321	351,140	7.7%
- from operations		367,538	344,823	6.6%
- tax-exempt income	(a)	7,144	4,857	47.1%
- from capital	(b)	3,639	1,460	149.2%
		Cents per Unit		
Distribution per Unit ("DPU")	(c) & (d)	FY15/16	FY14/15	Variance %
For the quarter from 1 January to 31 March		3.410	3.710	(8.1%)
- from operations		3.247	3.610	(10.1%)
- tax-exempt income	(a)	0.146	0.070	108.6%
- from capital	(b)	0.017	0.030	(43.3%)
For the year from 1 April to 31 March		15.357	14.600	5.2%
- from operations		14.929	14.340	4.1%
- tax-exempt income	(a)	0.283	0.200	41.5%
- from capital	(b)	0.145	0.060	141.7%
FOR INFORMATION ONLY				
DPU before performance fees:				
- for the quarter from 1 January to 31 March		3.759	3.710	1.3%
- for the year from 1 April to 31 March		16.053	14.600	10.0%

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

Footnotes

- (a) This includes the distribution of (i) finance lease interest income (net of Singapore corporate tax) received from a tenant, (ii) incentive payment (net of Singapore corporate tax) received as income support relating to the properties in China and (iii) income relating to the properties in Australia that has been received in Singapore (net of Australian withholding tax) following the repatriation of profits from the Ascendas REIT Australia Group. 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\$1.7 million or 0.068 cents impact on DPU for FY15/16 (FY14/15: S\$2.2 million or 0.090 cents).
- (b) This relates to the distribution of (i) net income from the properties in China, where the profits will be repatriated only after the annual audited financial statements of the Chinese subsidiaries are filed and corporate taxes paid and (ii) net income from the properties in Australia where the profits will be repatriated only after each financial quarter of the Ascendas REIT Australia Group. The distributions of income from overseas properties that are yet to be received in Singapore are deemed to be capital distributions from a tax perspective. Such distributions are not taxable in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.
- (c) The estimated DPU for 4Q FY15/16 and FY15/16 have been computed after taking into consideration the Units issued on 1 March 2016 as partial consideration for the acquisition of ONE@Changi City (“Consideration Units”). The Consideration Units will not be entitled to distributions by A-REIT for the period preceding the date of issue of the Consideration Units, and will only be entitled to distributions by A-REIT from the date of their issue. Save as set out above, the Consideration Units will, upon issue, rank pari passu in all respects with the Units in issue on the day immediately preceding the date of issue of the Consideration Units.
- (d) As at the date of this announcement, A-REIT has received a notice of exchange (“Exchange Notice”) amounting to S\$14.0 million in relation to the Exchangeable Collateralised Securities (“ECS”) and new Units will be issued. Any new Units issued (or to be issued) in exchange for the ECS will rank pari passu in all respects with the Units in issue on the day immediately following the date of the Exchange Notice, including the entitlement to distributions by A-REIT for the period preceding the date of issue of the Units. The estimated DPU for 4Q FY15/16 and FY15/16 have been computed on the basis that no further ECS will be exchanged into Units before the books closure date. Accordingly, the actual quantum of DPU may differ if A-REIT receives additional Exchange Notices before the books closure date. The actual quantum of DPU will be announced after the books closure date. For more details on the ECS, please refer to Para 1(b)(i)(i) on Pages 11 to 12 and Para 1(d)(ii) on Page 17.

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

DPU (cents)	1Q FY15/16	2Q FY15/16	3Q FY15/16	4Q FY15/16 (estimated)	FY15/16
Taxable	3.777	4.095	3.810	3.247	14.929
Tax-exempt	0.046	0.046	0.045	0.146	0.283
Capital	0.018	0.019	0.091	0.017	0.145
Total	3.841	4.160	3.946	3.410	15.357

DISTRIBUTION DETAILS**For Units trading under the main A-REIT counter**

Distribution period	18 December 2015 to 31 March 2016			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Estimated Distribution rate (cents per unit)	4.052	0.152	0.092	4.296
Book closure date	13 May 2016 (Friday)			
Payment date	7 June 2016 (Tuesday)			

For Consideration Units trading under the temporary A-REIT counter

Distribution period	1 March 2016 to 31 March 2016			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Estimated Distribution rate (cents per unit)	1.136	0.049	0.006	1.191
Book closure date	13 May 2016 (Friday)			
Payment date	7 June 2016 (Tuesday)			

1(a)(i) Statement of Total Return and Distribution Statement

		Group (Note a)					
<u>Statement of Total Return</u>	Note	01/01/16 to 31/03/16 ('4Q FY15/16') S\$'000	01/01/15 to 31/03/15 ('4Q FY14/15') S\$'000	Variance %	FY15/16 S\$'000	FY14/15 S\$'000	Variance %
Gross revenue	(b)	204,044	173,794	17.4%	760,988	673,487	13.0%
Property services fees		(7,995)	(7,344)	8.9%	(30,316)	(25,875)	17.2%
Property tax		(14,861)	(14,345)	3.6%	(59,058)	(55,670)	6.1%
Other property operating expenses		(37,723)	(34,916)	8.0%	(137,913)	(129,215)	6.7%
Property operating expenses	(c)	(60,579)	(56,605)	7.0%	(227,287)	(210,760)	7.8%
Net property income		143,465	117,189	22.4%	533,701	462,727	15.3%
Management fees	(d)	(11,689)	(9,654)	21.1%	(42,999)	(38,137)	12.7%
Performance fees	(e)	(9,036)	-	n.m.	(17,436)	-	n.m.
Trust and other expenses	(f)	(2,404)	(2,023)	18.8%	(6,993)	(5,629)	24.2%
Finance income	(i)	801	1,088	(26.4%)	16,150	8,273	95.2%
Finance costs	(i)	(37,838)	(37,877)	(0.1%)	(93,603)	(113,651)	(17.6%)
Foreign exchange gain/(loss)	(g)	1,652	(15,579)	(110.6%)	(16,005)	(47,653)	(66.4%)
Gain on disposal of investment property	(h)	-	-	n.m.	-	2,023	(100.0%)
Net non property expenses		(58,514)	(64,045)	(8.6%)	(160,886)	(194,774)	(17.4%)
Net income	(i)	84,951	53,144	59.9%	372,815	267,953	39.1%
Net change in fair value of financial derivatives	(j)	(14,228)	38,025	(137.4%)	10,326	89,363	(88.4%)
Net fair value (losses)/gains on investment properties	(k)	(6,820)	18,920	(136.0%)	(2,349)	47,032	(105.0%)
Share of joint venture's results	(l)	43	-	n.m.	43	-	n.m.
Total return for the period before tax		63,946	110,089	(41.9%)	380,835	404,348	(5.8%)
Tax expense	(m)	(16,669)	(3,624)	n.m.	(25,140)	(6,743)	n.m.
Total return for the period		47,277	106,465	(55.6%)	355,695	397,605	(10.5%)
Attributable to:							
Unitholders and perpetual securities holders		46,875	106,491	(56.0%)	355,713	397,600	(10.5%)
Non-controlling interests		402	(26)	n.m.	(18)	5	n.m.
		47,277	106,465	(55.6%)	355,695	397,605	(10.5%)
Distribution Statement							
Total return for the period attributable to Unitholders and perpetual securities holders		46,875	106,491	(56.0%)	355,713	397,600	(10.5%)
Less: Amount reserved for distribution to perpetual securities holders	(n)	(3,553)	-	n.m.	(6,637)	-	n.m.
Other net non tax deductible expenses/(taxable income) and other adjustments	(o)	35,413	(136)	n.m.	18,905	(3,054)	n.m.
Net fair value losses/(gains) on investment properties	(k)	6,820	(18,920)	(136.0%)	2,349	(47,032)	(105.0%)
Income available for distribution		85,555	87,435	(2.2%)	370,330	347,514	6.6%
Comprising:							
- Taxable income		84,848	86,762	(2.2%)	367,538	344,823	6.6%
- Tax-exempt income	(p)	707	673	5.1%	2,792	2,691	3.8%
Income available for distribution		85,555	87,435	(2.2%)	370,330	347,514	6.6%
Tax-exempt income (prior periods)	(q)	416	1,083	(61.6%)	1,663	2,166	(23.2%)
Tax-exempt income (Australia)	(r)	2,689	-	n.m.	2,689	-	n.m.
Distribution from capital	(s)	442	730	(39.5%)	3,639	1,460	149.2%
Total amount available for distribution		89,102	89,248	(0.2%)	378,321	351,140	7.7%

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

Explanatory notes to the statement of total returns and distribution statement

- (a) The Group had 133 properties and 107 properties as at 31 March 2016 and 31 March 2015, respectively. Since March 2015, the Group completed (i) the acquisition of 27 logistics properties in Australia (the "Australian Portfolio") during the third and fourth quarter of FY15/16, (ii) the acquisition of ONE@Changi City in March 2016, (iii) the divestment of an investment property located at 26 Senoko Way in April 2015 and (iv) 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 has since reported both buildings as a single property.
- (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 increased by 13.0% mainly due to contributions from (i) the acquisition of Hyflux Innovation Centre ("HIC"), Aperia, The Kendall, the Australian Portfolio and ONE@Changi City, (ii) the increase in occupancy at certain properties and (iii) positive rental reversion on renewals.

- (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 7.8%, mainly attributable to (i) the acquisitions as mentioned in 1(a)(i)(b) above, (ii) higher maintenance and conservancy costs, mainly due to higher term contract rates subsequent to renewals and (iii) higher property tax and land rent arising from the conversion of a single-lease building to a multi-tenant building.

- (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 under the previous computation method.

Higher management fees in FY15/16 were mainly due to higher deposited property under management, contributed primarily by the new acquisitions made during the year.

- (e) Under the Trust Deed, the Manager is entitled to a performance fee at the rate of 0.1% or 0.2% per annum of the deposited property provided that the DPU for the financial year (calculated before performance fees) exceeds the DPU in the preceding financial year by at least 2.5% but less than 5.0%; or by at least 5.0%, respectively. The Manager will waive such amount of performance fee payable such that any increase in DPU (which is calculated before accounting for performance fees) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the performance fee.
- (f) Trust and other expenses comprise statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses.

Trust and other expenses increased by 24.2% mainly due to (i) higher legal and professional fees incurred during the year and (ii) higher trust and other expenses arising from the formation of Ascendas REIT Australia Group (which holds the Australian Portfolio).

- (g) 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.

FY15/16 recorded a foreign exchange loss of S\$16.0 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 FY14/15 included exchange losses from the settlement of Emerald Assets Limited’s Euro-denominated MTN.

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

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

Note	Group					
	4Q FY15/16 S\$'000	4Q FY14/15 S\$'000	Variance %	FY15/16 S\$'000	FY14/15 S\$'000	Variance %
Gross revenue						
Gross rental income	184,467	153,682	20.0%	681,853	596,145	14.4%
Other income	19,577	20,112	(2.7%)	79,135	77,342	2.3%
Property operating expenses						
(Allowance)/reversal of allowance for impairment loss on doubtful receivables	(39)	(51)	(23.5%)	303	(609)	(149.8%)
Depreciation of plant and equipment	(47)	(234)	(79.9%)	(187)	(367)	(49.0%)
Finance income (1)						
Accretion gain on security deposits	-	306	(100.0%)	-	2,001	(100.0%)
Interest income	801	782	2.4%	4,126	6,272	(34.2%)
Gain on fair value of ECS	-	-	n.m.	12,024	-	n.m.
	801	1,088	(26.4%)	16,150	8,273	95.2%
Finance costs (2)						
Accretion loss on security deposits	(255)	-	n.m.	(840)	-	n.m.
Interest expense	(26,324)	(17,612)	49.5%	(87,776)	(68,833)	27.5%
Other borrowing costs	(975)	(864)	12.8%	(4,987)	(3,311)	50.6%
Loss on fair value of ECS	(10,284)	(19,401)	(47.0%)	-	(24,933)	(100.0%)
Loss on fair value of CB	-	-	n.m.	-	(16,574)	(100.0%)
	(37,838)	(37,877)	(0.1%)	(93,603)	(113,651)	(17.6%)

Note: “n.m.” denotes “not meaningful”

- Finance income comprises interest income from interest rate swaps, convertible bonds (“CB”), bank deposits, accretion gains on refundable security deposits and fair value gain on ECS.
- 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 on refundable security deposits, and fair value loss on ECS and CB.

- (j) 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					
	4Q FY15/16 S\$'000	4Q FY14/15 S\$'000	Variance %	FY15/16 S\$'000	FY14/15 S\$'000	Variance %
Fair value (loss)/gain on:						
- interest rate swaps	(13,872)	10,236	n.m.	3,012	22,057	(86.3%)
- cross currency swaps	(198)	27,789	(100.7%)	7,472	67,306	(88.9%)
- foreign exchange forward contracts	(158)	-	n.m.	(158)	-	n.m.
Net change in fair value of financial derivatives	(14,228)	38,025	(137.4%)	10,326	89,363	(88.4%)

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

- (k) Independent valuations for the 133 properties were undertaken by CBRE Pte. Ltd., DTZ Debenham Tie Leung (SEA) Pte. Ltd., Jones Lang LaSalle Property Consultants Pte. Ltd., Cushman & Wakefield VHS Pte. Ltd., Savills Valuation And Professional Services (S) Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Knight Frank Pte. Ltd., CBRE Limited and CBRE Valuations Pty Limited in March 2016. Fair value gains/losses on investment properties are not deductible and are excluded from the computation of total amount available for distribution.
- (l) Share of joint venture's results relates to the carpark operations at ONE@Changi City, which is operated through a joint venture entity, Changi City Carpark Operations LLP ("CCP LLP"). The results for CCP LLP are equity accounted for at the Group level.
- (m) Tax expense includes income tax expense relating to the Group's China subsidiaries as well as tax provided on (i) finance lease interest income received from a tenant, (ii) income support relating to HIC, (iii) incentive payment received as income support in relation to A-REIT City @Jinqiao, and (iv) interest income earned from investment in CB.
- Included in FY15/16 were also (i) withholding tax and deferred tax recognised on the profits that are repatriated and yet to be repatriated from the Ascendas REIT Australia Group to Singapore respectively and (ii) a tax provision relating to the transfer of a property by a subsidiary.
- (n) On 14 October 2015, A-REIT issued S\$300.0 million of subordinated perpetual securities (the "Perpetual Securities"). The Perpetual Securities confer a right to receive distribution payments at a rate of 4.75% per annum, with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

A-REIT Announcement of Results for the Financial Year Ended 31 March 2016

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

		Group					
Note	4Q FY15/16 S\$'000	4Q FY14/15 S\$'000	Variance %	FY15/16 S\$'000	FY14/15 S\$'000	Variance %	
	2,340	1,930	21.2%	8,600	7,627	12.8%	
Management fees paid/payable in units							
	721	593	21.6%	2,643	2,323	13.8%	
Trustee fee							
	18,200	(38,025)	(147.9%)	(6,044)	(36,805)	(83.6%)	
Net change in fair value of financial derivatives							
	17,035	19,828	(14.1%)	1,864	34,083	(94.5%)	
Other net non tax deductible expenses and other adjustments	A						
Transfer to general reserve	(159)	(109)	45.9%	(553)	(343)	61.2%	
Foreign exchange (gain)/loss							
(Loss)/Income from subsidiaries and joint ventures	B	658	(3,017)	(121.8%)	(5,251)	(10,431)	(49.7%)
Rollover adjustment from prior years	C	-	-	n.m.	6,525	-	n.m.
Other net non tax deductible expenses/(taxable income) and other adjustments		35,413	(136)	n.m.	18,905	(3,054)	n.m.

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

- A. Other net non 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, gains arising from the divestment of investment properties, incentive payments received as income support relating to Ascendas Z-Link, A-REIT City @Jinqiao and HIC and profits attributable to the Perpetual Securities holders.
- B. This relates to the net income from Ascendas Hi-Tech Development (Beijing) Co., Limited ("AHTDBC"), A-REIT Shanghai Realty Co., Limited ("ASRC"), PLC8H and the Ascendas REIT Australia Group.
- 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.
- (p) 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.
- (q) 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 amount of incentive payment (net of Singapore corporate tax) received and included as distributable income amounted to S\$1.7 million or 0.068 cents impact on DPU for FY15/16 (FY14/15: S\$2.2 million or 0.090 cents).
- (r) This relates to the income relating to the Australian Portfolio that has been received in Singapore (net of Australian withholding tax) following to the distribution of profits from the Ascendas REIT Australia Group. 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.

- (s) This relates to the distribution of (i) net income from the properties in China, where the profits will be repatriated only after the annual audited financial statements of the Chinese subsidiaries are filed and corporate taxes are paid and (ii) net income from the Australian Portfolio where the profits will be repatriated only after each financial quarter of the Ascendas REIT Australia Group. The distributions of income from overseas properties that are yet to be received in Singapore are deemed to be capital distributions from a tax perspective. Such distributions are 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

	Note	Group		Trust	
		31/03/16 S\$'000	31/03/15 S\$'000	31/03/16 S\$'000	31/03/15 S\$'000
Non-current assets					
Investment properties	(a)	9,598,654	7,867,930	8,142,650	7,558,780
Plant and equipment	(b)	68	260	-	152
Finance lease receivables	(c)	57,731	92,842	57,731	92,842
Interest in subsidiaries	(d)	-	-	704,689	179,324
Investment in joint venture	(e)	44	-	-	-
Other assets	(f)	-	3,106	-	-
Derivative assets		38,372	38,736	32,592	38,736
		9,694,869	8,002,874	8,937,662	7,869,834
Current assets					
Finance lease receivables	(c)	35,269	1,002	35,269	1,002
Trade and other receivables		89,285	90,064	84,095	83,484
Derivative assets		356	-	356	-
Cash and cash equivalents		56,236	41,590	6,052	14,389
Property held for sale	(g)	-	24,800	-	24,800
		181,146	157,456	125,772	123,675
Current liabilities					
Trade and other payables		171,971	188,548	154,579	163,064
Security deposits		34,065	27,810	32,580	27,809
Derivative liabilities	(h)	1,595	1,291	1,595	1,291
Short term borrowings	(i)	601,138	270,000	510,695	270,000
Term loans	(i)	224,942	15,525	224,732	-
Exchangeable Collateralised Securities	(i)	354,000	-	354,000	-
Provision for taxation		7,851	3,651	1,929	3,303
		1,395,562	506,825	1,280,110	465,467
Non-current liabilities					
Other payables		1,675	2,175	1,675	2,175
Security deposits		77,659	79,504	74,172	75,838
Derivative liabilities	(h)	76,814	87,484	75,345	87,484
Amount due to a subsidiary		-	-	26,473	44,473
Medium term notes	(i)	1,143,508	797,129	1,143,508	797,129
Collateral loan	(i)	-	-	-	366,024
Exchangeable Collateralised Securities	(i)	-	366,024	-	-
Term loans and borrowings	(i)	1,340,990	1,279,046	745,681	1,279,046
Deferred tax liabilities		42,924	28,553	606	-
		2,683,570	2,639,915	2,067,460	2,652,169
Net assets					
		5,796,883	5,013,590	5,715,864	4,875,873
Represented by:					
Unitholders' funds		5,492,441	5,013,551	5,411,443	4,875,873
Perpetual securities holders	(j)	304,421	-	304,421	-
Non-controlling interests		21	39	-	-
		5,796,883	5,013,590	5,715,864	4,875,873

	Group		Trust	
	31/03/16 S\$'000	31/03/15 S\$'000	31/03/16 S\$'000	31/03/15 S\$'000
Gross borrowings				
Secured borrowings				
Amount repayable after one year	583,642	366,024	-	366,024
Amount repayable within one year	354,000	-	354,000	-
Unsecured borrowings				
Amount repayable after one year	1,910,595	2,086,444	1,896,440	2,086,444
Amount repayable within one year	826,397	285,525	735,745	270,000
	3,674,634	2,737,993	2,986,185	2,722,468

Explanatory notes to the statement of financial position

- (a) The increase in investment properties was mainly due to the acquisition of the Australian Portfolio and ONE@Changi City during FY15/16.
- (b) Plant and equipment was lower mainly due to the depreciation of certain plant and equipment.
- (c) The finance lease receivable in relation to one lessee was transferred from non-current assets to current assets as the Group has received a notice from the lessee to trigger an option to purchase the finance lease asset. The purchase is subject to the approval of JTC.
- (d) 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") and the Ascendas REIT Australia Group.
- (e) Investment in joint venture relates to A-REIT's investment in CCP LLP. The results for CCP LLP are equity accounted for at the Group level.
- (f) Other assets as at 31 March 2015 relate to a deposit paid for land acquired for the development of a logistics facility in Jiashan, China, which has been reclassified as investment property in March 2016 subsequent to the completion of development works.
- (g) Property held for sale as at 31 March 2015 relates to the property located at 26 Senoko Way, which was divested in April 2015.
- (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**

Collateral loan and Exchangeable Collateralised Securities

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 maturity date of the Collateral Loan is 1 February 2017 and it bears a fixed interest rate of 1.60% 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 maturity date of 1 February 2017. 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\$2.0505 (FY14/15: S\$2.1394) 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 Group has the option to pay cash in lieu of delivering the Units. As at the date of this

announcement, the Group has received an Exchange Notice amounting to S\$14.0 million of the ECS and 6,827,603 new Units will be issued pursuant to this Exchange Notice.

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.

Secured Syndicated Loans

As at 31 March 2016, the Group has A\$564.3 million secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and guaranteed by A-REIT.

Medium Term Notes

A-REIT established an S\$1.0 billion Multicurrency MTN Programme in March 2009 and the programme limit of S\$1.0 billion was increased to S\$5.0 billion from 2 March 2015.

During the year ended 31 March 2016, A-REIT issued or agreed to issue 3 series of fixed rate notes:

- S\$150.0 million, 3.20% notes due in June 2022 (Series 10 Notes) issued on 3 June 2015
- S\$100.0 million, 2.95% notes due in August 2020 (Series 11 Notes) issued on 3 August 2015
- HKD500.0 million, 3% notes due in February 2026 (Series 12 Notes) issued on 4 February 2016

As at the reporting date, S\$1,203.8 million (comprising S\$545.0 million, JPY24.6 billion and HKD1,760.0 million) MTNs remain outstanding. A-REIT entered into cross currency swaps to hedge against the foreign exchange risk arising from the principal amount of all JPY-denominated MTNs and all HKD-denominated MTNs. The amount reflected in the Statement of Financial Position relates to the carrying amount of the MTNs translated using the rate at the reporting date, net of unamortised transaction costs.

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

As at 31 March 2016, 71.9% (31 March 2015: 68.2%) of the Group's interest rate exposure was fixed with an overall weighted average tenure of 3.3 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 for the year ended 31 March 2016 was 2.79% (31 March 2015: 2.68%) (including amortised costs of borrowings).

- (j) On 14 October 2015, A-REIT issued S\$300.0 million of fixed rate Perpetual Securities. The Perpetual Securities may be redeemed at the option of A-REIT in whole, but not in part, on 14 October 2020 or each successive date falling every five years thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Perpetual Securities, net of issuance costs, are classified as equity instruments and recorded as equity in the Statements of Movements in Unitholders' Funds.

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

	Group			
	4Q FY15/16 S\$'000	4Q FY14/15 S\$'000	FY15/16 S\$'000	FY14/15 S\$'000
Cash flows from operating activities				
Total return for the year before tax	63,946	110,089	380,835	404,348
Adjustments for				
Allowance/(reversal of allowance) for impairment loss on doubtful receivables	39	51	(303)	609
Depreciation of plant and equipment	47	234	187	367
Finance income	(801)	(1,088)	(16,150)	(8,273)
Finance costs	37,838	37,877	93,603	113,651
Foreign exchange (gain)/loss	(1,652)	15,581	16,005	(4,881)
Gain on disposal of investment property	-	-	-	(2,023)
Management fees paid/payable in units	2,340	1,930	8,600	7,627
Net change in fair value of financial derivatives	14,228	(38,025)	(10,326)	(89,363)
Net fair value losses/(gains) on investment properties	6,820	(18,920)	2,349	(47,032)
Share of joint venture's results	(43)	-	(43)	-
Operating income before working capital changes	122,762	107,729	474,757	375,030
Changes in working capital				
Trade and other receivables	10,289	(10,406)	8,228	(30,608)
Trade and other payables	3,439	(2,260)	3,217	20,379
Cash generated from operating activities	136,490	95,063	486,202	364,801
Income tax paid	(672)	(455)	(4,488)	(2,360)
Net cash generated from operating activities	135,818	94,608	481,714	362,441
Cash flows from investing activities				
Purchase of investment properties	(305,180)	(110,041)	(738,672)	(301,425)
Payment for investment property under development	(3,476)	-	(21,301)	(2,202)
Payment for capital improvement on investment properties	(34,200)	(29,668)	(136,335)	(98,697)
Purchase of plant and equipment	(75)	(77)	(189)	(1,428)
Proceeds from divestment of investment property	-	-	38,700	12,600
Acquisition of subsidiary, net of cash acquired	-	-	(638,539)	(251,895)
Interest received	1,188	1,833	4,013	5,502
Net cash used in investing activities	(341,743)	(137,953)	(1,492,323)	(637,545)
Cash flows from financing activities				
Proceeds from issuance of perpetual securities	-	-	300,000	-
Perpetual securities issue cost paid	-	-	(2,029)	-
Proceeds from issue of units	144,822	-	344,892	-
Equity issue costs paid	(695)	-	(2,726)	-
Distributions paid to Unitholders	(73,789)	-	(442,085)	(260,786)
Finance costs paid	(32,553)	(19,293)	(87,211)	(67,395)
Transaction costs paid in respect of borrowings	(677)	-	(4,244)	(673)
Proceeds from borrowings	242,429	120,000	1,986,790	1,565,860
Repayment of borrowings	(77,291)	(50,000)	(1,066,434)	(988,442)
Net cash generated from financing activities	202,246	50,707	1,026,953	248,564
Net (decrease)/increase in cash and cash equivalents	(3,679)	7,362	16,344	(26,540)
Cash and cash equivalents at beginning of the period	60,594	33,712	41,590	67,328
Effect of exchange rate changes on cash balances	(679)	516	(1,698)	802
Cash and cash equivalents at end of the financial period	56,236	41,590	56,236	41,590

1(d)(i) Statements of Movements in Unitholders' Funds (FY15/16 vs FY14/15)

	Note	Group		Trust	
		FY15/16 S\$'000	FY14/15 S\$'000	FY15/16 S\$'000	FY14/15 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		5,013,551	4,848,566	4,875,873	4,782,093
<u>Operations</u>					
Total return for the year attributable to Unitholders of the Trust		355,713	397,600	409,106	342,505
Less: Amount reserved for distribution to perpetual securities holders		(6,637)	-	(6,637)	-
Net increase in net assets from operations		349,076	397,600	402,469	342,505
<u>Hedging transactions</u>					
Effective portion of changes in fair value of financial derivatives	(a)	220	5,582	220	5,582
Changes in fair value of financial derivatives transferred to the Statement of Total Return	(b)	(218)	(2,275)	(218)	(2,275)
Net increase in net assets from hedging transactions		2	3,307	2	3,307
Movement in general reserve					
Movement in foreign currency translation reserve	(c)	(3,287)	16,110	-	-
<u>Unitholders' transactions</u>					
New Units issued	(d)	344,892	-	344,892	-
Consideration Units for acquisition of property	(e)	210,000	-	210,000	-
Equity issue costs		(2,851)	7	(2,851)	7
Divestment fees paid in Units		124	-	124	-
Acquisition fees paid in Units		14,419	1,120	14,419	1,120
Management fees paid/payable in Units		8,600	7,627	8,600	7,627
Distributions to Unitholders		(442,085)	(260,786)	(442,085)	(260,786)
Net increase/(decrease) in net assets from Unitholders' transactions		133,099	(252,032)	133,099	(252,032)
Balance at end of the financial period		5,492,441	5,013,551	5,411,443	4,875,873
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		-	-	-	-
Proceeds from the issuance of perpetual securities	(f)	300,000	-	300,000	-
Issue costs		(2,216)	-	(2,216)	-
Amount reserved for distribution to perpetual securities holders		6,637	-	6,637	-
Balance at end of the financial period		304,421	-	304,421	-
Non-controlling interests					
Balance at beginning of the financial period		39	34	-	-
Total return for the year attributable to non-controlling interests		(18)	5	-	-
Balance at end of the financial period		21	39	-	-
Total		5,796,883	5,013,590	5,715,864	4,875,873

Footnotes

- (a) In both FY15/16 and 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.
- (b) 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.
- (c) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries.
- (d) This relates to the issuance of new Units on 18 December 2015 pursuant to a private placement of 90,000,000 Units at an issue price of S\$2.223 per Unit and the issuance of 65,293,948 of new Units on 20 January 2016 pursuant to a 3-for-80 preferential offering at an issue price of S\$2.2185.
- (e) This relates to issuance of 94,466,936 Consideration Units on 1 March 2016 as partial consideration for the acquisition of ONE@Changi City.
- (f) On 14 October 2015, A-REIT issued S\$300.0 million of fixed rate Perpetual Securities and they are classified as equity instruments. The Perpetual Securities confer a right to receive distribution payments at a rate of 4.75% per annum, with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter. The distributions will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

Statements of Movements in Unitholders' Funds (4Q FY15/16 vs 4Q FY14/15)

	Note	Group		Trust	
		4Q FY15/16 S\$'000	4Q FY14/15 S\$'000	4Q FY15/16 S\$'000	4Q FY14/15 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		5,161,004	4,893,207	5,021,452	4,784,291
<u>Operations</u>					
Total return for the year attributable to Unitholders and perpetual securities holders		46,875	106,491	106,571	87,156
Less: Amount reserved for distribution to perpetual securities holders		(3,553)	-	(3,553)	-
Net increase in net assets from operations		43,322	106,491	103,018	87,156
<u>Hedging transactions</u>					
Effective portion of changes in fair value of financial derivatives	(a)	-	1,369	-	1,369
Net increase in net assets from hedging transactions		-	1,369	-	1,369
Movement in general reserve					
Movement in foreign currency translation reserve	(b)	1,142	9,427	-	-
<u>Unitholders' transactions</u>					
New Units issued	(b)	144,822	-	144,822	-
Consideration Units for acquisition of property	(b)	210,000	-	210,000	-
Acquisition fees paid in Units		4,200	1,120	4,200	1,120
Management fees paid/payable in Units		2,340	1,930	2,340	1,930
Equity issue costs		(600)	7	(600)	7
Distributions to Unitholders		(73,789)	-	(73,789)	-
Net increase in net assets from Unitholders' transactions		286,973	3,057	286,973	3,057
Balance at end of the financial period		5,492,441	5,013,551	5,411,443	4,875,873
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period	(b)	300,868	-	300,868	-
Amount reserved for distribution to perpetual securities holders		3,553	-	3,553	-
Balance at end of the financial period		304,421	-	304,421	-
Non-controlling interests					
Balance at beginning of the financial period		(381)	65	-	-
Total return for the year attributable to non-controlling interests		402	(26)	-	-
Balance at end of the financial period		21	39	-	-
Total		5,796,883	5,013,590	5,715,864	4,875,873

Footnotes

- (a) In 4Q 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.
- (b) Please refer to Para 1(d)(i) on Page 14 to 15 for details.

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

	Group and Trust			
	4Q FY15/16 Units	4Q FY14/15 Units	FY15/16 Units	FY14/15 Units
Issued Units at beginning of the financial period	2,504,090,745	2,405,706,572	2,405,706,572	2,402,521,658
Issue of new Units:				
- Management fees paid in Units	-	-	3,410,058	3,184,914
- Acquisition fees paid in Units	1,724,421	-	6,650,105	-
- Divestment fees paid in Units	-	-	48,431	-
- Equity fund raising	65,293,948	-	155,293,948	-
- Consideration Units for acquisition of property	94,466,936	-	94,466,936	-
Issued Units at the end of the financial period	2,665,576,050	2,405,706,572	2,665,576,050	2,405,706,572
Units to be issued:				
Management fees payable in Units	1,281,111	1,018,980	1,281,111	1,018,980
Acquisition fee payable in Units	-	440,372	-	440,372
Units issued and issuable at end of the financial period	2,666,857,161	2,407,165,924	2,666,857,161	2,407,165,924

The S\$300.0 million ECS issued by the Group are exchangeable by the ECS Holders at an adjusted exchange price into Units 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 adjusted exchange price as at 31 March 2016 is S\$2.0505 (31 March 2015: S\$2.1394) per Unit. Please refer to Para 1(b)(i)(i) Pages 11 to 12 for further details of the ECS. As at the date of this announcement, A-REIT has received an Exchange Notice amounting to S\$14.0 million in relation to the ECS issued.

Assuming the ECS is fully converted based on the adjusted conversion price of S\$2.0505 per Unit, the number of new Units to be issued would be 146,305,779 representing 5.5% of the total number of A-REIT Units in issue as at 31 March 2016.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

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

		Group			
	Note	4Q FY15/16	4Q FY14/15	FY15/16	FY14/15
<u>EPU</u>					
<u>Basic EPU</u>					
Weighted average number of Units		2,587,984,912	2,405,722,787	2,456,041,303	2,404,226,465
Earnings per Unit in cents	(a)	1.674	4.430	14.213	16.540
Restated earnings per Unit in cents	(c)	1.674	4.428	14.213	16.533
<u>Diluted EPU</u>					
Weighted average number of Units		2,587,984,912	2,405,722,787	2,602,347,082	2,404,226,465
Earnings per Unit in cents (diluted)	(b)	1.674	4.430	13.136	16.540
Restated earnings per Unit in cents (diluted)	(c)	1.674	4.428	13.136	16.533
<u>DPU</u>					
Number of Units in issue		2,665,576,050	2,405,706,572	2,665,576,050	2,405,706,572
Distribution per Unit in cents	(d)	3.410	3.710	15.357	14.600
Restated distribution per Unit in cents	(c)	3.410	3.709	15.352	14.596

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 EPU. The disclosure of diluted EPU is in relation to the issuance of ECS which has a convertible option to convert the ECS into Units.

For 4Q FY15/16, the impact of the conversion of ECS was not dilutive and was excluded from the calculation of dilutive EPU. For 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\$4.8 million and deducting the gain on fair valuation of ECS of S\$12.0 million 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 146,305,779.

For 4Q FY14/15 and FY14/15, the impact of the conversion of ECS was not dilutive and was excluded from the calculation of dilutive EPU.

- (c) The restated EPU, diluted EPU and DPU have taken into consideration the new Units issued on 20 January 2016 pursuant to the 3-for-80 preferential offering.

(d) As at the date of this announcement, A-REIT has received an Exchange Notice amounting to S\$14.0 million in relation to the ECS and Units will be issued. Any Units issued (or to be issued) in exchange for the ECS will rank pari passu in all respects with the Units in issue on the day immediately following the date of the Exchange Notice, including the entitlement to distributions by A-REIT for the period preceding the date of issue of the Units. The estimated DPU for 4Q FY15/16 and FY15/16 have been computed on the basis that no further ECS will be exchanged into Units before the books closure date. Accordingly, the actual quantum of DPU may differ if A-REIT receives additional Exchange Notices before the books closure date. The actual quantum of DPU will be announced after the books closure date.

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

		Group		Trust	
		31/03/16 cents	31/03/15 cents	31/03/16 cents	31/03/15 cents
Net asset value per Unit		206	208	203	203
Adjusted net asset value per Unit	(a)	202	205	199	199

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

	Group				
	4Q FY15/16 (A)	3Q FY15/16 (B)	Variance (A) vs (B)	4Q FY14/15 (C)	Variance (A) vs (C)
	S\$'000	S\$'000	%	S\$'000	%
Gross revenue	204,044	193,812	5.3%	173,794	17.4%
Property operating expenses	(60,579)	(51,644)	17.3%	(56,605)	7.0%
Net property income	143,465	142,168	0.9%	117,189	22.4%
Non property expenses	(23,129)	(21,281)	8.7%	(11,677)	98.1%
Net finance costs	(37,037)	(22,835)	62.2%	(36,789)	0.7%
Foreign exchange gain/(loss)	1,652	1,892	(12.7%)	(15,579)	(110.6%)
	(58,514)	(42,224)	38.6%	(64,045)	(8.6%)
Net income	84,951	99,944	(15.0%)	53,144	59.9%
Net change in fair value of financial derivatives	(14,228)	1,271	n.m.	38,025	(137.4%)
Net fair value (losses)/gains on investment properties	(6,820)	-	n.m.	18,920	(136.0%)
Share of joint venture's results	43	-	n.m.	-	n.m.
Total return for the period before tax	63,946	101,215	(36.8%)	110,089	(41.9%)
Tax expense	(16,669)	(7,330)	127.4%	(3,624)	n.m.
Total return for the period	47,277	93,885	(49.6%)	106,465	(55.6%)
Attributable to:					
Unitholders and perpetual securities holders	46,875	93,910	(50.1%)	106,491	(56.0%)
Non-controlling interests	402	(25)	n.m.	(26)	n.m.
Total return for the period	47,277	93,885	(49.6%)	106,465	(55.6%)

Statement of distribution

Total return for the period attributable to Unitholders and perpetual securities holders	46,875	93,910	(50.1%)	106,491	(56.0%)
Less: Amount reserved for distribution to perpetual securities holders	(3,553)	(3,084)	15.2%	-	n.m.
Net effect of non tax deductible expenses/ (taxable income) and other adjustments	35,413	3,020	n.m.	(136)	n.m.
Net fair value losses/(gains) on investment properties	6,820	-	n.m.	(18,920)	(136.0%)
Income available for distribution	85,555	93,846	(8.8%)	87,435	(2.2%)
Comprising:					
- Taxable income	84,848	93,149	(8.9%)	86,762	(2.2%)
- Tax-exempt income	707	697	1.4%	673	5.1%
Income available for distribution	85,555	93,846	(8.8%)	87,435	(2.2%)
Tax-exempt income (prior periods)	416	415	0.2%	1,083	(61.6%)
Tax-exempt income (Australia)	2,689	-	n.m.	-	n.m.
Distribution from capital	442	2,313	(80.9%)	730	(39.5%)
Total amount available for distribution	89,102	96,574	(7.7%)	89,248	(0.2%)
<u>EPU/DPU after performance fees</u>					
Earnings per unit (cents)	1.674	3.748	(55.3%)	4.430	(62.2%)
Distribution per unit (cents)	3.410	3.946	(13.6%)	3.710	(8.1%)
<u>EPU/DPU before performance fees</u>					
Earnings per unit (cents)	2.023	4.095	(50.6%)	4.430	(54.3%)
Distribution per unit (cents)	3.759	4.293	(12.4%)	3.710	1.3%

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

4Q FY15/16 vs 3Q FY15/16

Gross revenue increased by 5.3% mainly due to the full quarter impact of the Australian Portfolio acquisition as 4Q FY15/16 is the first full quarter since the acquisition; and ONE@Changi City, which was acquired during the quarter.

Property operating expenses in 4Q FY15/16 increased 17.3% mainly due to the full quarter impact of the Australian Portfolio acquisition. Included in 3Q FY15/16 were the reversal of (i) property tax provision for Aperia subsequent to the receipt of the assessment from IRAS and (ii) certain operating expenses provision for Aperia following the finalisation of the amounts payable and the excess provision that was no longer required.

Non property expenses were 8.7% higher in 4Q FY15/16, mainly due to the accrual of additional performance fee for FY15/16 and higher management fees arising from the higher deposited property subsequent to the acquisition of the Australian Portfolio and ONE@Changi City.

Net finance costs were S\$14.2 million higher in 4Q FY15/16 mainly due to a fair value loss on ECS of S\$10.3 million recognised (3Q FY15/16: gain of S\$0.3 million) and higher interest expenses arising from the loans drawn down during the quarter to part finance the acquisition of ONE@Changi City, coupled with the full quarter impact from the loans drawn to part finance the acquisition of the Australian Portfolio.

Foreign exchange gain in 4Q FY15/16 and 3Q FY15/16 were mainly contributed by the strengthening of the SGD against the HKD and JPY in relation to the HKD denominated MTN and JPY denominated MTN respectively.

Net change in fair value of financial derivatives in 4Q FY15/16 was made up of a S\$13.9 million fair value loss on interest rate swaps (3Q FY15/16: gain of S\$10.2 million). Included in 4Q FY15/16 was a S\$0.2 million fair value loss on cross currency swaps (3Q FY15/16: S\$9.0 million) and a S\$0.2 million loss on foreign exchange forward contracts (3Q FY15/16: nil). The fair value loss on interest rate swaps in 4Q FY15/16 was mainly due to unfavourable movements in the forward interest rate during the quarter.

Higher tax expenses in 4Q FY15/16 were mainly due to deferred tax provided on appreciation on revaluation of investment properties held by China subsidiaries.

The movement in the net effect of non tax deductible expenses / (taxable income) and other adjustments between 4Q FY15/16 and 3Q FY15/16 was mainly due to (i) fair value loss on financial derivatives of S\$14.2 million (3Q FY15/16: gain of S\$1.3 million) and (ii) fair value loss on ECS of S\$10.3 million (3Q FY15/16: gain of S\$0.3 million).

4Q FY15/16 vs 4Q FY14/15

Gross revenue increased by 17.4% mainly due to contributions from (i) the acquisition of The Kendall, the Australian Portfolio and ONE@Changi City, (ii) higher occupancy at certain properties, and (iii) contributions from completed asset enhancement initiatives.

Property operating expenses increased by 7.0%, mainly due to the acquisition of The Kendall, the Australian Portfolio and ONE@Changi City.

Non property expenses more than doubled in 4Q FY15/16, mainly due to the accrual of performance fee for FY15/16 and higher management fees arising from the higher deposited property subsequent to the acquisitions during the year.

Foreign exchange gains in both 4Q FY15/16 and 4Q FY14/15 were mainly contributed by the strengthening of the SGD against the HKD and JPY in relation to the HKD denominated MTN and JPY denominated MTN respectively.

Net change in fair value of financial derivatives in 4Q FY15/16 was made up of a S\$13.9 million fair value loss on interest rate swaps (4Q FY14/15: gain of S\$10.2 million) and a S\$0.2 million fair value loss on cross currency swaps (4Q FY14/15: gain of S\$27.8 million). The fair value gain on interest rates swaps in 4Q FY15/16 was mainly due to unfavourable movements in the forward interest rate during the quarter while the fair value loss on cross currency swaps in 4Q FY15/16 was mainly due to the weakening of the JPY and HKD forward exchange rates against SGD relating to the JPY/SGD and HKD/SGD cross currency swaps.

The higher tax expenses increased in 4Q FY15/16 mainly due to (i) deferred tax recognised on the profits that are yet to be distributed from the Ascendas REIT Australia Group to Singapore and (ii) deferred tax provided on higher appreciation on revaluation of investment properties held by China subsidiaries.

The movement in net effect of non tax deductible expenses/(taxable income) and other adjustments between 4Q FY15/16 and 4Q FY14/15 was mainly due to fair value loss on financial derivatives of S\$14.2 million (4Q FY14/15: gain of S\$38.0 million), partially offset by foreign exchange gain of S\$3.4 million (4Q FY14/15: loss of S\$18.7 million).

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 3Q FY15/16 Financial Results Announcement under Paragraph 10 from page 20 to 22. 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

The Ministry of Trade and Industry's (MTI) advance estimates indicated that the economy grew by 1.8% y-o-y in 1Q 2016, similar to the 1.8% y-o-y growth in 4Q 2015. Growth came from the Construction (6.2%) and Services Producing Industries (1.9%). The manufacturing sector contracted by 2.0% y-o-y, extending the 6.7% decline in the previous quarter. The contraction was mainly due to a decline in the output of the electronics, transport engineering and precision engineering clusters.

MTI expects the global economy to improve marginally in 2016, underpinned by stronger growth in the advanced economies and improvements in most emerging market and developing economies. Nevertheless, ongoing reforms in China that may result in a sharper-than-expected slowdown, continue to pose downside risks to the global growth outlook.

External demand for Singapore and regional countries may be muted due to the continued slowdown in the Chinese economy, the services-driven nature of growth in the US and in-sourcing trends in China and the US. The domestic labour market in Singapore is expected to be tight, weighing on the growth in labour intensive sectors such as retail and food services.

Against this backdrop, the growth outlook for the Singapore economy in 2016 is modest. Barring the materialisation of downside risks, the Government expects the Singapore economy to grow between 1.0 to 3.0% in 2016.

Singapore's manufacturing Purchasing Managers' Index ("PMI") contracted for the ninth consecutive month in March. Although the PMI of 49.4 in March was an increase of 0.9 point from the previous month, most indicators are still in contractionary mode.

In March 2016, non-oil domestic exports ("NODX") declined by 15.6% y-o-y compared to a 2.0% y-o-y increase in February 2016. This was due to a contraction in both electronic (-9.1% y-o-y) and non-electronic NODX (-18.0% y-o-y).

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 1Q 2016, the industrial price and rental index fell by 2.5% and 2.7% q-o-q respectively. Rental index for multiple-user factory, single-user, business park and warehouse declined by 370 bps, 190 bps, 100 bps and 80 bps respectively over the previous quarter.

The island-wide occupancy of industrial space also declined in 1Q 2016 by 50 bps q-o-q to 90.1%. Business park occupancy rate declined to 81.7% from 84.1% in 4Q 2015. Similarly, occupancy of warehouse and single-user factory space declined to 90.4% from 91.4%, and 91.9% from 92.3% respectively. On the other hand, multi-user space occupancy rate improved to 87.3% from 87.2%.

According to URA, 1Q 2016 median rental rates for business park properties remained flat q-o-q at S\$4.29 psf per month. Median rental rates for multi-user factories declined q-o-q from S\$1.90 to S\$1.88 psf per month whilst rates for warehouses increased from S\$2.00 to S\$2.02 psf per month.

China

China's GDP grew 6.7% y-o-y in 1Q 2016, lower than the 6.8% y-o-y growth in the previous quarter. However, fixed-asset investment, industrial output, retail sales and new yuan loans all increased beyond market expectations, suggesting a bottoming out of the economy. The country's manufacturing PMI moved into expansion territory (i.e. above 50) at 50.2% in March 2016 (49.0 in February 2016). This was mainly driven by accelerated growth in production, increased demand for new orders and shortened delivery time for raw materials and supplies.

Despite challenging economic conditions, fresh economic data suggest that policy support is starting to stimulate the economy. Investment is gradually recovering on the back of healthier dynamics in the property sector and stronger public investment.

Australia

According to the Reserve Bank of Australia, Australia's year-ended GDP growth is forecast to be 2.5% to 3.5% in 2016 and is expected to pick up to 3% to 4% from 2017 onwards to mid-2018.

The Australian economy is shifting from investment-led to consumption-driven growth. Growth in household consumption is projected to increase from 2016. Low interest rates and further growth in employment are expected to support a pick-up in household demand. Although mining investment is expected to continue to fall, the depreciation of the Australian dollar has added support to demand and investment in the services sector.

The Australian PMI was 58.1 in March 2016, expanding for the ninth consecutive month (53.5 in February 2016). This is the highest level since April 2004, attributed mainly to the low Australian dollar which boosted exports and import competing producers. However, with the recent appreciation of the Australian dollar, this currency driven expansion may not hold long.

Outlook for the financial year ending 31 March 2017

A-REIT is well-diversified in terms of rental income. The customer base is about 1,470 tenants spread over 103 properties in Singapore, 27 in Australia and 3 in China. No single property accounts for more than 5.4% 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.

Singapore

Leases for about 19.4% of A-REIT's gross revenue are due for renewal in FY16/17. Modest rental reversion can be expected as the average passing rental rates are close to the current market rates.

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 in Singapore.

With 12.1% vacant space in the Singapore portfolio, there is potential upside when the space is leased.

Australia

The acquisition of logistics properties in Australia, worth about A\$1 billion has enabled A-REIT to gain a strategic footprint in the logistics market there. A-REIT will continue to evaluate and seek growth opportunities to expand this footprint. Demand for logistics space is expected to be strong, backed by a healthy jobs market, low interest rates and firm consumer spending.

Conclusion

Barring any unforeseen events and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2017.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 49th distribution for the period from 1 October 2015 to 17 December 2015

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	3.005	0.039	0.016	3.060

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: 17 December 2015

Payment date: 15 January 2016

(ii) Name of distribution: **50th distribution for the period from 18 December 2015 to 31 March 2016**

For Units trading under the main A-REIT counter (18 December 15 to 31 March 16)				
Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Estimated Amount (cents per units)	4.052	0.152	0.092	4.296

For Consideration Units trading under the temporary A-REIT counter (1 March 16 to 31 March 16)				
Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Estimated Amount (cents per units)	1.136	0.049	0.006	1.191

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.

Books closure date: 13 May 2016

Payment date: 7 June 2016

(b) Corresponding period of the immediately preceding year

Any distributions declared for the current financial period: Yes

Name of distribution: 47th distribution for the period from 1 October 2014 to 31 March 2015

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	7.17	0.10	0.03	7.30

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: 04 May 2015

Payment date: 29 May 2015

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 person 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 period from 18 December 2015 to 31 March 2016:

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.

16. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments

	Note	Group		
		FY15/16 S\$'000	FY14/15 S\$'000	Variance %
<u>Gross revenue</u>				
Business & Science Park Properties	(a)	273,192	247,609	10.3%
Hi-Specifications Industrial Properties		176,789	173,015	2.2%
Light Industrial Properties		93,458	96,154	(2.8%)
Logistics and Distributions Centres	(b)	159,567	127,009	25.6%
Integrated Development, Amenities & Retail	(c)	57,982	29,700	95.2%
Total Gross revenue		760,988	673,487	13.0%
<u>Net property income</u>				
Business & Science Park Properties	(a)	184,593	163,836	12.7%
Hi-Specifications Industrial Properties		122,907	119,266	3.1%
Light Industrial Properties		67,123	70,236	(4.4%)
Logistics and Distributions Centres	(b)	114,930	88,949	29.2%
Integrated Development, Amenities & Retail	(c)	44,148	20,440	116.0%
Total Net property income		533,701	462,727	15.3%

Footnotes

- (a) The increase in gross revenue and net property income in Business and Science Park Properties is mainly due to (i) full year contribution from The Kendall, (ii) contributions from completed asset enhancement initiatives during the year, (iii) the acquisition of ONE@Changi City and (iv) higher occupancy and positive rental reversion at several properties (including properties in China).
- (b) The increase in gross revenue and net property income in Logistics and Distribution Centres is mainly due to the acquisition of the Australian Portfolio.
- (c) The increase in gross revenue and net property income in Integrated Development, Amenities & Retail is mainly due to the full year contribution from Aperia, including the effects of a higher occupancy rate at the property.

	Note	Group		
		FY15/16 S\$'000	FY14/15 S\$'000	Variance %
<u>Gross revenue</u>				
Singapore		705,817	649,854	8.6%
Australia		29,244	-	n.m.
China		25,927	23,633	9.7%
Total Gross revenue	(a)	760,988	673,487	13.0%
<u>Net property income</u>				
Singapore		487,814	443,995	9.9%
Australia		25,609	-	n.m.
China		20,278	18,732	8.3%
Total Net property income	(a)	533,701	462,727	15.3%

Footnotes

(a) The increase in gross revenue and net property income is in tandem with the increase in number of properties from 107 properties as at 31 March 2015 to 133 properties as at 31 March 2016.

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

Please refer to Para 8 on pages 20 to 22 for the review of the actual performance.

16. Breakdown of revenue

	Group		
	FY15/16 S\$'000	FY14/15 S\$'000	Variance %
Gross revenue reported for first half year	363,132	327,959	10.7%
Net income after tax for first half year	186,779	124,691	49.8%
Gross revenue reported for second half year	397,856	345,528	15.1%
Net income after tax for second half year	160,896	136,519	17.9%

17. Breakdown of the total distribution for the financial years ended 31 March 2016 and 31 March 2015

	Group	
	FY15/16 S\$'000	FY14/15 S\$'000
01 Jan 16 to 31 Mar 16	89,102	-
01 Oct 15 to 31 Dec 15	96,574	-
01 July 15 to 30 Sep 15	100,159	-
01 Apr 15 to 30 Jun 15	92,486	-
01 Jan 15 to 31 Mar 15	-	89,248
01 Oct 14 to 31 Dec 14	-	86,439
01 July 14 to 30 Sep 14	-	87,846
01 Apr 14 to 30 Jun 14	-	87,607
Total distribution to unitholders	378,321	351,140

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

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

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
(Company Registration No. 200201987K)
(as Manager of Ascendas Real Estate Investment Trust)

Mary Judith de Souza
Company Secretary
5 May 2016