ASCENDAS REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

Ascendas Real Estate Investment Trust ("Ascendas 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 Ascendas Reit and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Ascendas Reit, as amended and restated.

Units in Ascendas 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.

Ascendas Reit and its subsidiaries (the "Group") have a diversified portfolio of 102 properties in Singapore, 28 properties in Australia and 1 property in China, with tenant base of around 1,450 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 ASCENDAS REIT GROUP RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

		Group		
	Note	01/04/16 to 30/09/16 **('1H FY16/17')** S$'000	01/04/15 to 30/09/15 **('1H FY15/16')** S$'000	Variance %
Gross revenue		**413,029**	**363,132**	**13.7%**
Net property income		**301,915**	**248,068**	**21.7%**
Total amount available for distribution:	(a)	**219,356**	**192,645**	**13.9%**
- from operations	(a)	209,169	189,541	10.4%
- tax-exempt income	(b)	6,963	2,220	n.m.
- from capital	(c)	3,224	884	n.m.
		Cents per Unit		
Distribution per Unit ("DPU")	(d)	FY16/17	FY15/16	Variance %
For the quarter from 1 July to 30 September		**4.030**	**4.160**	**(3.1%)**
- from operations	(a)	3.836	4.095	(6.3%)
- tax-exempt income	(b)	0.096	0.046	108.7%
- from capital	(c)	0.098	0.019	n.m.
For the period from 1 April to 30 September		**7.912**	**8.001**	**(1.1%)**
- from operations	(a)	7.545	7.872	(4.2%)
- tax-exempt income	(b)	0.252	0.092	173.9%
- from capital	(c)	0.115	0.037	n.m.

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

Footnotes

(a) Included in the total amount available for distribution and DPU for 1H FY15/16 was a one-off distribution of taxable income from operations of S$6.5 million (DPU impact of 0.271 cents) 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:

		Group		
	Note	**1H FY16/17** S$'000	**1H FY15/16** S$'000	Variance %
Total amount available for distribution:		219,356	192,645	13.9%
Recurrent amount available for distribution	(1)	219,356	186,120	17.9%
		Cents per unit		Variance %
DPU		7.912	8.001	(1.1%)
Recurrent DPU	(1)	7.912	7.730	2.4%

(1) Excludes the impact of the rollover adjustments

(b) 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 a property in China and (iii) income relating to the properties in Australia and China that has been received in Singapore (net of applicable tax and/or withholding tax) following the repatriation of profits to Singapore. As tax has been withheld on these 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$0.3 million or 0.012 cents impact on DPU for 1H FY16/17 (1H FY15/16: S$0.8 million or 0.035 cents).

(c) This relates to the distribution of (i) net income from a property in China, where the profits have yet to be repatriated to Singapore and (ii) tax deferred distributions received from Australia. Both the distributions of income from overseas properties that are yet to be received in Singapore and the tax deferred distributions received from Australia 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.

(d) As at 30 September 2016, S$171.25 million of the S$300.0 million Exchangeable Collateralised Securities ("ECS") with a maturity date of 1 February 2017 had been converted into Units. Subsequent to 30 September 2016 and up to the date of this announcement, Ascendas Reit has converted further notices of exchange ("Exchange Notice") amounting to S$12.0 million in relation to the ECS into new Units. Any new Units issued (or to be issued) pursuant to an Exchange Notice 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 Ascendas Reit for the period preceding the date of issue of the Units.

The estimated DPU for 2Q FY16/17 has been computed on the basis that no further ECS will be exchanged into Units before the next books closure date. Accordingly, the actual quantum of DPU may differ if Ascendas Reit receives further Exchange Notices before the next books closure date. For more details on the ECS, please refer to Para 1(b)(i)(i) on Pages 10 to 11 and Para 1(d)(ii) on Page 15.

DPU for 1H FY16/17 is calculated based on the summation of DPU for each quarter as follows:

DPU (cents)	1Q FY16/17 (Actual)	2Q FY16/17 (Estimate)	FY16/17
Taxable	3.709	3.836	7.545
Tax-exempt	0.156	0.096	0.252
Capital	0.017	0.098	0.115
Total	**3.882**	**4.030**	**7.912**

DISTRIBUTION DETAILS

Distribution period	11 August 2016 to 30 September 2016			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Estimated Distribution rate (cents per unit)	2.156	0.031	0.090	2.277
Book closure date	28 October 2016 (Friday)			
Payment date	29 November 2016 (Tuesday)			

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

		Group (Note a)					
Statement of Total Return	Note	01/07/16 to 30/09/16 **('2Q FY16/17')** S$'000	01/07/15 to 30/09/15 **('2Q FY15/16')** S$'000	Variance %	**1H FY16/17** S$'000	**1H FY15/16** S$'000	Variance %
Gross revenue	(b)	**205,441**	**182,625**	**12.5%**	**413,029**	**363,132**	**13.7%**
Property services fees		(8,091)	(7,326)	10.4%	(16,077)	(14,598)	10.1%
Property tax		(10,207)	(16,247)	(37.2%)	(25,393)	(31,314)	(18.9%)
Other property operating expenses		(34,708)	(35,249)	(1.5%)	(69,644)	(69,152)	0.7%
Property operating expenses	(c)	**(53,006)**	**(58,822)**	**(9.9%)**	**(111,114)**	**(115,064)**	**(3.4%)**
Net property income		**152,435**	**123,803**	**23.1%**	**301,915**	**248,068**	**21.7%**
Management fees	(d)	(13,435)	(10,043)	33.8%	(25,465)	(19,998)	27.3%
Trust and other expenses	(e)	(2,300)	(2,016)	14.1%	(5,135)	(3,020)	70.0%
Finance income	(i)	1,813	15,245	(88.1%)	2,695	24,039	(88.8%)
Finance costs	(i)	(29,984)	(20,550)	45.9%	(67,641)	(41,620)	62.5%
Foreign exchange loss	(f)	(14,394)	(33,706)	(57.3%)	(38,136)	(19,549)	95.1%
Gain on divestment of subsidiaries	(g)	5,722	-	n.m.	5,066	-	n.m.
Derecognition of finance lease receivables	(h)	-	-	n.m.	(2,079)	-	n.m.
Net non property expenses		**(52,578)**	**(51,070)**	**3.0%**	**(130,695)**	**(60,148)**	**117.3%**
Net income	(i)	**99,857**	**72,733**	**37.3%**	**171,220**	**187,920**	**(8.9%)**
Net change in fair value of financial derivatives	(j)	1,166	50,752	(97.7%)	18,358	23,283	(21.2%)
Net fair value gains on investment properties	(k)	-	-	n.m.	-	4,471	(100.0%)
Share of joint venture's results	(l)	104	-	n.m.	206	-	n.m.
Total return for the period before tax		**101,127**	**123,485**	**(18.1%)**	**189,784**	**215,674**	**(12.0%)**
Tax credit/(expense)	(m)	13,707	(698)	n.m.	11,651	(1,141)	n.m.
Total return for the period		**114,834**	**122,787**	**(6.5%)**	**201,435**	**214,533**	**(6.1%)**
Attributable to:							
Unitholders and perpetual securities holders		114,848	123,166	(6.8%)	201,429	214,928	(6.3%)
Non-controlling interests		(14)	(379)	(96.3%)	6	(395)	(101.5%)
		114,834	**122,787**	**(6.5%)**	**201,435**	**214,533**	**(6.1%)**
Distribution Statement							
Total return for the period attributable to Unitholders and perpetual securities holders		114,848	123,166	(6.8%)	201,429	214,928	(6.3%)
Less: Amount reserved for distribution to perpetual securities holders	(n)	(3,592)	-	n.m.	(7,145)	-	n.m.
Other net non (taxable income)/ tax deductible expenses and other adjustments	(o)	(4,166)	(23,865)	(82.5%)	15,062	(19,528)	(177.1%)
Net fair value gains on investment properties	(k)	-	-	n.m.	-	(4,471)	(100.0%)
Income available for distribution		107,090	99,301	7.8%	209,346	190,929	9.6%
Comprising:							
- Taxable income		107,090	98,605	8.6%	209,169	189,541	10.4%
- Tax-exempt income	(p)	-	696	(100.0%)	177	1,388	(87.2%)
Income available for distribution		107,090	99,301	7.8%	209,346	190,929	9.6%
Tax-exempt income (China)	(q)	1,551	416	n.m.	3,103	832	n.m.
Tax-exempt income (Australia)	(r)	1,109	-	n.m.	3,683	-	n.m.
Distribution from capital (China)	(s)	470	442	6.3%	941	884	6.4%
Distribution from capital (Australia)	(t)	2,283	-	n.m.	2,283	-	n.m.
Total amount available for distribution		**112,503**	**100,159**	**12.3%**	**219,356**	**192,645**	**13.9%**

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

Explanatory notes to the statement of total return and distribution statement

(a) The Group had 131 properties and 104 properties as at 30 September 2016 and 30 September 2015, respectively. Since September 2015, the Group completed (i) the acquisition of 27 logistics properties (during the third and fourth quarter of FY15/16) and one office park property (in September 2016) in Australia (the "Australian Portfolio"), (ii) the acquisition of ONE@Changi City in March 2016, (iii) the divestment of Four Acres Singapore in April 2016, (iv) the divestment of A-REIT Jiashan Logistics Centre in June 2016 and (v) the divestment of Ascendas Z-Link in July 2016. A-REIT Jiashan Logistics Centre was developed by the Group and completed in March 2016.

(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 13.7% mainly attributable to contributions from the acquisition of the Australian Portfolio and ONE@Changi City, partially offset by the divestment of Ascendas Z-Link and Four Acres.

(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 decreased by 3.4%, mainly due to (i) lower utilities expenses as the Group had contracted lower rates for certain properties with effect from 1Q FY16/17 and (ii) lower property tax expenses due to retrospective downward revisions in the annual value of certain properties with effect from 2Q FY16/17. This was partially offset by higher operating expenses from the acquisition of the Australian Portfolio and ONE@Changi City.

(d) The Manager has elected to receive 20% of the base management fees in Units and the other 80% in cash.

Higher management fees in 1H FY16/17 were mainly due to higher deposited property under management, contributed primarily by the new acquisitions made since the comparable period in the last financial year.

(e) Trust and other expenses comprise statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses.

Trust and other expenses increased to S$5.1 million, as included in 1H FY15/16 was the reversal of accrued expenses following the finalisation of the amounts payable as these balances were no longer required. If the effects of the reversals made in 1H FY15/16 were excluded, trust and other expenses would have been comparable between the two reporting periods.

(f) Foreign exchange loss arose mainly from the revaluation of 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 loss is largely offset by the fair value gain from cross currency swaps. Please refer to note (j) below.

1H FY16/17 recorded a foreign exchange loss of S$38.1 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. 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 MTN and JPY denominated MTN respectively.

(g) The gain on divestment of subsidiaries recorded in 1H FY16/17 relates to the divestment of Ascendas ZPark (Singapore) Pte. Ltd. ("AZPark"), which indirectly owns Ascendas Z-Link, as well as A-REIT J.W. Investment Pte. Ltd. ("ARJW"), which indirectly owns A-REIT Jiashan Logistics Centre. Including the fair value gain recognised for Jiashan Logistics Centre and Ascendas Z-Link in prior financial years, the gain on divestment would be approximately S$99.6 million.

(h) The finance lease receivable in relation to Four Acres Singapore was derecognised subsequent to the sale of the said property in April 2016.

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

		Group					
	Note	2Q FY16/17 S$'000	2Q FY15/16 S$'000	Variance %	1H FY16/17 S$'000	1H FY15/16 S$'000	Variance %
Gross revenue							
Gross rental income		186,275	164,395	13.3%	375,567	323,619	16.1%
Other income		19,166	18,230	5.1%	37,462	39,513	(5.2%)
Property operating expenses							
Reversal of allowance for impairment loss on doubtful receivables		36	110	(67.3%)	20	358	(94.4%)
Depreciation of plant and equipment		(7)	(47)	(85.1%)	(15)	(94)	(84.0%)
Finance income	(1)						
Accretion gain on security deposits		-	178	(100.0%)	-	-	n.m.
Interest income		1,813	1,132	60.2%	2,695	2,010	34.1%
Gain on fair value of ECS		-	13,935	(100.0%)	-	22,029	(100.0%)
		1,813	15,245	(88.1%)	2,695	24,039	(88.8%)
Finance costs	(2)						
Accretion loss on security deposits		(692)	-	n.m.	(158)	(260)	(39.2%)
Interest expense		(25,507)	(18,891)	35.0%	(51,923)	(37,875)	37.1%
Other borrowing costs		(1,832)	(1,659)	10.4%	(3,254)	(3,485)	(6.6%)
Loss on fair value of ECS		(1,953)	-	n.m.	(12,306)	-	n.m.
		(29,984)	(20,550)	45.9%	(67,641)	(41,620)	62.5%

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

1. Finance income comprises interest income from interest rate swaps, bank deposits, accretion gain on 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 on refundable security deposits, and fair value loss on ECS.

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

	Group					
	2Q FY16/17 S$'000	2Q FY15/16 S$'000	Variance %	1H FY16/17 S$'000	1H FY15/16 S$'000	Variance %
Fair value (loss)/gain on:						
- interest rate swaps	(1,743)	8,246	(121.1%)	(16,225)	6,645	n.m.
- cross currency swaps	6,142	42,506	(85.6%)	34,680	16,638	108.4%
- foreign exchange forward contracts	(3,233)	-	n.m.	(97)	-	n.m.
Net change in fair value of financial derivatives	1,166	50,752	(97.7%)	18,358	23,283	(21.2%)

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

(k) The appreciation on revaluation of investment properties recorded in 1H FY15/16 represents the valuation uplift in relation to BBR Building, which was divested in September 2015. Appreciation on revaluation of investment properties is not taxable and is 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 Hyflux Innovation Centre ("HIC") and (iii) incentive payment received as income support in relation to A-REIT City @Jinqiao. Included in 1H FY16/17 was also withholding tax recognised on the profits that were repatriated from the Australian Portfolio to Singapore.

The tax credit in 1H FY16/17 was primarily due to the reversal of deferred tax provisions (net of the estimated capital gains tax) in relation to the fair value gains of Ascendas Z-Link and A-REIT Jiashan Logistics Centre subsequent to the divestment of these properties.

(n) On 14 October 2015, Ascendas 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. 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.

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

		Group					
	Note	2Q FY16/17 S$'000	2Q FY15/16 S$'000	Variance %	1H FY16/17 S$'000	1H FY15/16 S$'000	Variance %
Management fees paid/payable in units		2,408	2,009	19.9%	4,814	4,000	20.4%
Trustee fee		732	620	18.1%	1,467	1,229	19.4%
Gain on divestment of subsidiaries		(5,722)	-	n.m.	(5,066)	-	n.m.
Derecognition of finance lease receivables		-	-	n.m.	2,079	-	n.m.
Net change in fair value of financial derivatives		(1,166)	(50,752)	(97.7%)	(18,358)	(23,283)	(21.2%)
Net change in fair value of ECS		1,953	(13,935)	(114.0%)	12,306	(22,029)	(155.9%)
Foreign exchange loss		14,394	33,706	(57.3%)	38,136	19,549	95.1%
Other net non taxable income and other adjustments	A	7,299	1,857	n.m.	13,163	(139)	n.m.
Income from subsidiaries and joint venture	B	(24,064)	(3,895)	n.m.	(33,479)	(5,380)	n.m.
Rollover adjustment from prior years		-	6,525	(100.0%)	-	6,525	(100.0%)
Other net non (taxable income)/tax deductible expenses and other adjustments		(4,166)	(23,865)	(82.5%)	15,062	(19,528)	(177.1%)

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, accretion adjustments for refundable security deposits, gains arising from the divestment of investment properties, incentive payments received as income support relating to A-REIT City @Jinqiao and HIC, as well as returns attributable to the Perpetual Securities holders.

B. This relates to the net income from the Trust's subsidiaries and joint venture (please refer to Para 1(b)(i)(d) on Page 10 for details of the Trust's interests in subsidiaries and investment in joint venture) as well as the effects of consolidation.

(p) This relates to the 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.

(q) This relates to the distribution of (i) incentive payment (net of Singapore corporate tax) received as income support relating to a property in China and (ii) income relating to China properties that has been received in Singapore (net of China withholding tax) following the repatriation of profits to Singapore. As tax has been withheld on this income, such distribution is not taxable in the hands of Unitholders.

(r) This relates to the distribution of income relating to the Australian Portfolio that has been received in Singapore (net of Australian withholding tax) following the repatriation of profits to Singapore, after deducting funding costs that are directly attributable to the Group's investment in Australia. As tax has been withheld on this income, the distribution is exempt from tax in the hands of Unitholders.

(s) This relates to the distribution of income relating to China properties, where the profits will be repatriated only after the annual audited financial statements of the Chinese subsidiaries are filed and corporate taxes are paid. 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.

(t) This relates to the distribution of tax deferred distributions received from Australia. Such distributions are not subject to Australian withholding tax as they are treated as returns of capital for Australian tax purposes. In this regard, these tax deferred distributions are deemed to be capital distributions from a tax perspective and 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	
		30/09/16 S$'000	31/03/16 S$'000	30/09/16 S$'000	31/03/16 S$'000
Non-current assets					
Investment properties		9,570,743	9,598,654	8,129,505	8,142,650
Investment property under development	(a)	43,616	-	43,616	-
Plant and equipment	(b)	45	68	-	-
Finance lease receivables	(c)	56,723	57,731	56,723	57,731
Interest in subsidiaries	(d)	-	-	879,064	704,689
Investment in joint venture	(e)	206	44	-	-
Derivative assets	(f)	44,802	32,592	44,802	32,592
		9,716,135	**9,689,089**	**9,153,710**	**8,937,662**
Current assets					
Finance lease receivables	(c)	1,972	35,269	1,972	35,269
Trade and other receivables		106,103	89,285	91,293	84,095
Derivative assets	(f)	-	356	-	356
Cash and cash equivalents		26,724	56,236	6,818	6,052
	(g)	**134,799**	**181,146**	**100,083**	**125,772**
Current liabilities					
Trade and other payables		173,317	171,971	164,715	154,579
Security deposits		33,452	34,065	33,158	32,580
Derivative liabilities	(h)	2,554	1,595	2,554	1,595
Short term borrowings	(i)	334,843	601,138	334,843	510,695
Term loans	(i)	74,957	224,942	74,957	224,732
Exchangeable Collateralised Securities	(i)	160,604	354,000	-	-
Collateral loan		-	-	160,604	354,000
Provision for taxation		19,546	7,851	13,798	1,929
	(g)	**799,273**	**1,395,562**	**784,629**	**1,280,110**
Non-current liabilities					
Other payables		1,675	1,675	1,675	1,675
Security deposits		76,777	77,659	73,769	74,172
Derivative liabilities	(h)	75,426	82,596	58,522	75,345
Amount due to a subsidiary		-	-	17,605	26,473
Medium term notes	(i)	1,476,458	1,143,508	1,476,458	1,143,508
Term loans and borrowings	(i)	1,329,061	1,340,990	746,496	745,681
Deferred tax liabilities	(j)	20,171	42,924	-	606
		2,979,568	**2,689,352**	**2,374,525**	**2,067,460**
Net assets		**6,072,093**	**5,785,321**	**6,094,639**	**5,715,864**
Represented by:					
Unitholders' funds		5,767,645	5,480,879	5,790,218	5,411,443
Perpetual securities holders	(k)	304,421	304,421	304,421	304,421
Non-controlling interests		27	21	-	-
		6,072,093	**5,785,321**	**6,094,639**	**5,715,864**

	Group		Trust	
	30/09/16 S$'000	31/03/16 S$'000	30/09/16 S$'000	31/03/16 S$'000
Gross borrowings				
Secured borrowings				
Amount repayable after one year	584,715	583,642	-	-
Amount repayable within one year	160,604	354,000	160,604	354,000
Unsecured borrowings				
Amount repayable after one year	2,229,800	1,910,595	2,229,800	1,896,440
Amount repayable within one year	409,853	826,397	409,853	735,745
	3,384,972	3,674,634	2,800,257	2,986,185

Explanatory notes to the statement of financial position

(a) Investment property under development relates to the re-development project undertaken by Ascendas Reit at 20 Tuas Avenue 1 (formerly known as 279 Jalan Ahmad Ibrahim).

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

(c) The decrease in finance lease receivables was primarily due to settlement of receivables upon the divestment of Four Acres Singapore in April 2016.

(d) Interest in subsidiaries relates to Ascendas Reit's investment in AZPark and its subsidiary, Ascendas Hi-Tech Development Beijing Co., Limited ("AHTDBC"); Shanghai (JQ) Investment Holdings Pte. Ltd. and its subsidiary, A-REIT Shanghai Realty Co., Limited; ARJW and its subsidiary A-REIT J.W. Facilities Co., Limited ("AJWF"); PLC 8 Holdings Pte. Ltd. and its subsidiary, PLC 8 Development Pte. Ltd. and the Australian Portfolio.

ARJW and its subsidiary AJWF, as well as AZPark and its subsidiary AHTDBC, were divested in June 2016 and July 2016 respectively.

(e) Investment in joint venture relates to Ascendas Reit's investment in CCP LLP. The results for CCP LLP are equity accounted for at the Group level.

(f) Derivative assets increased mainly due to favourable changes in the fair value of certain interest rate swaps and cross currency swaps.

(g) Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

(h) Derivative liabilities decreased mainly due to favourable changes in the fair value of certain interest rate swaps, cross currency swaps and foreign exchange forward contracts.

(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, with carrying value of S$1,109 million as at 30 September 2016;
(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$2.0187 (2Q FY15/16: S$2.0886) 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 30 September 2016, S$171.25 million of the S$300.0 million ECS have been converted into Units. After 30 September 2016, the Trust has received Exchange Notices amounting to another S$12.0 million of the S$300.0 million ECS and 5,944,418 new Units will be issued on 20 October 2016.

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 and up to 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 30 September 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 Ascendas Reit. The carrying value of properties secured for the Syndicated Loans was S$1,001m as at 30 September 2016.

Medium Term Notes

Ascendas 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.

On 7 April 2016, Ascendas Reit issued S$130.0 million, 2.65% fixed rate notes, which will mature in April 2021 (Series 13 Notes). On 3 August 2016, Ascendas Reit issued HKD923.0 million, 2.77% fixed rate notes, which will mature in August 2026 (Series 14 Notes).

As at the reporting date, S$1,496.7 million (comprising S$675.0 million, JPY24.6 billion and HKD2,683.0 million) MTNs remain outstanding. Ascendas 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 30 September 2016, 77.6% (31 March 2016: 71.9%) of the Group's interest rate exposure was fixed with an overall weighted average tenure of 3.8 years (31 March 2016: 3.3 years) remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings for the period ended 30 September 2016 was 3.02% (31 March 2016: 2.79%).

(j) Deferred tax provisions in relation to the fair value gains of Ascendas Z-Link and A-REIT Jiashan Logistics Centre were reversed subsequent to the divestment of these properties.

(k) On 14 October 2015, Ascendas Reit issued S$300.0 million of fixed rate Perpetual Securities. The Perpetual Securities may be redeemed at the option of Ascendas 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			
	2Q FY16/17 S$'000	2Q FY15/16 S$'000	1H FY16/17 S$'000	1H FY15/16 S$'000
Cash flows from operating activities				
Total return for the year before tax	101,127	123,485	189,784	215,674
Adjustments for				
Reversal of allowance for impairment loss on doubtful receivables	(36)	(110)	(20)	(358)
Depreciation of plant and equipment	7	47	15	94
Derecognition of finance lease receivables	-	-	2,079	-
Finance income	(1,813)	(15,245)	(2,695)	(24,039)
Finance costs	29,984	20,550	67,641	41,620
Foreign exchange loss	14,394	33,706	38,136	19,549
Gain on divestment of subsidiaries	(5,722)	-	(5,066)	-
Management fees paid/payable in units	2,408	2,009	4,814	4,000
Net change in fair value of financial derivatives	(1,166)	(50,752)	(18,358)	(23,283)
Net fair value gains on investment properties	-	-	-	(4,471)
Share of joint venture's results	(104)	-	(206)	-
Operating income before working capital changes	139,079	113,690	276,124	228,786
Changes in working capital				
Trade and other receivables	(1,872)	8,273	(14,420)	12,214
Trade and other payables	6,401	(16,089)	(9,699)	(8,614)
Cash generated from operating activities	143,608	105,874	252,005	232,386
Income tax paid	(2,299)	(1,695)	(5,708)	(2,129)
Net cash generated from operating activities	**141,309**	**104,179**	**246,297**	**230,257**
Cash flows from investing activities				
Deposits received for the divestment of subsidiaries	11,039	-	24,087	-
Deposits paid for the acquisition of investment properties	(1,285)	(97,894)	(1,285)	(97,894)
Dividend received from a joint venture company	43	-	43	-
Purchase of investment properties	(155,215)	-	(155,215)	-
Payment for investment property under development	-	(2,036)	(3,512)	(13,117)
Payment for capital improvement on investment properties	(27,401)	(34,004)	(48,100)	(84,398)
Purchase of plant and equipment	-	-	-	(114)
Proceeds from the divestment of subsidiaries	143,495	-	168,775	
Proceeds from the divestment of investment property	-	13,900	-	38,700
Proceeds from the derecognition of finance lease receivables	-	-	34,000	
Interest received	1,140	1,390	8,465	1,433
Net cash (used in)/generated from investing activities	**(28,184)**	**(118,644)**	**27,258**	**(155,390)**
Cash flows from financing activities				
Proceeds from issue of units	154,688	-	154,688	-
Equity issue costs paid	(2,368)	-	(2,437)	-
Distributions paid to Unitholders	(155,094)	-	(266,967)	(175,648)
Distributions paid to perpetual securities holders	-	-	(7,145)	-
Finance costs paid	(31,522)	(20,550)	(55,818)	(36,759)
Transaction costs paid in respect of borrowings	(317)	(417)	(682)	(1,263)
Proceeds from borrowings	431,753	216,136	753,065	744,136
Repayment of borrowings	(541,673)	(179,242)	(877,847)	(610,242)
Net cash (used in)/generated from financing activities	**(144,533)**	**15,927**	**(303,143)**	**(79,776)**
Net (decrease)/increase in cash and cash equivalents	**(31,408)**	**1,462**	**(29,588)**	**(4,909)**
Cash and cash equivalents at beginning of the period	56,769	34,716	56,236	41,590
Effect of exchange rate changes on cash balances	1,363	141	76	(362)
Cash and cash equivalents at end of the financial period	**26,724**	**36,319**	**26,724**	**36,319**

1(d)(i) Statements of Movements in Unitholders' Funds

		Group		Trust	
	Note	2Q FY16/17 S$'000	2Q FY15/16 S$'000	2Q FY16/17 S$'000	2Q FY15/16 S$'000
Unitholders' Funds					
Balance at beginning of the financial period		**5,449,275**	**4,926,161**	**5,423,940**	**4,792,494**
Operations					
Total return for the period attributable to Unitholders and perpetual securities holders		114,848	123,166	178,766	119,271
Less: Amount reserved for distribution to perpetual securities holders		(3,592)	-	(3,592)	-
Net increase in net assets from operations		111,256	123,166	175,174	119,271
Movement in foreign currency translation reserve	(a)	17,070	1,550	-	-
Divestment of subsidiary	(b)	(1,060)	-	-	-
Unitholders' transactions					
New Units issued	(c)	346,390	-	346,390	-
Equity issue costs		(2,600)		(2,600)	
Divestment fees (IPT) paid in units		-	124	-	124
Management fees paid/payable in Units		2,408	2,009	2,408	2,009
Distributions to Unitholders		(155,094)	-	(155,094)	-
Net increase in net assets from Unitholders' transactions		191,104	2,133	191,104	2,133
Balance at end of the financial period		**5,767,645**	**5,053,010**	**5,790,218**	**4,913,898**
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period	(d)	300,829	-	300,829	-
Amount reserved for distribution to perpetual securities holders		3,592	-	3,592	-
Balance at end of the financial period		**304,421**	**-**	**304,421**	**-**
Non-controlling interests					
Balance at beginning of the financial period		41	23	-	-
Total return for the period attributable to non-controlling interests		(14)	(379)	-	-
Balance at end of the financial period		**27**	**(356)**	**-**	**-**
Total		**6,072,093**	**5,052,654**	**6,094,639**	**4,913,898**

Footnotes

(a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries.

(b) This relates to the decrease in other reserves subsequent to the divestment of AHTDBC in July 2016.

(c) This relates to the issuance of new Units on 11 August 2016 pursuant to a private placement of 64,000,000 Units at an issue price of S$2.417 per Unit and the issuance of new Units on 15 August 2016 pursuant to Exchange Notices received to convert S$157.25 million of ECS into Units at an adjusted conversion price of S$2.0187.

(d) On 14 October 2015, Ascendas 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. 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.

		Group		Trust	
	Note	1H FY16/17 S$'000	1H FY15/16 S$'000	1H FY16/17 S$'000	1H FY15/16 S$'000
Unitholders' Funds					
Balance at beginning of the financial period		**5,480,879**	**5,013,551**	**5,411,443**	**4,875,873**
Operations					
Total return for the period attributable to Unitholders of the Trust		201,429	214,928	290,283	209,547
Less: Amount reserved for distribution to perpetual securities holders		(7,145)	-	(7,145)	-
Net increase in net assets from operations		194,284	214,928	283,138	209,547
Hedging transactions					
Effective portion of changes in fair value of financial derivatives	(a)	-	220	-	220
Changes in fair value of financial derivatives transferred to the Statement of Total Return	(b)	-	(218)	-	(218)
Net increase in net assets from hedging transactions		-	2	-	2
Movement in foreign currency translation reserve	(c)	(2,095)	(3,947)	-	-
Divestment of subsidiary	(d)	(1,060)	-	-	-
Unitholders' transactions					
New Units issued	(e)	360,390	-	360,390	-
Equity issue costs		(2,600)	-	(2,600)	-
Divestment fees (IPT) paid in units		-	124	-	124
Management fees paid/payable in Units		4,814	4,000	4,814	4,000
Distributions to Unitholders		(266,967)	(175,648)	(266,967)	(175,648)
Net decrease in net assets from Unitholders' transactions		95,637	(171,524)	95,637	(171,524)
Balance at end of the financial period		**5,767,645**	**5,053,010**	**5,790,218**	**4,913,898**
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period	(f)	304,421	-	304,421	-
Amount reserved for distribution to perpetual securities holders		7,145	-	7,145	-
Distributions to Perpetual Securities Holders		(7,145)	-	(7,145)	-
Balance at end of the financial period		**304,421**	**-**	**304,421**	**-**
Non-controlling interests					
Balance at beginning of the financial period		21	39	-	-
Total return for the period attributable to non-controlling interests		6	(395)	-	-
Balance at end of the financial period		**27**	**(356)**	**-**	**-**
Total		**6,072,093**	**5,052,654**	**6,094,639**	**4,913,898**

Footnotes

(a) In 1H FY15/16, the forward interest rates at the end of the 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) The movement in 1H FY15/16 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) Please refer to Para 1(d)(i)(a) on Page 13 for details.

(d) Please refer to Para 1(d)(i)(b) on Page 13 for details.

(e) This relates to the issuance of new Units on (i) 9 May 2016 pursuant to Exchange Notice received to convert S$14.0 million of ECS into Units at an adjusted conversion price of S$2.0505, (ii) 11 August 2016 pursuant to a private placement of 64,000,000 Units at an issue price of S$2.417 per Unit and (iii) on 15 August 2016 pursuant to Exchange Notices received to convert S$157.25 million of ECS into Units at an adjusted conversion price of S$2.0187.

(f) Please refer to Para 1(d)(i)(d) on Page 14 for details.

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

	Group and Trust			
	2Q FY16/17 Units	2Q FY15/16 Units	1H FY16/17 Units	1H FY15/16 Units
Issued Units at beginning of the financial period	**2,674,444,670**	**2,407,746,767**	**2,665,576,050**	**2,405,706,572**
Issue of new Units:				
- Management fees paid in Units	-	-	2,041,017	1,615,325
- Acquisition fees paid in Units	-	-	-	424,870
- Divestment fees paid in Units	-	48,431	-	48,431
- Equity fund raising	64,000,000	-	64,000,000	-
- Conversion of ECS	77,896,659	-	84,724,262	-
Issued Units at the end of the financial period	**2,816,341,329**	**2,407,795,198**	**2,816,341,329**	**2,407,795,198**
Units to be issued:				
Management fees payable in Units	1,303,413	1,174,694	1,303,413	1,174,694
Units issued and issuable at end of the financial period	**2,817,644,742**	**2,408,969,892**	**2,817,644,742**	**2,408,969,892**

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 30 September 2016 is S$2.0187 (30 September 2015: S$2.0886) per Unit. Please refer to Para 1(b)(i)(i) Pages 10 to 11 for further details of the ECS. As at 30 September 2016, S$171.25 million of the S$300.0 million ECS have been converted into Units.

Assuming the remaining ECS, amounting to S$128.75 million, are fully converted into Units based on the adjusted conversion price of S$2.0187 per Unit, the number of new Units to be issued would be 63,778,669 representing 2.3% of the total number of Units in issue as at 30 September 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 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 2016.

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	2Q FY16/17	2Q FY15/16	1H FY16/17	1H FY15/16
EPU					
Basic EPU					
Weighted average number of Units		2,749,732,131	2,407,766,379	2,710,039,868	2,407,031,922
Earnings per Unit in cents	(a)	4.046	5.116	7.169	8.929
Diluted EPU					
Weighted average number of Units		2,813,510,800	2,551,403,264	2,710,039,868	2,550,668,807
Earnings per Unit in cents (diluted)	(b)	4.020	4.329	7.169	7.657
DPU					
Number of Units in issue		2,816,341,329	2,407,795,198	2,816,341,329	2,407,795,198
Distribution per Unit in cents	(c)	4.030	4.160	7.912	8.001

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 2Q FY16/17, 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$0.5 million and the loss on fair valuation of ECS of S$2.0 million from the total return for the period after income tax. The adjusted weighted average number of Units for 2Q FY16/17 took into account the potential dilutive Units of 63,778,669. For 1H FY16/17, the impact of the conversion of ECS was not dilutive and was excluded from the calculation of dilutive EPU.

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.

(c) As at 30 September 2016, S$171.25 million of the S$300.0 million ECS had been converted into Units. Subsequent to 30 September 2016 and up to the date of this announcement, Ascendas Reit has converted further Exchange Notices amounting to S$12.0 million in relation to the ECS into new Units. Any new Units issued (or to be issued) pursuant to an Exchange Notice 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 Ascendas Reit for the period preceding the date of issue of the Units.

The estimated DPU for 2Q FY16/17 and 1H FY16/17 has been computed on the basis that no further ECS will be exchanged into Units before the next books closure date. Accordingly, the actual quantum of DPU may differ if Ascendas Reit receives further Exchange Notices before the next books closure date.

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

		Group		Trust	
	Note	30/09/16 cents	31/03/16 cents	30/09/16 cents	31/03/16 cents
Net asset value per Unit		205	206	206	203
Adjusted net asset value per Unit	(a)	203	202	203	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				
	2Q FY16/17 (A) S$'000	1Q FY16/17 (B) S$'000	Variance (A) vs (B) %	2Q FY15/16 (C) S$'000	Variance (A) vs (C) %
Gross revenue	205,441	207,588	(1.0%)	182,625	12.5%
Property operating expenses	(53,006)	(58,108)	(8.8%)	(58,822)	(9.9%)
Net property income	**152,435**	**149,480**	**2.0%**	**123,803**	**23.1%**
Non property expenses	(15,735)	(14,865)	5.9%	(12,059)	30.5%
Net finance costs	(28,171)	(36,775)	(23.4%)	(5,305)	n.m.
Foreign exchange loss	(14,394)	(23,742)	(39.4%)	(33,706)	(57.3%)
Gain/(loss) on divestment of subsidiaries	5,722	(656)	n.m.	-	n.m.
Derecognition of finance lease receivables	-	(2,079)	(100.0%)	-	n.m.
	(52,578)	(78,117)	(32.7%)	(51,070)	3.0%
Net income	**99,857**	**71,363**	**39.9%**	**72,733**	**37.3%**
Net change in fair value of financial derivatives	1,166	17,192	(93.2%)	50,752	(97.7%)
Share of joint venture's results	104	102	2.0%	-	n.m.
Total return for the period before tax	**101,127**	**88,657**	**14.1%**	**123,485**	**(18.1%)**
Tax credit/(expense)	13,707	(2,056)	n.m.	(698)	n.m.
Total return for the period	**114,834**	**86,601**	**32.6%**	**122,787**	**(6.5%)**
Attributable to:					
Unitholders and perpetual securities holders	114,848	86,581	32.6%	123,166	(6.8%)
Non-controlling interests	(14)	20	(170.0%)	(379)	(96.3%)
Total return for the period	**114,834**	**86,601**	**32.6%**	**122,787**	**(6.5%)**
Statement of distribution					
Total return for the period attributable to Unitholders and perpetual securities holders	114,848	86,581	32.6%	123,166	(6.8%)
Less: Amount reserved for distribution to perpetual securities holders	(3,592)	(3,553)	1.1%	-	n.m.
Net effect of non (taxable income) / tax deductible expenses and other adjustments	(4,166)	19,228	(121.7%)	(23,865)	(82.5%)
Income available for distribution	**107,090**	**102,256**	**4.7%**	**99,301**	**7.8%**
Comprising:					
- Taxable income	107,090	102,079	4.9%	98,605	8.6%
- Tax-exempt income	-	177	(100.0%)	696	(100.0%)
Income available for distribution	107,090	102,256	4.7%	99,301	7.8%
Tax-exempt income (China)	1,551	1,552	(0.1%)	416	n.m.
Tax-exempt income (Australia)	1,109	2,574	(56.9%)	-	n.m.
Distribution from capital (China)	470	471	(0.2%)	442	6.3%
Distribution from capital (Australia)	2,283	-	n.m.	-	n.m.
Total amount available for distribution	**112,503**	**106,853**	**5.3%**	**100,159**	**12.3%**
EPU/DPU					
Earnings per unit (cents)	4.046	3.110	30.1%	5.116	(20.9%)
Distribution per unit (cents)	4.030	3.882	3.8%	4.160	(3.1%)

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

2Q FY16/17 vs 1Q FY16/17

Gross revenue of S$205.4 million in 2Q FY16/17 was comparable to that achieved in 1Q FY16/17.

Property operating expenses in 2Q FY16/17 decreased 8.8% from 1Q FY16/17 mainly due to lower property tax expenses arising from retrospective downward revisions in the annual value of certain properties in 2Q FY16/17.

Net finance costs were 23.4% lower in 2Q FY16/17 as compared to the previous quarter as included in 2Q FY16/17 was a loss on fair value of ECS of S$2.0 million (1Q FY16/17: S$10.4 million).

2Q FY16/17 recorded a foreign exchange loss of S$14.4 million (1Q FY16/17: S$23.7 million), mainly from the weakening of the SGD against the HKD and JPY in relation to the HKD denominated MTN and JPY denominated MTN respectively.

The gain on divestment of subsidiaries recorded in 2Q FY16/17 relates to the divestment of AZPark, which indirectly owns Ascendas Z-Link, while the loss on divestment in 1Q FY16/17 relates to the divestment of ARJW, which indirectly owns A-REIT Jiashan Logistics Centre. Including the fair value gain recognised for Ascendas Z-Link and Jiashan Logistics Centre in prior financial years, the gain on divestment would be approximately S$99.6 million.

Net change in fair value of financial derivatives in 2Q FY16/17 was made up of a S$1.7 million fair value loss on interest rate swaps (1Q FY16/17: S$14.5 million) and a S$3.2 million fair value loss on foreign exchange forward contracts (1Q FY16/17: gain of S$3.1 million), partially offset by a S$6.1 million fair value gain on cross currency swaps (1Q FY16/17: S$28.5 million). The fair value loss on interest rates swaps in 2Q FY16/17 was mainly due to unfavourable movements in the forward interest rate during the quarter, while the fair value loss on the foreign exchange forward contracts in 2Q FY16/17 was mainly due to the strengthening of the AUD forward exchange rates against SGD relating to the AUD/SGD forward contracts. The fair value gain on cross currency swaps in 2Q FY16/17 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.

The tax credit in 2Q FY16/17 was primarily due to the reversal of deferred tax provisions (net of estimated capital gains tax) in relation to the fair value gains of Ascendas Z-Link and A-REIT Jiashan Logistics Centre subsequent to the divestment of these properties.

The movement in the net effect of non (taxable income) / tax deductible expenses and other adjustments between 2Q FY16/17 and 1Q FY16/17 was mainly due to a fair value gain on financial derivatives of S$1.2 million (1Q FY16/17: S$17.2 million) and a loss on fair value of ECS of S$2.0 million (1Q FY16/17: S$10.4 million).

2Q FY16/17 vs 2Q FY15/16

Gross revenue increased by 12.5% mainly attributable to contributions from the acquisition of the Australian Portfolio and ONE@Changi City, partially offset by the divestment of Ascendas Z-Link and Four Acres.

Property operating expenses decreased by 9.9%, mainly due to (i) lower utilities expenses as the Group had contracted lower rates for certain properties with effect from 1Q FY16/17 and (ii) lower property tax expenses due to retrospective downward revisions in the annual value of certain properties with effect from 2Q FY16/17. This was partially offset by higher operating expenses from the acquisition of the Australian Portfolio and ONE@Changi City.

Non property expenses increased 30.5%, mainly due to higher management fees arising from the higher deposited property subsequent to the acquisitions made since the comparable period in the previous financial year.

Net finance costs increased by more than 5 times in 2Q FY16/17 mainly due (i) a loss on fair value of ECS amounting to S$2.0 million in 2Q FY16/17 (2Q FY15/16: gain of S$13.9 million) and (ii) a higher outstanding loan balance to part finance the acquisitions of the Australia Portfolio and ONE@Changi City coupled with a higher cost of borrowing during 2Q FY16/17.

2Q FY16/17 and 2Q FY15/16 recorded a foreign exchange loss of S$14.4 million and S$23.7 million respectively, mainly from the weakening of the SGD against the HKD and JPY in relation to the HKD denominated MTN and JPY denominated MTN respectively.

The gain on divestment of subsidiaries in 2Q FY16/17 relates to the divestment of AZPark and its subsidiary, AHTDBC which holds Ascendas Z-Link. Including the fair value gain recognised for Ascendas Z-Link in prior financial years, the gain on divestment would be approximately S$95.6 million.

Net change in fair value of financial derivatives in 2Q FY16/17 was made up of a S$1.7 million fair value loss on interest rates swaps (2Q FY15/16: gain of S$8.2 million) and a S$6.1 million fair value gain on cross currency swaps (2Q FY15/16: S$42.5 million). Included in 2Q FY16/17 was a loss on foreign exchange forward contracts amounting to S$3.2 million (2Q FY15/16: Nil).

The share of joint venture's results relates to the carpark operations at ONE@Changi City, which is operated through a joint venture entity, CCP LLP.

The tax credit in 2Q FY16/17 was primarily due to the reversal of deferred tax provisions (net of estimated capital gains tax) in relation to the fair value gains of Ascendas Z-Link and A-REIT Jiashan Logistics Centre subsequent to the divestment of these properties.

The movement in the net effect of non (taxable income) / tax deductible expenses and other adjustments between 2Q FY16/17 and 2Q FY15/16 was mainly due to a fair value gain on financial derivatives in 2Q FY16/17 of S$1.2 million (2Q FY15/16: S$50.8 million) and a foreign exchange loss in 2Q FY16/17 of S$14.4 million (2Q FY15/16: S$33.7 million).

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 1Q FY16/17 Financial Results Announcement under Paragraph 10 from pages 18 to 20. 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 Singapore economy grew by 0.6% y-o-y in 3Q 2016 based on advance estimates from the Ministry of Trade and Industry Singapore (MTI). This is lower than the 2.0% y-o-y growth in 2Q 2016. The manufacturing sector contracted by 1.1% y-o-y (1.4% expansion in 2Q 2016) weighed down by a decline in the output of the transport engineering, biomedical manufacturing and general manufacturing clusters. The services producing industries also contracted by 0.1% y-o-y (1.2% expansion in 2Q 2016) mainly due to the wholesale trade segment. Other services sectors such as accommodation, information & communications as well as education, health & social services remained resilient. Growth in the construction sector slowed marginally to 2.5% (from 2.6% the previous quarter).

As the global economic outlook has weakened slightly, the MTI narrowed Singapore's GDP forecast for 2016 to between 1.0% to 2.0%. The decision by the United Kingdom to leave the European Union (EU) has heightened uncertainty in the global economy. There are also potential headwinds from the weakening of consumer confidence in the EU as well as the risk of a sharper slow-down of the Chinese economy as the country continues to restructure.

In Singapore, growth of externally-oriented services has slowed. The manufacturing sector, which contracted in the first and third quarters, is expected to remain weak in view of the sluggish global outlook.

Singapore's manufacturing Purchasing Managers' Index (PMI) registered a marginal expansion in September at 50.1, an increase of 0.3 point from the previous month. This is the first expansion after 14 consecutive months of contraction. The expansion was underpinned by higher new orders, new exports and factory output.

September's non-oil domestic exports (NODX) declined by 4.8% y-o-y compared to a flat growth in August 2016. Both the electronic and non-electronic NODX contracted y-o-y by 6.6% and 4.0% respectively.

According to JTC Corporation (JTC), price and rental rate growth of industrial space continued to soften in tandem with occupancy rates. In 2Q 2016, the industrial price and rental index fell by 2.3% and 1.7 % q-o-q respectively. Rental index for multiple-user factory, single-user factory and warehouse declined by 240 bps, 180 bps and 100 bps respectively over the previous quarter. On the other hand, the rental index for Business Park improved by 50 bps.

The island-wide occupancy of industrial space declined in 2Q 2016 to 89.4% from 90.1% in 1Q 2016. The occupancy rate decline was seen across all sectors: business park 81.0% from 81.7%, multi-user factory 86.9% from 87.3%, single-user factory 91.4%% from 91.9%, and warehouse 89.0% from 90.4%.

According to URA, 3Q 2016 median rental rates for business park properties increased q-o-q from S$4.10 to S$4.27 psf per month. Median rental rates for multi-user factories declined q-o-q from S$1.82 to S$1.80 psf per month while rates for warehouses declined q-o-q from S$2.02 to S$2.00 psf per month.

<u>Australia</u>

Australia's economy grew 3.3% y-o-y in 2Q 2016, its fastest pace of annual growth in four years. GDP growth was driven by domestic demand, underpinned by growth in household and public consumption. Lower interest rates and fall in unemployment rate are expected to continue supporting household demand.

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

The Australian PMI was 49.8 in September 2016, an increase of 2.9 points from 46.9 in August 2016. The improvement came from the recovery of the food and beverages sub-sector after contracting in August. Manufacturers indicate a steady improvement in demand and exports in some sectors after a dip in August.

<u>China</u>

China's GDP grew 6.7% y-o-y in 3Q 2016, similar to the previous two quarters. Growth was supported by strong government spending and investments in the property sector. On the other hand, exports remained weak.

The country's manufacturing PMI was 50.4% in September 2016 (unchanged from August 2016). Manufacturing production and new orders expanded while labour employment, main raw materials inventory and supplier delivery time fell month-on-month.

Whilst the slowdown of the economy is likely to be gradual, risks of higher debt defaults could lead to tightening of financial conditions.

Outlook for the financial year ending 31 March 2017

Singapore

Leases for about 12.0% of gross revenue in Singapore 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. With 12.1% vacant space in the Singapore portfolio, there is some upside potential when the space is leased out.

The industrial property market condition in Singapore is expected to remain challenging. The slowing economy is expected to affect leasing demand in Singapore.

Australia

The low interest rates and gains to employment are expected to support household consumption and a healthy demand for logistics space. Occupancy of Ascendas Reit's Australian portfolio is expected to improve as lease commitments for some of the vacant space has been secured. There are no more leases due for renewal in the current financial year. The Manager is already working on the expiring leases in FY1718 which accounts for about 10.6% of gross revenue in Australia.

Conclusion

The continuing capital recycling strategy, rejuvenation exercise and selective asset repositioning will strengthen our property portfolio and optimize returns for Unitholders.

Barring any unforeseen events and any further 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: **51st distribution for the period from 1 April 2016 to 10 August 2016**

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	5.389	0.221	0.025	5.635

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 Ascendas Reit on the income of Ascendas 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: 10 August 2016

Payment date: 9 September 2016

(ii) Name of distribution: **52nd distribution for the period from 11 August 2016 to 30 September 2016**

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Estimated amount (cents per units)	2.156	0.031	0.090	2.277

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 Ascendas Reit on the income of Ascendas 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: 28 October 2016

Payment date: 29 November 2016

(b) Corresponding period of the immediately preceding year

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 Ascendas Reit on the income of Ascendas 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

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

Ascendas 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 Ascendas Reit for the period from 11 August 2016 to 30 September 2016:

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

Ascendas Reit currently distributes 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. Use of proceeds from equity fund raising

Gross proceeds of S$154.7 million from the Private Placement in August 2016:

Intended use of proceeds[1]	**Announced use of proceeds (S$'million)**	**Actual use of proceeds (S$'million)**	**Balance of proceeds (S$'million)**
To partially fund the acquisitions of a business park property located in Sydney, Australia (now known as 197-201 Coward Street, Mascot) and a logistics property located in Melbourne, Australia (now known as Stage 4, Power Park Estate, Dandenong South) and the associated costs	112.1	112.1	-
To fund the asset enhancement of a HiSpecs property located in Singapore to convert the property from a multi-tenant building to a single-tenant building	40.0	-	40.0
To pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Private Placement	2.6	2.6	-
Total	**154.7**	**114.7**	**40.0**

[1] As set out in the Close of Placement Announcement dated 1 August 2016.

16. 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.

17. 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.

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
20 October 2016

EY
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ASU-RHC/61091549/NRS 20 October 2016

The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
1 Fusionopolis Place
#10-10 Galaxis
Singapore 138522

20 October 2016

Dear Sirs

Ascendas Real Estate Investment Trust and its subsidiaries
Review of interim financial information for the six-month period ended 30 September 2016

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 2016 (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 2016;
- Portfolio statement of the Group as at 30 September 2016;
- Statement of total return of the Group for the three-month and six-month periods ended 30 September 2016;
- Distribution statement of the Group for the three-month and six-month periods ended 30 September 2016;
- Statements of movements in unitholders' funds of the Group and the Trust for the three-month and six-month periods ended 30 September 2016;
- Statement of cash flows of the Group for the six-month period ended 30 September 2016; 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.

The Board of Directors
Ascendas Fund Management (S) Limited
(in its capacity as Manager of Ascendas Real Estate Investment Trust) 20 October 2016

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

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore