



ASCENDAS REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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.

As at 31 December 2017, Ascendas Reit and its subsidiaries (the "Group") have a diversified portfolio of 101 properties in Singapore, and 31 properties in Australia, with tenant base of around 1,350 customers across the following segments: Business & Science Park/Suburban Office, Integrated Development, Amenities & Retail, High-specifications Industrial Properties/Data Centres, Light Industrial Properties/Flatted Factories and Logistics & Distribution Centres.

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 31 DECEMBER 2017

	Note	Group		
		01/04/17 to 31/12/17 ('YTD FY17/18') S\$'000	01/04/16 to 31/12/16 ('YTD FY16/17') S\$'000	Variance %
Gross revenue		646,363	621,655	4.0%
Net property income		471,530	456,885	3.2%
Total amount available for distribution:		353,542	334,442	5.7%
- from operations		333,260	316,315	5.4%
- tax-exempt income	(a)	-	8,515	(100.0%)
- from capital	(b)	20,282	9,612	111.0%
		Cents per Unit		
Distribution per Unit ("DPU")		FY17/18	FY16/17	Variance %
For the quarter from 1 October to 31 December		3.970	3.993	(0.6%)
- from operations		3.734	3.717	0.5%
- tax-exempt income	(a)	-	0.054	(100.0%)
- from capital	(b)	0.236	0.222	6.3%
For the period from 1 April to 31 December		12.078	11.891	1.6%
- from operations		11.386	11.248	1.2%
- tax-exempt income	(a)	-	0.306	(100.0%)
- from capital	(b)	0.692	0.337	105.3%

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

Footnotes

- (a) This includes the distribution of (i) 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 (ii) finance lease interest income (net of Singapore corporate tax) received from a tenant and (iii) incentive payment (net of Singapore corporate tax) received as income support relating to A-REIT City @ Jinqiao. As tax has been withheld on these incomes, the distribution is exempt from tax in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets. There was no incentive payment (net of Singapore corporate tax) received and included as distributable income for YTD FY17/18 (YTD FY16/17: S\$0.7 million or 0.024 cents).
- (b) This relates to the distribution of (i) tax deferred distributions received from Australia, (ii) reimbursements received from vendors in relation to outstanding incentives that are subsisting at the point of the completion of the acquisition of certain properties in Australia and (iii) net income from a property in China, where the profits have yet to be repatriated to Singapore for FY16/17. Such 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.

DPU for YTD FY17/18 is calculated based on the summation of DPU for each quarter as follows:

DPU (cents)	1Q FY17/18	2Q FY17/18	3Q FY17/18	FY17/18
Taxable	3.822	3.830	3.734	11.386
Capital	0.227	0.229	0.236	0.692
Total	4.049	4.059	3.970	12.078

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

		Group (Note a)					
		01/10/17 to 31/12/17 ('3Q FY17/18')	01/10/16 to 31/12/16 ('3Q FY16/17')	Variance %	YTD FY17/18 S\$'000	YTD FY16/17 S\$'000	Variance %
		S\$'000	S\$'000		S\$'000	S\$'000	
Statement of Total Return							
	Note						
Gross revenue	(b)	217,279	208,626	4.1%	646,363	621,655	4.0%
Property services fees		(8,076)	(8,569)	(5.8%)	(24,441)	(24,646)	(0.8%)
Property tax		(14,778)	(10,344)	42.9%	(44,517)	(35,737)	24.6%
Other property operating expenses		(36,800)	(34,743)	5.9%	(105,875)	(104,387)	1.4%
Property operating expenses	(c)	(59,654)	(53,656)	11.2%	(174,833)	(164,770)	6.1%
Net property income		157,625	154,970	1.7%	471,530	456,885	3.2%
Management fees	(d)	(12,794)	(10,762)	18.9%	(38,023)	(36,227)	5.0%
Trust and other expenses	(e)	(2,049)	(2,691)	(23.9%)	(6,033)	(7,826)	(22.9%)
Finance income	(j)	2,371	15,101	(84.3%)	6,708	5,332	25.8%
Finance costs	(j)	(27,552)	(26,740)	3.0%	(81,624)	(81,917)	(0.4%)
Foreign exchange gain/(loss)	(f)	13,926	(10,851)	n.m.	37,194	(48,987)	(175.9%)
Gain on divestment of subsidiaries	(g)	-	16,319	(100.0%)	-	21,385	(100.0%)
Gain on disposal of investment properties	(h)	-	-	n.m.	4,585	-	n.m.
Derecognition of finance lease receivables	(i)	-	-	n.m.	-	(2,079)	(100.0%)
Net non property expenses		(26,098)	(19,624)	33.0%	(77,193)	(150,319)	(48.6%)
Net income	(j)	131,527	135,346	(2.8%)	394,337	306,566	28.6%
Net change in fair value of financial derivatives	(k)	(21,570)	4,235	n.m.	(37,392)	22,593	n.m.
Share of joint venture's results	(l)	145	145	0.0%	392	351	11.7%
Total return for the period before tax		110,102	139,726	(21.2%)	357,337	329,510	8.4%
Tax (expense)/credit	(m)	(1,055)	8,860	(111.9%)	(1,730)	20,511	(108.4%)
Total return for the period		109,047	148,586	(26.6%)	355,607	350,021	1.6%
Attributable to:							
Unitholders and perpetual securities holders		109,049	148,585	(26.6%)	355,613	350,014	1.6%
Non-controlling interests	(2)	(2)	1	n.m.	(6)	7	(185.7%)
		109,047	148,586	(26.6%)	355,607	350,021	1.6%
Distribution Statement							
Total return for the period attributable to Unitholders and perpetual securities holders		109,049	148,585	(26.6%)	355,613	350,014	1.6%
Less: Amount reserved for distribution to perpetual securities holders	(n)	(3,591)	(3,591)	0.0%	(10,736)	(10,736)	0.0%
Other net non tax deductible expenses / (taxable income) and other adjustments	(o)	3,878	(37,848)	(110.2%)	(11,617)	(22,786)	(49.0%)
Income available for distribution		109,336	107,146	2.0%	333,260	316,492	5.3%
Comprising:							
- Taxable income		109,336	107,146	2.0%	333,260	316,315	5.4%
- Tax-exempt income	(p)	-	-	n.m.	-	177	(100.0%)
Income available for distribution		109,336	107,146	2.0%	333,260	316,492	5.3%
Tax-exempt income (Australia)	(q)	-	-	n.m.	-	3,683	(100.0%)
Tax-exempt income (China)	(r)	-	1,552	(100.0%)	-	4,655	(100.0%)
Distribution from capital (Australia)	(s)	6,925	5,917	17.0%	20,282	8,200	147.3%
Distribution from capital (China)	(t)	-	471	(100.0%)	-	1,412	(100.0%)
Total amount available for distribution		116,261	115,086	1.0%	353,542	334,442	5.7%

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

Explanatory notes to the statement of total return and distribution statement

- (a) The Group had 132 properties as at 31 December 2017 and 130 properties as at 31 December 2016. Since December 2016, the Group completed (i) the acquisition of 12, 14 and 16 Science Park Drive (“DNV/DSO”) in February 2017, (ii) the acquisition of 52 Fox Drive, Dandenong South (formerly known as Stage 4 Power Park Estate) in Melbourne in April 2017, (iii) the acquisition of No. 100 Wickham Street in Queensland in September 2017, (iv) the acquisition of No. 108 Wickham Street in Queensland in December 2017, (v) the divestment of 10 Woodlands Link in July 2017, and (vi) the divestment of No.13 International Business Park in August 2017.

- (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 4.0% from YTD FY16/17 mainly due to the acquisition of DNV/DSO in Singapore, 52 Fox Drive, Dandenong South in Melbourne and No. 100 Wickham Street in Queensland. The full period contribution from 197-201 Coward Street in Sydney, which was acquired in September 2016, also contributed to the increase. This was partially offset by the divestment of Ascendas Z-Link and A-REIT City @ Jinqiao in China as well as 10 Woodlands Link and No.13 International Business Park in Singapore.

- (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 6.1% from YTD FY16/17 mainly due to lower property tax expense in YTD FY16/17 arising from retrospective downward revisions in the annual value of certain properties with effect from 2Q FY16/17 whereas there are no such revision in the current financial period, coupled with the higher operating expenses from the acquisitions of new properties in Australia and Singapore.

- (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 YTD FY17/18 were mainly due to higher deposited property under management subsequent to 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 decreased by S\$1.8 million to S\$6.0 million in YTD FY17/18, mainly due to lower trust level expenses incurred subsequent to the divestment of A-REIT J.W. Investment Pte. Ltd. (“ARJW”), which indirectly owns A-REIT Jiashan Logistics Centre, Ascendas ZPark (Singapore) Pte. Ltd. (“AZPark”), which indirectly owned Ascendas Z-Link, and Shanghai (JQ) Investment Holdings Pte Ltd (“SHJQ”), which indirectly owned A-REIT City @ Jinqiao (together, the “China Portfolio”).

- (f) Foreign exchange gain/(loss) arose mainly from the revaluation of JPY, HKD, USD 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) are largely offset by the fair value movement in the foreign currency component of the cross currency swaps. Please refer to note (k) below.

YTD FY17/18 recorded a foreign exchange gain of S\$37.2 million, mainly from the strengthening of SGD against JPY and HKD in relation to the JPY and HKD denominated Medium Term Notes (“MTN”) respectively. YTD FY16/17 recorded a foreign exchange loss of S\$49.0 million, mainly from the weakening of the SGD against the HKD and USD in relation to the HKD denominated MTN and USD denominated loan respectively.

- (g) The gain on divestment of subsidiaries recorded in YTD FY16/17 was related to the divestment of ARJW, which indirectly owns AREIT Jiashan Logistics Centre, AZPark, which indirectly owns Ascendas Z-Link and SHJQ, which indirectly owns A-REIT City @ Jinqiao. The gain on divestment as compared to the initial cost of acquisition would be approximately S\$194.0 million.
- (h) The gain on disposal of investment properties in YTD FY17/18 arose from the disposal of 10 Woodlands Link and No.13 International Business Park in 2Q FY17/18. Both properties are located in Singapore.
- (i) The finance lease receivable in relation to Four Acres Singapore was derecognised subsequent to the sale of the said property in April 2016.
- (j) The following items have been included in net income:

Note	Group					
	3Q FY17/18 S\$'000	3Q FY16/17 S\$'000	Variance %	YTD FY17/18 S\$'000	YTD FY16/17 S\$'000	Variance %
Gross revenue						
Gross rental income	196,788	190,040	3.6%	587,963	565,607	4.0%
Other income	20,491	18,586	10.2%	58,400	56,048	4.2%
Property operating expenses						
Reversal/(Provision) of allowance for impairment loss on doubtful receivables	36	5	n.m.	(2)	25	(108.0%)
Depreciation of plant and equipment	-	(4)	(100.0%)	-	(19)	(100.0%)
Finance income (1)						
Interest income	2,371	2,095	13.2%	6,708	4,790	40.0%
Others	-	385	(100.0%)	-	227	(100.0%)
Gain on fair value of ECS	-	12,621	(100.0%)	-	315	(100.0%)
	2,371	15,101	(84.3%)	6,708	5,332	25.8%
Finance costs (2)						
Interest expense	(26,638)	(24,634)	8.1%	(78,995)	(76,557)	3.2%
Other borrowing costs	(914)	(2,106)	(56.6%)	(2,629)	(5,360)	(51.0%)
	(27,552)	(26,740)	3.0%	(81,624)	(81,917)	(0.4%)

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

- Finance income comprises interest income from interest rate swaps, bank deposits and fair value gain on ECS.
 - Finance costs comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the MTN, Transferrable Loan Facilities and Committed Revolving Credit Facilities).
- (k) 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					
	3Q FY17/18 S\$'000	3Q FY16/17 S\$'000	Variance %	YTD FY17/18 S\$'000	YTD FY16/17 S\$'000	Variance %
Fair value (loss)/gain on:						
- interest rate swaps	1,481	27,864	(94.7%)	777	11,639	(93.3%)
- cross currency swaps	(23,418)	(23,850)	(1.8%)	(39,063)	10,830	n.m.
- foreign exchange forward contracts	367	221	66.1%	894	124	n.m.
Net change in fair value of financial derivatives	(21,570)	4,235	n.m.	(37,392)	22,593	n.m.

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

- (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 in YTD FY17/18 includes tax provided on (i) finance lease interest income received from a tenant and (ii) interest income in relation to a loan to a subsidiary. It also includes withholding tax recognised on the profits that were repatriated from Ascendas REIT Australia, which indirectly holds the 31 properties in Australia (the "Australian Portfolio"), to Singapore.

The tax credit in YTD 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 AREIT Jiashan Logistics Centre, Ascendas Z-Link and A-REIT City @ Jinqiao 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	3Q FY17/18 S\$'000	3Q FY16/17 S\$'000	Variance %	YTD FY17/18 S\$'000	YTD FY16/17 S\$'000	Variance %
Management fees paid/payable in units	2,558	2,442	4.8%	7,604	7,256	4.8%
Trustee fee	667	743	(10.2%)	2,096	2,210	(5.2%)
Gain on divestment of subsidiaries	-	(16,319)	(100.0%)	-	(21,385)	(100.0%)
Gain on disposal of investment properties	-	-	n.m.	(4,585)	-	n.m.
Derecognition of finance lease receivables	-	-	n.m.	-	2,079	(100.0%)
Net change in fair value of financial derivatives	21,570	(4,235)	n.m.	37,392	(22,593)	n.m.
Net change in fair value of ECS	-	(12,621)	(100.0%)	-	(315)	(100.0%)
Foreign exchange (gain)/loss	(13,926)	10,851	n.m.	(37,194)	48,987	(175.9%)
Other net non tax deductible expenses and other adjustments	A 7,242	6,018	20.3%	21,069	19,181	9.8%
Income from subsidiaries and joint venture	B (14,233)	(24,727)	(42.4%)	(43,850)	(58,206)	(24.7%)
Rollover adjustment from prior years	C -	-	n.m.	5,851	-	n.m.
Other net non tax deductible expenses / (taxable income) and other adjustments	3,878	(37,848)	(110.2%)	(11,617)	(22,786)	(49.0%)

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, accretion adjustments for refundable security deposits, incentive payments received as income support relating to A-REIT City @Jinqiao and Hyflux Innovation Centre and 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)(b) on Page 9 for details of the Trust's interests in subsidiaries and investment in joint venture) as well as the effects of consolidation.
- C. The one-off distribution of rollover adjustments from prior years amounting to S\$5.9 million (DPU impact of 0.200 cents) in YTD FY17/18 arose mainly from a ruling by IRAS on the non-tax deductibility of certain upfront fees for certain credit facilities incurred in FY11/12.

- (p) This was in relation to the distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax had been withheld on this income, the distribution was exempted from tax in the hands of the Unitholders.
- (q) 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.
- (r) This was in relation 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 had been received in Singapore (net of China withholding tax) after the repatriation of profits to Singapore. As tax had been withheld on this income, such distribution was not taxable in the hands of Unitholders.
- (s) This relates to the distribution of (i) tax deferred distributions received from Australia and (ii) reimbursements received from vendors in relation to outstanding incentives that are subsisting at the point of the completion of the acquisition of certain properties in 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.
- (t) This was in relation to the distribution of income relating to China properties, where the profits were repatriated only after the annual audited financial statements of the Chinese subsidiaries were filed and corporate taxes were paid. The distributions of income from overseas properties that were yet to be received in Singapore were deemed to be capital distributions from a tax perspective. Such distributions were not taxable in the hands of Unitholders, except for Unitholders who were holding the Units as trading assets.

1(b)(i) Statements of Financial Position

	Note	Group		Trust	
		31/12/17	31/03/17	31/12/17	31/03/17
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties		10,134,863	9,874,204	8,626,479	8,567,210
Investment properties under development	(a)	96,199	125,062	96,199	125,062
Finance lease receivables		53,873	55,627	53,873	55,627
Interest in subsidiaries	(b)	-	-	950,847	774,851
Investment in joint venture	(c)	141	126	-	-
Derivative assets	(d)	13,375	16,042	13,375	16,014
		10,298,451	10,071,061	9,740,773	9,538,764
Current assets					
Finance lease receivables		2,312	2,104	2,312	2,104
Trade and other receivables	(e)	21,775	63,497	20,729	35,506
Derivative assets	(d)	7,207	12,156	7,021	12,156
Cash and cash equivalents		23,268	22,000	1,189	4,684
Property held for sale	(f)	15,802	-	15,802	-
	(g)	70,364	99,757	47,053	54,450
Current liabilities					
Trade and other payables		179,585	192,717	164,201	186,482
Security deposits		44,296	41,946	44,296	41,887
Derivative liabilities	(d)	35,520	32,837	35,149	32,837
Short term borrowings	(h)	618,135	592,638	618,135	592,638
Term loans	(h)	490,610	-	199,422	-
Medium term notes	(h)	219,719	231,548	219,719	231,548
Provision for taxation		7,332	30,316	1,753	24,738
	(g)	1,595,197	1,122,002	1,282,675	1,110,130
Non-current liabilities					
Security deposits		76,815	78,873	75,284	77,371
Derivative liabilities	(d)	85,931	58,943	82,335	53,307
Amount due to a subsidiary		-	-	25,751	26,951
Medium term notes	(h)	1,402,462	1,230,850	1,402,462	1,230,850
Term loans and borrowings	(h)	836,713	1,345,030	545,525	745,087
		2,401,921	2,713,696	2,131,357	2,133,566
Net assets					
		6,371,697	6,335,120	6,373,794	6,349,518
Represented by:					
Unitholders' funds		6,070,807	6,030,710	6,072,926	6,045,136
Perpetual securities holders	(i)	300,868	304,382	300,868	304,382
Non-controlling interests		22	28	-	-
		6,371,697	6,335,120	6,373,794	6,349,518

Gross borrowings

	Group		Trust	
	31/12/17	31/03/17	31/12/17	31/03/17
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable after one year	292,019	602,436	-	-
Amount repayable within one year	292,019	-	-	-
Unsecured borrowings				
Amount repayable after one year	1,951,746	1,981,617	1,951,746	1,981,617
Amount repayable within one year	1,037,862	824,238	1,037,862	824,238
	3,573,646	3,408,291	2,989,608	2,805,855

Explanatory notes to the statements of financial position

- (a) Investment properties under development (“IPUD”) as at 31 March 2017 relates to the re-development projects undertaken by Ascendas Reit at 20 Tuas Avenue 1 (formerly known as 279 Jalan Ahmad Ibrahim) and 50 Kallang Avenue. Subsequent to the completion of development works, 50 Kallang Avenue has been reclassified to investment properties in June 2017.
- (b) Interest in subsidiaries relates to Ascendas Reit’s investment in PLC 8 Holdings Pte. Ltd. and its subsidiary, PLC 8 Development Pte. Ltd., as well as Australian REIT Australia and its sub-trusts.
- (c) 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.
- (d) Derivative assets and derivative liabilities relates to favourable and unfavourable changes in the fair value of certain interest rate swaps, cross currency swaps and foreign currency forward contracts respectively.
- (e) The decrease in trade and other receivables was mainly due to the utilisation of amounts held in escrow in relation to (i) capital gain tax for the China properties and (ii) the purchase consideration for the acquisition of an Australian logistics property which was completed on 3 April 2017.
- (f) The Property held for sale relates to No. 84 Genting Lane. The Group has on 22 December 2017 entered into a sale and purchase agreement to divest the above mentioned property.
- (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) **Details of borrowings**

Secured Syndicated Loans

As at 31 December 2017, the Group has A\$564.3 million (31 March 2017: 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 (31 March 2017: 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\$1,039.5 million as at 31 December 2017 (31 March 2017: S\$1,060.1 million).

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.

As at the reporting date, S\$1,696.7 million (comprising S\$875.0 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 and overdraft facilities with varying degrees of utilisation as at the reporting date.

As at 31 December 2017, 70.5% (31 March 2017: 78.9%) of the Group’s interest rate exposure was fixed with an overall weighted average tenure of 3.0 years (31 March 2017: 3.2 years) remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings for the period ended 31 December 2017 was 2.89% (31 March 2017: 3.00%).

- (i) 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			
	3Q FY17/18 S\$'000	3Q FY16/17 S\$'000	YTD FY17/18 S\$'000	YTD FY16/17 S\$'000
Cash flows from operating activities				
Total return for the period before tax	110,102	139,726	357,337	329,510
Adjustments for				
(Reversal)/Provision of allowance for impairment loss on doubtful receivables	(36)	(5)	2	(25)
Depreciation of plant and equipment	-	4	-	19
Derecognition of finance lease receivables	-	-	-	2,079
Finance income	(2,371)	(15,101)	(6,708)	(5,332)
Finance costs	27,552	26,740	81,624	81,917
Foreign exchange (gain)/loss	(13,926)	10,851	(37,194)	48,987
Gain on divestment of subsidiaries	-	(16,319)	-	(21,385)
Gain from disposal of investment properties	-	-	(4,585)	-
Management fees paid/payable in units	2,558	2,442	7,604	7,256
Net change in fair value of financial derivatives	21,570	(4,235)	37,392	(22,593)
Share of joint venture's results	(145)	(145)	(392)	(351)
Operating income before working capital changes	145,304	143,958	435,080	420,082
Changes in working capital				
Trade and other receivables	(2,752)	(8,591)	14,855	(23,011)
Trade and other payables	6,685	(12,971)	(4,611)	(22,670)
Cash generated from operating activities	149,237	122,396	445,324	374,401
Income tax paid	(1,129)	(52)	(24,714)	(5,760)
Net cash generated from operating activities	148,108	122,344	420,610	368,641
Cash flows from investing activities				
Deposits received for the divestment of subsidiaries	-	-	-	24,087
Deposits paid for the acquisition of investment properties	-	(50)	-	(1,335)
Dividend received from a joint venture company	133	102	377	145
Purchase of investment properties	(109,079)	-	(206,643)	(155,215)
Payment for investment properties under development	(9,342)	(17,167)	(42,786)	(20,679)
Payment for capital improvement on investment properties	(18,574)	(4,538)	(69,082)	(52,638)
Proceeds from the divestment of subsidiaries	-	212,728	-	381,503
Proceeds from the divestment of investment properties	-	-	44,080	-
Proceeds from the derecognition of finance lease receivables	-	-	-	34,000
Interest received	8,208	8,178	19,342	16,643
Net cash (used in)/generated from investing activities	(128,654)	199,253	(254,712)	226,511
Cash flows from financing activities				
Proceeds from issue of units	-	-	-	154,688
Equity issue costs paid	-	(253)	-	(2,690)
Distributions paid to Unitholders	(237,289)	(64,277)	(294,585)	(331,244)
Distributions paid to perpetual securities holders	(7,145)	(7,144)	(14,250)	(14,289)
Finance costs paid	(28,510)	(26,816)	(84,724)	(82,634)
Transaction costs paid in respect of borrowings	(126)	-	(311)	(682)
Proceeds from borrowings	468,197	275,749	748,853	1,028,814
Repayment of borrowings	(207,210)	(499,577)	(549,400)	(1,377,424)
Net cash used in financing activities	(12,083)	(322,318)	(194,417)	(625,461)
Net increase/(decrease) in cash and cash equivalents	7,371	(721)	(28,519)	(30,309)
Cash and cash equivalents at beginning of the period	(13,789)	26,724	22,000	56,236
Effect of exchange rate changes on cash balances	(582)	146	(481)	222
Cash and cash equivalents at end of the financial period	(7,000)	26,149	(7,000)	26,149

Note:

Included in cash and cash equivalents was a bank overdraft amounting to approximately S\$30.3 million as at 31 December 2017 (Nil as at 31 March 2017 and 31 December 2016).

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

Note	Group		Trust	
	3Q FY17/18 S\$'000	3Q FY16/17 S\$'000	3Q FY17/18 S\$'000	3Q FY16/17 S\$'000
Unitholders' Funds				
Balance at beginning of the financial period	6,220,336	5,767,645	6,210,448	5,790,218
<u>Operations</u>				
Total return for the period attributable to Unitholders and perpetual securities holders	109,049	148,585	100,800	186,852
Less: Amount reserved for distribution to perpetual securities holders	(3,591)	(3,591)	(3,591)	(3,591)
Net increase in net assets from operations	105,458	144,994	97,209	183,261
Movement in foreign currency translation reserve (a)	(20,256)	6,827	-	-
<u>Unitholders' transactions</u>				
New Units issued (b)	-	77,837	-	77,837
Management fees paid/payable in Units	2,558	2,442	2,558	2,442
Distributions to Unitholders (c)	(237,289)	(64,277)	(237,289)	(64,277)
Net (decrease)/increase in net assets from Unitholders' transactions	(234,731)	16,002	(234,731)	16,002
Balance at end of the financial period	6,070,807	5,935,468	6,072,926	5,989,481
Perpetual Securities Holders' Funds				
Balance at beginning of the financial period	304,422	304,421	304,422	304,421
Amount reserved for distribution to perpetual securities holders	3,591	3,591	3,591	3,591
Distributions to Perpetual Securities Holders	(7,145)	(7,144)	(7,145)	(7,144)
Balance at end of the financial period	300,868	300,868	300,868	300,868
Non-controlling interests				
Balance at beginning of the financial period	24	27	-	-
Total return for the period attributable to non-controlling interests	(2)	1	-	-
Balance at end of the financial period	22	28	-	-
Total	6,371,697	6,236,364	6,373,794	6,290,349

Footnotes

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries.
- (b) This relates to the issuance of new Units pursuant to various Exchange Notices received during 3Q FY16/17 to convert S\$48.5 million and S\$18.0 million of ECS into Units at an adjusted conversion price of S\$2.0187 and S\$2.0144 respectively.
- (c) The distribution paid in 3Q FY17/18 comprised of income available for distribution to unitholders for the period from 1 April 2017 to 30 September 2017. The distribution paid in 3Q FY16/17 comprised of income available for distribution to Unitholders for the period from 11 August 2016 to 30 September 2016.

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	Note	Group		Trust	
		YTD FY17/18 S\$'000	YTD FY16/17 S\$'000	YTD FY17/18 S\$'000	YTD FY16/17 S\$'000
<u>Unitholders' Funds</u>					
Balance at beginning of the financial period		6,030,710	5,480,879	6,045,136	5,411,443
<u>Operations</u>					
Total return for the period attributable to Unitholders of the Trust		355,613	350,014	325,507	477,135
Less: Amount reserved for distribution to perpetual securities holders		(10,736)	(10,736)	(10,736)	(10,736)
Net increase in net assets from operations		344,877	339,278	314,771	466,399
Movement in foreign currency translation reserve	(a)	(17,799)	4,732	-	-
Divestment of subsidiary	(b)	-	(1,060)	-	-
<u>Unitholders' transactions</u>					
New Units issued	(c)	-	438,227	-	438,227
Equity issue costs		-	(2,600)	-	(2,600)
Management fees paid/payable in Units		7,604	7,256	7,604	7,256
Distributions to Unitholders	(d)	(294,585)	(331,244)	(294,585)	(331,244)
Net (decrease)/increase in net assets from Unitholders' transactions		(286,981)	111,639	(286,981)	111,639
Balance at end of the financial period		6,070,807	5,935,468	6,072,926	5,989,481
<u>Perpetual Securities Holders' Funds</u>					
Balance at beginning of the financial period		304,382	304,421	304,382	304,421
Amount reserved for distribution to perpetual securities holders		10,736	10,736	10,736	10,736
Distributions to Perpetual Securities Holders		(14,250)	(14,289)	(14,250)	(14,289)
Balance at end of the financial period		300,868	300,868	300,868	300,868
<u>Non-controlling interests</u>					
Balance at beginning of the financial period		28	21	-	-
Total return for the period attributable to non-controlling interests		(6)	7	-	-
Balance at end of the financial period		22	28	-	-
Total		6,371,697	6,236,364	6,373,794	6,290,349

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 a China subsidiary in July 2016.
- (c) 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, (iii) 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 and (iv) in 3Q FY16/17 pursuant to various Exchange Notices received to convert S\$48.5 million and S\$18.0 million of ECS into Units at an adjusted conversion price of S\$2.0187 and S\$2.0144 respectively.

- (d) The distribution paid in YTD FY17/18 comprised of income available for distribution to unitholders for the period from 16 February 2017 to 30 September 2017. The distribution paid in YTD FY16/17 comprised of income available for distribution to Unitholders for the period from 18 December 2015 to 30 September 2016.

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

	Group and Trust			
	3Q FY17/18 Units	3Q FY16/17 Units	YTD FY17/18 Units	YTD FY16/17 Units
Issued Units at beginning of the financial period	2,926,605,491	2,816,341,329	2,924,767,194	2,665,576,050
Issue of new Units:				
- Management fees paid in Units	1,898,438	2,032,987	3,736,735	4,074,004
- Equity fund raising	-	-	-	64,000,000
- Conversion of ECS	-	32,961,016	-	117,685,278
Issued Units at the end of the financial period	2,928,503,929	2,851,335,332	2,928,503,929	2,851,335,332
Units to be issued:				
Management fees payable in Units	318,061	348,664	318,061	348,664
Units issued and issuable at end of the financial period	2,928,821,990	2,851,683,996	2,928,821,990	2,851,683,996

As at 31 December 2017, there were no units that may be issued on the conversion of any convertible securities as all the ECS have been exchanged and cancelled in accordance with the terms and conditions of the ECS.

As at 31 December 2016, S\$237.75 million of the S\$300 million ECS had been converted into Units. Assuming the outstanding ECS amounting to S\$62.25 million was fully converted into Units based on the adjusted conversion price of S\$2.0144 per Unit, the number of new Units to be issued would be 30,902,501 representing 1.1% of the total number of Ascendas Reit's Units in issue as at 31 December 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

There are no treasury Units in issue as at 31 December 2017 and 31 March 2017. The total number of issued Units are as disclosed in paragraph 1d(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 financial year ended 31 March 2017.

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		3Q FY17/18	3Q FY16/17	YTD FY17/18	YTD FY16/17
<u>EPU</u>					
<u>Basic EPU</u>					
	Weighted average number of Units	2,926,959,747	2,834,418,782	2,926,222,652	2,751,645,529
(a)	Earnings per Unit in cents	3.603	5.115	11.786	12.330
<u>Diluted EPU</u>					
	Weighted average number of Units	2,926,959,747	2,865,321,283	2,926,222,652	2,782,548,030
(b)	Earnings per Unit in cents (diluted)	3.603	4.629	11.786	12.209
<u>DPU</u>					
	Number of Units in issue	2,928,503,929	2,851,335,332	2,928,503,929	2,851,335,332
	Distribution per Unit in cents	3.970	3.993	12.078	11.891

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) The disclosure of diluted EPU is in relation to the ECS which has a convertible option to convert the ECS into Units. Dilutive instruments shall be treated as dilutive only when their conversion to Units would decrease EPU.

For 3Q FY17/18 and YTD FY17/18, the diluted EPU is equivalent to the basic EPU.

For 3Q FY16/17 and YTD 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\$0.25 million and S\$0.75 million respectively and deducting the gain on fair valuation of ECS of S\$12.6 million and S\$0.32 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 30,902,501.

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

		Group		Trust	
		31/12/17 cents	31/03/17 cents	31/12/17 cents	31/03/17 cents
	Note				
Net asset value per Unit		207	206	207	207
Adjusted net asset value per Unit	(a)	203	204	203	205

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				
	3Q FY17/18 (A) S\$'000	2Q FY17/18 (B) S\$'000	Variance (A) vs (B) %	3Q FY16/17 (C) S\$'000	Variance (A) vs (C) %
Gross revenue	217,279	215,825	0.7%	208,626	4.1%
Property operating expenses	(59,654)	(55,284)	7.9%	(53,656)	11.2%
Net property income	157,625	160,541	(1.8%)	154,970	1.7%
Non property expenses	(14,843)	(14,761)	0.6%	(13,453)	10.3%
Net finance costs	(25,181)	(24,939)	1.0%	(11,639)	116.4%
Foreign exchange gain/(loss)	13,926	6,236	123.3%	(10,851)	n.m.
Gain on divestment of subsidiaries	-	-	n.m.	16,319	(100.0%)
Gain on disposal of investment properties	-	4,585	(100.0%)	-	n.m.
	(26,098)	(28,879)	(9.6%)	(19,624)	33.0%
Net income	131,527	131,662	(0.1%)	135,346	(2.8%)
Net change in fair value of financial derivatives	(21,570)	(2,021)	n.m.	4,235	n.m.
Share of joint venture's results	145	127	14.2%	145	0.0%
Total return for the period before tax	110,102	129,768	(15.2%)	139,726	(21.2%)
Tax (expense)/credit	(1,055)	(1,395)	(24.4%)	8,860	(111.9%)
Total return for the period	109,047	128,373	(15.1%)	148,586	(26.6%)
Attributable to:					
Unitholders and perpetual securities holders	109,049	128,376	(15.1%)	148,585	(26.6%)
Non-controlling interests	(2)	(3)	(33.3%)	1	n.m.
Total return for the period	109,047	128,373	(15.1%)	148,586	(26.6%)
Statement of distribution					
Total return for the period attributable to Unitholders and perpetual securities holders	109,049	128,376	(15.1%)	148,585	(26.6%)
Less: Amount reserved for distribution to perpetual securities holders	(3,591)	(3,592)	(0.0%)	(3,591)	0.0%
Net effect of non tax deductible expenses / (taxable income) and other adjustments	3,878	(12,703)	(130.5%)	(37,848)	(110.2%)
Income available for distribution	109,336	112,081	(2.4%)	107,146	2.0%
Comprising:					
- Taxable income	109,336	112,081	(2.4%)	107,146	2.0%
- Tax-exempt income	-	-	n.m.	-	n.m.
Income available for distribution	109,336	112,081	(2.4%)	107,146	2.0%
Tax-exempt income (China)	-	-	n.m.	1,552	(100.0%)
Distribution from capital (Australia)	6,925	6,702	3.3%	5,917	17.0%
Distribution from capital (China)	-	-	n.m.	471	(100.0%)
Total amount available for distribution	116,261	118,783	(2.1%)	115,086	1.0%
EPU/DPU after performance fees					
Earnings per unit (cents)	3.603	4.264	(15.5%)	5.115	(29.6%)
Distribution per unit (cents)	3.970	4.059	(2.2%)	3.993	(0.6%)

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

3Q FY17/18 vs 2Q FY17/18

Gross revenue of S\$217.3 million in 3Q FY17/18 was comparable to that achieved in 2Q FY17/18.

Property operating expenses in 3Q FY17/18 increased by S\$4.4 million or 7.9%. This is mainly as a result of reversal of certain accrued property operating expenses in 2Q FY17/18 amounting to S\$2.5 million following the finalisation of the amounts payable as these balances were no longer required.

Net property income declined 1.8% from 2Q FY17/18, adversely affected by the reversal of certain property operating expenses as explained above. Excluding the effects of the reversal, net property income would have been comparable.

3Q FY17/18 recorded a foreign exchange gain of S\$13.9 million (2Q FY17/18: gain of S\$6.2 million), mainly from further strengthening of SGD against JPY and HKD in relation to both JPY and HKD denominated MTN.

A gain from disposal of investment properties amounting to S\$4.6 million was recorded in 2Q FY17/18. This arose from the disposal of two properties in Singapore, namely 10 Woodlands Link in July 2017 and No. 13 International Business Park in August 2017.

Net change in fair value of financial derivatives in 3Q FY17/18 was made up of a S\$23.4 million fair value loss on cross currency swaps (2Q FY17/18: loss of S\$6.5 million), a S\$1.4 million fair value gain on interest rates swaps (2Q FY17/18: gain of S\$4.3 million) and a S\$0.4 million fair value gain on foreign exchange forward contracts (2Q FY17/18: gain of S\$0.2 million).

3Q FY17/18 vs 3Q FY16/17

Gross revenue increased by 4.1%, mainly due to the acquisition of DNV/DSO in Singapore, 52 Fox Drive, Dandenong South in Melbourne, 100 Wickham Street in Brisbane and 108 Wickham Street in Brisbane. The completion of redevelopment works at 50 Kallang since June 2017 also contributed to the increase. These were partially offset by the divestment of A-REIT City @ Jinqiao in China as well as 10 Woodlands Link and No.13 International Business Park in Singapore.

Property operating expenses in 3Q FY17/18 increased by \$6.0 million or 11.2% mainly due to lower property tax expense in 3Q FY16/17 arising from retrospective downward revisions in the annual value of certain properties with effect from 2Q FY16/17 whereas there are no such revision in the current financial period. Excluding the effect of the non-recurrent adjustment to property tax in 3Q FY16/17, property operating expenses would have increased by 2.8%, in tandem with the growth in gross revenue.

Excluding the effects of the adjustment to property tax made in 3Q FY16/17, property operating expenses would increase in tandem with the increase in the gross revenue from 3Q FY16/17 and net property income would have increased by 4.7%.

Net finance costs were S\$25.2 million, \$13.5 million higher than that of 3Q FY16/17 mainly due to a gain on fair value of ECS amounting to S\$12.6 million that was included in 3Q FY16/17 but nil in 3Q FY17/18.

3Q FY17/18 recorded a foreign exchange gain of S\$13.9 million (3Q FY16/17: loss of S\$10.9 million), mainly from the strengthening of SGD against JPY and HKD in relation to the JPY and HKD denominated MTN respectively, while during 3Q FY16/17, the movement of SGD against the HKD and JPY was in the opposite direction.

The gain on divestment of subsidiaries recorded in 3Q FY16/17 relates to the divestment of SHJQ, which indirectly owns A-REIT City @ Jinqiao. The gain on divestment compared to the initial cost of acquisition would be approximately S\$94.4 million.

The tax expenses in 3Q FY17/18 was primarily due to withholding tax provided on the interest income on the loans made to the Australian subsidiaries. The tax credit in 3Q FY16/17 was primarily due to the reversal of deferred tax provisions (net of the estimated capital gains) in relation to the fair value gains of A-REIT City @ Jinqiao subsequent to the divestment of the property.

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 2Q FY17/18 Financial Results Announcement under Paragraph 10 on page 19. The Trust has not disclosed any financial forecast to the market.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Singapore economy grew by 3.5% year-on-year (y-o-y) in 2017 and is forecast to grow by 1.5% to 3.5% in 2018, supported by the manufacturing sector as well as externally-oriented sectors such as wholesale trade, transportation & storage and finance & insurance (Source: Ministry of Trade & Industry).

Consensus GDP growth forecast for Australia in 2017 and 2018 is 2.3% and 2.8% respectively (Source: Bloomberg). Non-mining business investment continues to support growth as Australia transitions away from commodity investment.

There is a general consensus that the global economic outlook has improved. However, downside risks to the global outlook include geopolitical tensions and a potential increase in trade protectionist policies.

In Singapore, island-wide vacancy rate of industrial properties remained at about 11% as at 31 December 2017. Ascendas Reit's Singapore occupancy rate fell by 1.3% from 90.1% in the previous quarter due to the increasing supply and stronger competition for tenants.

Year-to-date, three properties in Singapore have been divested for total proceeds of S\$60.8 million. This is in line with the Manager's proactive asset management strategy to redeploy capital and optimise returns to Unitholders.

In Australia, two suburban offices at 100 and 108 Wickham Street in Brisbane were separately acquired. This helps to diversify Ascendas Reit's portfolio geographically and improves earnings stability from its long leases and quality tenants. The Australian portfolio currently comprises 31 properties with a total value of S\$1.5 billion.

Ascendas Reit's performance for FY17/18 is expected to remain stable.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: No

(b) Corresponding financial period of the immediately preceding year

Any distributions declared for the current financial period: No

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. Use of proceeds from equity fund raising

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

Intended use of proceeds¹	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) and a logistics property located in Melbourne, Australia (now known as 52 Fox Drive, 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	32.1	7.9
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	146.8	7.9

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

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.

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 Ascendas 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
25 January 2018

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

25 Jan 2018

Dear Sirs

**Ascendas Real Estate Investment Trust and its subsidiaries
Review of interim financial information for the three-month and nine-month periods
ended 31 December 2017**

Introduction

We have reviewed the accompanying interim financial information of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the three-month and nine-month periods ended 31 December 2017 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 31 December 2017;
- Portfolio statement of the Group as at 31 December 2017;
- Statement of total return of the Group for the three-month and nine-month periods ended 31 December 2017;
- Distribution statement of the Group for the three-month and nine-month periods ended 31 December 2017;
- Statements of movements in unitholders' funds of the Group and the Trust for the three-month and nine-month periods ended 31 December 2017;
- Statement of cash flows of the Group for the nine-month period ended 31 December 2017; 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 Funds Management (S) Limited
(in its capacity as Manager of Ascendas Real Estate Investment Trust)

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.

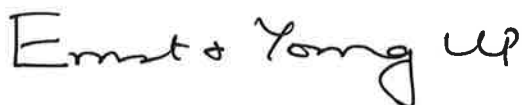
Conclusion

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

Public Accountants and
Chartered Accountants
Singapore

25 January 2018