



ASCENDAS REIT FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 100 properties in Singapore, and 31 properties in Australia, with tenant base of around 1,320 customers across the following segments: Business & Science Park/Suburban Office, High-specifications Industrial Properties/Data Centres, Light Industrial Properties/Flatted Factories, 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 YEAR ENDED 31 MARCH 2018

	Note	Group		
		01/04/17 to 31/03/18 ('FY17/18') S\$'000	01/04/16 to 31/03/17 ('FY16/17') S\$'000	Variance %
Gross revenue		862,111	830,592	3.8%
Net property income		629,400	610,954	3.0%
Total amount available for distribution:		468,045	446,304	4.9%
- from operations		438,380	420,148	4.3%
- tax-exempt income	(a)	-	10,067	(100.0%)
- from capital	(b)	29,665	16,089	84.4%
		Cents per Unit		
Distribution per Unit ("DPU")		FY17/18	FY16/17	Variance %
For the quarter from 1 January to 31 March		3.910	3.852	1.5%
- from operations		3.590	3.576	0.4%
- tax-exempt income	(a)	-	0.053	(100.0%)
- from capital	(b)	0.320	0.223	43.5%
For the period from 1 April to 31 March		15.988	15.743	1.6%
- from operations		14.976	14.824	1.0%
- tax-exempt income	(a)	-	0.359	(100.0%)
- from capital	(b)	1.012	0.560	80.7%

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 in China. 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 FY17/18 (FY16/17: S\$1.0 million or 0.037 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 were not repatriated to Singapore in 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 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	4Q FY17/18	FY17/18
Taxable	3.822	3.830	3.734	3.590	14.976
Capital	0.227	0.229	0.236	0.320	1.012
Total	4.049	4.059	3.970	3.910	15.988

DISTRIBUTION DETAILS

	1 October 2017 to 31 March 2018			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Estimated Distribution rate (cents per unit)	7.324	-	0.556	7.880
Book closure date	2 May 2018			
Payment date	24 May 2018			

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

		Group (Note a)					
		01/01/18 to 31/03/18 ('4Q FY17/18')	01/01/17 to 31/03/17 ('4Q FY16/17')	Variance %	FY17/18 S\$'000	FY16/17 S\$'000	Variance %
		S\$'000	S\$'000				
Statement of Total Return							
	Note						
Gross revenue	(b)	215,748	208,937	3.3%	862,111	830,592	3.8%
Property services fees		(7,111)	(7,382)	(3.7%)	(31,552)	(32,028)	(1.5%)
Property tax		(15,100)	(10,626)	42.1%	(59,617)	(46,363)	28.6%
Other property operating expenses		(35,667)	(36,860)	(3.2%)	(141,542)	(141,247)	0.2%
Property operating expenses	(c)	(57,878)	(54,868)	5.5%	(232,711)	(219,638)	6.0%
Net property income		157,870	154,069	2.5%	629,400	610,954	3.0%
Management fees	(d)	(12,684)	(12,171)	4.2%	(50,707)	(48,398)	4.8%
Performance fees		-	(1,902)	(100.0%)	-	(1,902)	(100.0%)
Trust and other expenses	(e)	(1,681)	(2,586)	(35.0%)	(7,714)	(10,412)	(25.9%)
Finance income	(j)	2,373	2,042	16.2%	9,081	6,832	32.9%
Finance costs	(j)	(28,218)	(36,319)	(22.3%)	(109,842)	(117,694)	(6.7%)
Foreign exchange (loss)/gain	(f)	(29,919)	26,000	n.m.	7,275	(22,987)	(131.6%)
Gain on divestment of subsidiaries	(g)	-	-	n.m.	-	21,385	(100.0%)
Gain on disposal of investment properties	(h)	724	-	n.m.	5,309	-	n.m.
Derecognition of finance lease receivables	(i)	-	2,320	(100.0%)	-	241	(100.0%)
Net non property expenses		(69,405)	(22,616)	n.m.	(146,598)	(172,935)	(15.2%)
Net income	(j)	88,465	131,453	(32.7%)	482,802	438,019	10.2%
Net change in fair value of financial derivatives	(k)	47,197	(34,252)	n.m.	9,805	(11,659)	(184.1%)
Net change in fair value of investment properties	(l)	3,800	(18,360)	(120.7%)	3,800	(18,360)	(120.7%)
Share of joint venture's results	(m)	122	124	(1.6%)	514	475	8.2%
Total return for the period before tax		139,584	78,965	76.8%	496,921	408,475	21.7%
Tax credit/(expense)	(n)	(1,097)	(1,499)	(26.8%)	(2,827)	19,012	(114.9%)
Total return for the period		138,487	77,466	78.8%	494,094	427,487	15.6%
Attributable to:							
Unitholders and perpetual securities holders		138,505	77,466	78.8%	494,118	427,480	15.6%
Non-controlling interests		(18)	-	n.m.	(24)	7	n.m.
		138,487	77,466	78.8%	494,094	427,487	15.6%
Distribution Statement							
Total return for the period attributable to Unitholders and perpetual securities holders		138,505	77,466	78.8%	494,118	427,480	15.6%
Less: Amount reserved for distribution to perpetual securities holders	(o)	(3,514)	(3,514)	0.0%	(14,250)	(14,250)	0.0%
Other net (taxable income)/ non tax deductible expenses and other adjustments	(p)	(26,071)	11,521	n.m.	(37,688)	(11,265)	n.m.
Net change in fair value of investment properties		(3,800)	18,360	(120.7%)	(3,800)	18,360	(120.7%)
Income available for distribution		105,120	103,833	1.2%	438,380	420,325	4.3%
Comprising:							
- Taxable income		105,120	103,833	1.2%	438,380	420,148	4.3%
- Tax-exempt income	(q)	-	-	n.m.	-	177	(100.0%)
Income available for distribution		105,120	103,833	1.2%	438,380	420,325	4.3%
Tax-exempt income (Australia)	(r)	-	-	n.m.	-	3,683	(100.0%)
Tax-exempt income (China)	(s)	-	1,552	(100.0%)	-	6,207	(100.0%)
Distribution from capital (Australia)	(t)	9,383	6,006	56.2%	29,665	14,206	108.8%
Distribution from capital (China)	(u)	-	471	(100.0%)	-	1,883	(100.0%)
Total amount available for distribution		114,503	111,862	2.4%	468,045	446,304	4.9%

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

Explanatory notes to the statement of total return and distribution statement

- (a) The Group had 131 properties as at 31 March 2018 and 31 March 2017. Since 31 March 2017, the Group completed (i) the acquisition of 52 Fox Drive, Dandenong South in Melbourne, Australia in April 2017, (ii) the acquisition of 100 Wickham Street in Brisbane, Australia in September 2017, (iii) the acquisition of 108 Wickham Street in Brisbane, Australia in December 2017, (iv) the divestment of 10 Woodlands Link in Singapore in July 2017, (v) the divestment of 13 International Business Park in Singapore in August 2017 and (vi) the divestment of 84 Genting Lane in Singapore in January 2018.
- (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 3.8% from FY16/17 mainly due to the acquisition of 52 Fox Drive, Dandenong South in Melbourne, Australia, 100 Wickham Street in Brisbane, Australia and 108 Wickham Street in Brisbane, Australia. The full period contribution from 197-201 Coward Street in Sydney, Australia which was acquired in September 2016, as well as 12, 14 and 16 Science Park Drive (“DNV/DSO”) in Singapore, which was acquired in February 2017, 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, 13 International Business Park and 84 Genting Lane 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 6.0% from FY16/17 as included in FY16/17 was a one-off property tax refund arising from retrospective downward revisions in the annual value of certain properties 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 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\$2.7 million to S\$7.7 million in 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 (loss)/gain 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 (loss)/gain are largely offset by the fair value movement in the foreign currency component of the cross currency swaps. Please refer to note (k) below.

FY17/18 recorded a foreign exchange gain of S\$7.3 million, mainly from the strengthening of SGD against JPY and HKD in relation to the JPY and HKD denominated Medium Term Notes (“MTN”) respectively, partially offset by realised foreign exchange loss recognised on the maturity of certain cross currency interest rate swaps during the year. FY16/17

recorded a foreign exchange loss of S\$23.0 million, mainly from the weakening of the SGD against the JPY and HKD in relation to the JPY and HKD denominated MTN respectively.

- (g) The gain on divestment of subsidiaries recorded in FY16/17 was related to the divestment of the China Portfolio.
- (h) The gain on disposal of investment properties in FY17/18 arose from the disposal of 10 Woodlands Link and 13 International Business Park in 2Q FY17/18 as well as 84 Genting Lane in 4Q FY17/18. All three properties are located in Singapore.
- (i) The finance lease receivable in relation to Four Acres Singapore in 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					
	4Q FY17/18 S\$'000	4Q FY16/17 S\$'000	Variance %	FY17/18 S\$'000	FY16/17 S\$'000	Variance %
Gross revenue						
Gross rental income	196,345	191,509	2.5%	784,308	757,116	3.6%
Other income	19,403	17,428	11.3%	77,803	73,476	5.9%
Property operating expenses						
(Provision)/Reversal of allowance for impairment loss on doubtful receivables	(8)	29	(127.6%)	(10)	54	(118.5%)
Depreciation of plant and equipment	-	-	n.m.	-	(19)	(100.0%)
Finance income (1)						
Interest income	2,373	2,042	16.2%	9,081	6,832	32.9%
	2,373	2,042	16.2%	9,081	6,832	32.9%
Finance costs (2)						
Interest expense	(27,310)	(23,134)	18.1%	(106,305)	(99,691)	6.6%
Other borrowing costs	(908)	(9,300)	(90.2%)	(3,537)	(14,433)	(75.5%)
Loss on fair value of ECS	-	(3,885)	(100.0%)	-	(3,570)	(100.0%)
	(28,218)	(36,319)	(22.3%)	(109,842)	(117,694)	(6.7%)

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

- Finance income comprises interest income from interest rate swaps and bank deposits.
 - 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) and fair value loss on Exchangeable Collateralised Securities ("ECS").
- (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					
	4Q FY17/18 S\$'000	4Q FY16/17 S\$'000	Variance %	FY17/18 S\$'000	FY16/17 S\$'000	Variance %
Fair value gain/(loss) on:						
- interest rate swaps	6,411	(8,051)	(179.6%)	7,188	3,588	100.3%
- cross currency swaps	40,527	(25,841)	n.m.	1,464	(15,011)	(109.8%)
- foreign exchange forward contracts	259	(360)	(171.9%)	1,153	(236)	n.m.
Net change in fair value of financial derivatives	47,197	(34,252)	n.m.	9,805	(11,659)	(184.1%)

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

- (l) Independent valuations for the investment properties were undertaken by CBRE Pte. Ltd., Edmund Tie & Company (SEA) Pte. Ltd., Jones Lang LaSalle Property Consultants Pte. Ltd., Savills Valuation And Professional Services (S) Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Knight Frank Pte. Ltd. and Valuations Services (NSW) Pty Ltd Trading As Knight Frank Valuations in March 2018.
- (m) Share of joint venture's results relates to the carpark operations at ONE@Changi City in Singapore, 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.
- (n) Tax expense in FY17/18 includes tax provided on (i) finance lease interest income received from a tenant, (ii) interest income in relation to a loan to a subsidiary and (iii) deferred tax expense relating to the undistributed profits in the subsidiaries of the Group. It also includes withholding tax recognised on the profits that were repatriated to Singapore from Ascendas REIT Australia that indirectly holds the 31 properties in Australia (the "Australian Portfolio").

The tax credit in 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 in China.

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

		Group					
Note	4Q FY17/18 S\$'000	4Q FY16/17 S\$'000	Variance %	FY17/18 S\$'000	FY16/17 S\$'000	Variance %	
	Management fees paid/payable in units	2,535	2,435	4.1%	10,139	9,691	4.6%
	Trustee fee	653	743	(12.1%)	2,749	2,953	(6.9%)
	Gain on divestment of subsidiaries	-	-	n.m.	-	(21,385)	(100.0%)
	Gain on disposal of investment properties	(724)	-	n.m.	(5,309)	-	n.m.
	Derecognition of finance lease receivables	-	(2,320)	(100.0%)	-	(241)	(100.0%)
	Net change in fair value of financial derivatives	(47,197)	34,252	n.m.	(9,805)	11,659	(184.1%)
	Net change in fair value of ECS	-	3,885	(100.0%)	-	3,570	(100.0%)
	Foreign exchange loss/(gain)	29,919	(26,000)	n.m.	(7,275)	22,987	(131.6%)
	Other net non tax deductible expenses and other adjustments	A 8,252	8,578	(3.8%)	29,321	27,759	5.6%
	Income from subsidiaries and joint venture	B (19,509)	(10,052)	94.1%	(63,359)	(68,258)	(7.2%)
	Rollover adjustment from prior years	C -	-	n.m.	5,851	-	n.m.
	Other net (taxable income)/ non tax deductible expenses and other adjustments	(26,071)	11,521	n.m.	(37,688)	(11,265)	n.m.

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

- A. Other net non-tax deductible expenses and other adjustments include mainly set-up costs on loan facilities, commitment fees paid on undrawn committed credit facilities, 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 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.
- (q) 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.
- (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 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.
- (t) 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 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.
- (u) 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 not 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

		Group		Trust	
		31/03/18	31/03/17	31/03/18	31/03/17
		S\$'000	S\$'000	S\$'000	S\$'000
	Note				
Non-current assets					
Investment properties		10,118,978	9,874,204	8,625,500	8,567,210
Investment properties under development	(a)	95,463	125,062	86,400	125,062
Finance lease receivables		53,243	55,627	53,243	55,627
Interest in subsidiaries	(b)	-	-	938,892	774,851
Investment in joint venture	(c)	123	126	-	-
Derivative assets	(d)	9,129	16,042	9,129	16,014
		10,276,936	10,071,061	9,713,164	9,538,764
Current assets					
Finance lease receivables		2,385	2,104	2,385	2,104
Trade and other receivables	(e)	28,337	63,497	28,275	35,506
Derivative assets	(d)	819	12,156	759	12,156
Cash and cash equivalents		25,016	22,000	3,860	4,684
Property held for sale	(f)	20,300	-	20,300	-
	(g)	76,857	99,757	55,579	54,450
Current liabilities					
Trade and other payables	(h)	143,831	192,717	140,122	186,482
Security deposits		42,095	41,946	42,044	41,887
Derivative liabilities	(d)	616	32,837	371	32,837
Short term borrowings	(i)	624,700	592,638	624,700	592,638
Term loans	(i)	285,243	-	-	-
Medium term notes	(i)	-	231,548	-	231,548
Provision for taxation		7,016	30,316	1,437	24,738
	(g)	1,103,501	1,122,002	808,674	1,110,130
Non-current liabilities					
Security deposits		77,985	78,873	76,537	77,371
Derivative liabilities	(d)	62,923	58,943	59,258	53,307
Amount due to a subsidiary		-	-	25,492	26,951
Medium term notes	(i)	1,601,066	1,230,850	1,601,066	1,230,850
Term loans and borrowings	(i)	1,008,211	1,345,030	722,968	745,087
Deferred tax liabilities	(j)	1,411	-	-	-
		2,751,596	2,713,696	2,485,321	2,133,566
Net assets					
		6,498,696	6,335,120	6,474,748	6,349,518
Represented by:					
Unitholders' funds		6,194,310	6,030,710	6,170,366	6,045,136
Perpetual securities holders	(k)	304,382	304,382	304,382	304,382
Non-controlling interests		4	28	-	-
		6,498,696	6,335,120	6,474,748	6,349,518

Gross borrowings

		Group		Trust	
		31/03/18	31/03/17	31/03/18	31/03/17
		S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings					
Amount repayable after one year		285,924	602,435	-	-
Amount repayable within one year		285,924	-	-	-
Unsecured borrowings					
Amount repayable after one year		2,328,376	1,981,617	2,328,376	1,981,617
Amount repayable within one year		624,699	824,238	624,699	824,238
		3,524,923	3,408,290	2,953,075	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 and 50 Kallang Avenue in Singapore. Subsequent to the completion of development works, 50 Kallang Avenue has been reclassified to investment properties in June 2017. As at 31 March 2018, IPUD included the progress payment made in relation to the fund-through acquisition of an Australia logistics property.
- (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 30 Old Toh Tuck Road in Singapore. The Group has on 3 April 2018 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) The decrease in trade and other payables was mainly due to the settlement of a deferred sum payable in relation to the acquisition of an investment property as well as the payment of withholding tax in relation to the advance distribution paid on the 28 February 2017.

(i) Details of borrowings

Secured Syndicated Loans

As at 31 March 2018, 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\$1,038.3 million or A\$1,024.6 million as at 31 March 2018 (31 March 2017: S\$1,060.1 million or A\$992.3 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\$1,648.8 million (comprising S\$1,075.0 million, JPY15.0 billion and HKD2,063.0 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 March 2018, 71.9% (31 March 2017: 78.9%) of the Group's interest rate exposure was fixed with an overall weighted average tenure of 3.3 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 year ended 31 March 2018 was 2.89% (31 March 2017: 3.00%).

- (j) Deferred tax liabilities relate to tax provided on the undistributed profits in the subsidiaries of the Group.

- (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			
	4Q FY17/18 S\$'000	4Q FY16/17 S\$'000	FY17/18 S\$'000	FY16/17 S\$'000
Cash flows from operating activities				
Total return for the period before tax	139,584	78,965	496,921	408,475
Adjustments for				
Provision/(Reversal) of allowance for impairment loss on doubtful receivables	8	(29)	10	(54)
Depreciation of plant and equipment	-	-	-	19
Derecognition of finance lease receivables	-	(2,320)	-	(241)
Finance income	(2,373)	(2,042)	(9,081)	(6,832)
Finance costs	28,218	36,319	109,842	117,694
Foreign exchange loss/(gain)	29,919	(26,000)	(7,275)	22,987
Gain on divestment of subsidiaries	-	-	-	(21,385)
Gain from disposal of investment properties	(724)	-	(5,309)	-
Management fees paid/payable in units	2,535	2,435	10,139	9,691
Net change in fair value of financial derivatives	(47,197)	34,252	(9,805)	11,659
Net change in fair value of investment properties	(3,800)	18,360	(3,800)	18,360
Share of joint venture's results	(122)	(124)	(514)	(475)
Operating income before working capital changes	146,048	139,816	581,128	559,898
Changes in working capital				
Trade and other receivables	(3,871)	17,229	10,984	(5,782)
Trade and other payables	(23,937)	4,486	(28,548)	(18,184)
Cash generated from operating activities	118,240	161,531	563,564	535,932
Income tax paid	37	(904)	(24,677)	(6,664)
Net cash generated from operating activities	118,277	160,627	538,887	529,268
Cash flows from investing activities				
Deposits received for the divestment of subsidiaries	-	-	-	24,087
Deposits paid for the acquisition of investment properties	-	(24,161)	-	(25,496)
Dividend received from a joint venture company	140	248	517	393
Purchase of investment properties	-	(313,688)	(206,643)	(468,903)
Payment for investment properties under development	(12,302)	(5,274)	(55,088)	(25,953)
Payment for capital improvement on investment properties	(8,548)	(24,361)	(77,630)	(76,999)
Payment of deferred sum payable for an investment property	(20,000)	-	(20,000)	-
Proceeds from the divestment of subsidiaries	-	-	-	381,503
Proceeds from the divestment of investment properties	16,680	-	60,760	-
Proceeds from the derecognition of finance lease receivables	-	-	-	34,000
Interest received	3,629	3,085	22,971	19,728
Net cash used in investing activities	(20,401)	(364,151)	(275,113)	(137,640)
Cash flows from financing activities				
Proceeds from issue of units	-	-	-	154,688
Equity issue costs paid	-	-	-	(2,690)
Distributions paid to Unitholders	-	(169,649)	(294,585)	(500,893)
Distributions paid to perpetual securities holders	-	-	(14,250)	(14,289)
Finance costs paid	(33,664)	(28,877)	(118,388)	(111,511)
Transaction costs paid in respect of borrowings	(1,322)	(1,148)	(1,633)	(1,830)
Proceeds from borrowings	354,258	484,490	1,103,111	1,513,304
Repayment of borrowings	(432,919)	(85,491)	(982,319)	(1,462,915)
Net cash (used in)/generated from financing activities	(113,647)	199,325	(308,064)	(426,136)
Net decrease in cash and cash equivalents	(15,771)	(4,199)	(44,290)	(34,508)
Cash and cash equivalents at beginning of the period	(7,000)	26,149	22,000	56,236
Effect of exchange rate changes on cash balances	(178)	50	(659)	272
Cash and cash equivalents at end of the financial period	(22,949)	22,000	(22,949)	22,000

Note:

Included in cash and cash equivalents was a bank overdraft amounting to approximately S\$48.0 million as at 31 March 2018 (Nil as at 31 March 2017).

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

	Note	Group		Trust	
		4Q FY17/18 S\$'000	4Q FY16/17 S\$'000	4Q FY17/18 S\$'000	4Q FY16/17 S\$'000
<u>Unitholders' Funds</u>					
Balance at beginning of the financial period		6,070,807	5,935,468	6,072,926	5,989,481
<u>Operations</u>					
Total return for the period attributable to Unitholders and perpetual securities holders		138,505	77,466	98,419	48,153
Less: Amount reserved for distribution to perpetual securities holders		(3,514)	(3,514)	(3,514)	(3,514)
Net increase in net assets from operations		134,991	73,952	94,905	44,639
Movement in foreign currency translation reserve	(a)	(14,023)	10,274	-	-
<u>Unitholders' transactions</u>					
New Units issued	(b)	-	74,030	-	74,030
Consideration Units for acquisition of property	(c)	-	100,000	-	100,000
Acquisition fees paid in units		-	4,200	-	4,200
Management fees paid/payable in Units		2,535	2,435	2,535	2,435
Distributions to Unitholders	(d)	-	(169,649)	-	(169,649)
Net (decrease)/increase in net assets from Unitholders' transactions		2,535	11,016	2,535	11,016
Balance at end of the financial period		6,194,310	6,030,710	6,170,366	6,045,136
<u>Perpetual Securities Holders' Funds</u>					
Balance at beginning of the financial period		300,868	300,868	300,868	300,868
Amount reserved for distribution to perpetual securities holders		3,514	3,514	3,514	3,514
Balance at end of the financial period		304,382	304,382	304,382	304,382
<u>Non-controlling interests</u>					
Balance at beginning of the financial period		22	28	-	-
Total return for the period attributable to non-controlling interests		(18)	-	-	-
Balance at end of the financial period		4	28	-	-
Total		6,498,696	6,335,120	6,474,748	6,349,518

Footnotes

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries.
- (b) In 4Q FY16/17, 30,902,492 new Units were issued at \$2.0144 per Unit pursuant to the conversion of ECS on various dates during the quarter.
- (c) In 4Q FY16/17, 40,834,660 new Units were issued on 16 February 2017, at an issue price of \$2.4489 per unit as partial consideration for the acquisition of DNV/DSO.
- (d) The distribution paid in 4Q FY16/17 comprised of income available for distribution to Unitholders for the period from 1 October 2016 to 15 February 2017.

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	Note	Group		Trust	
		FY17/18 S\$'000	FY16/17 S\$'000	FY17/18 S\$'000	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		494,118	427,480	423,926	525,288
Less: Amount reserved for distribution to perpetual securities holders		(14,250)	(14,250)	(14,250)	(14,250)
Net increase in net assets from operations		479,868	413,230	409,676	511,038
Movement in foreign currency translation reserve	(a)	(31,822)	15,006	-	-
Divestment of subsidiary	(b)	-	(1,060)	-	-
<u>Unitholders' transactions</u>					
New Units issued	(c)	-	512,257	-	512,257
Equity issue costs		-	(2,600)	-	(2,600)
Consideration Units for acquisition of property	(d)	-	100,000	-	100,000
Acquisition fees paid in units		-	4,200	-	4,200
Management fees paid/payable in Units		10,139	9,691	10,139	9,691
Distributions to Unitholders	(e)	(294,585)	(500,893)	(294,585)	(500,893)
Net (decrease)/increase in net assets from Unitholders' transactions		(284,446)	122,655	(284,446)	122,655
Balance at end of the financial period		6,194,310	6,030,710	6,170,366	6,045,136
<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		14,250	14,250	14,250	14,250
Distributions to Perpetual Securities Holders		(14,250)	(14,289)	(14,250)	(14,289)
Balance at end of the financial period		304,382	304,382	304,382	304,382
<u>Non-controlling interests</u>					
Balance at beginning of the financial period		28	21	-	-
Total return for the period attributable to non-controlling interests		(24)	7	-	-
Balance at end of the financial period		4	28	-	-
Total		6,498,696	6,335,120	6,474,748	6,349,518

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) In FY16/17, 148,587,770 new Units were issued at issue prices ranging between \$2.0144 to \$2.0505 per Unit pursuant to the conversion of ECS on various dates during FY16/17, and 64,000,000 new Units were issued on 11 August 2016 pursuant to a private placement at an issue price of \$2.417 per Unit.

- (d) In FY16/17, 40,834,660 new Units were issued on 16 February 2017, at an issue price of \$2.4489 per unit as partial consideration for the acquisition of DNV/DSO.
- (e) The distribution paid in 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 FY16/17 comprised of income available for distribution to Unitholders for the period from 18 December 2015 to 15 February 2017.

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

	Group and Trust			
	4Q FY17/18 Units	4Q FY16/17 Units	FY17/18 Units	FY16/17 Units
Issued Units at beginning of the financial period	2,928,503,929	2,851,335,332	2,924,767,194	2,665,576,050
Issue of new Units:				
- Management fees paid in Units	-	-	3,736,735	4,074,004
- Acquisition fees paid in Units	-	1,694,710	-	1,694,710
- Equity fund raising	-	-	-	64,000,000
- Consideration Units for acquisition of property	-	40,834,660	-	40,834,660
- Conversion of ECS	-	30,902,492	-	148,587,770
Issued Units at the end of the financial period	2,928,503,929	2,924,767,194	2,928,503,929	2,924,767,194
Units to be issued:				
Management fees payable in Units	1,288,798	1,292,901	1,288,798	1,292,901
Units issued and issuable at end of the financial period	2,929,792,727	2,926,060,095	2,929,792,727	2,926,060,095

As at 31 March 2018 and 31 March 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.

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 March 2018 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 or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the 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		4Q FY17/18	4Q FY16/17	FY17/18	FY16/17
<u>EPU</u>					
<u>Basic EPU</u>					
	Weighted average number of Units	2,928,518,249	2,895,371,835	2,926,787,818	2,787,083,937
	Earnings per Unit in cents	(a) 4.610	2.554	16.396	14.827
<u>Diluted EPU</u>					
	Weighted average number of Units	2,928,518,249	2,895,371,835	2,926,787,818	2,787,083,937
	Earnings per Unit in cents (diluted)	(b) 4.610	2.554	16.396	14.827
<u>DPU</u>					
	Number of Units in issue	2,928,503,929	2,924,767,194	2,928,503,929	2,924,767,194
	Distribution per Unit in cents	3.910	3.852	15.988	15.743

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) Dilutive EPU is determined by adjusting the total return for the period and the weighted average number of Units issued and issuable during that period on the basis that all dilutive instruments as at the end of the period were converted at the beginning of the period. Dilutive instruments shall be treated as dilutive only when their conversion to Units would decrease EPU.

The diluted EPU is equivalent to the basic EPU as no dilutive instruments were in issue as at 31 March 2018 and 31 March 2017, subsequent to all the ECS being exchanged and cancelled in accordance with the terms and conditions of the ECS.

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

		Group		Trust	
		31/03/18 cents	31/03/17 cents	31/03/18 cents	31/03/17 cents
Net asset value per Unit	Note	212	206	211	207
Adjusted net asset value per Unit	(a)	204	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				
	4Q FY17/18	3Q FY17/18	Variance	4Q FY16/17	Variance
	(A)	(B)	(A) vs (B)	(C)	(A) vs (C)
	S\$'000	S\$'000	%	S\$'000	%
Gross revenue	215,748	217,279	(0.7%)	208,937	3.3%
Property operating expenses	(57,878)	(59,654)	(3.0%)	(54,868)	5.5%
Net property income	157,870	157,625	0.2%	154,069	2.5%
Non property expenses	(14,365)	(14,843)	(3.2%)	(16,659)	(13.8%)
Net finance costs	(25,845)	(25,181)	2.6%	(34,277)	(24.6%)
Foreign exchange (loss)/gain	(29,919)	13,926	n.m.	26,000	n.m.
Gain on disposal of investment properties	724	-	n.m.	-	n.m.
Derecognition of finance lease receivables	-	-	n.m.	2,320	(100.0%)
	(69,405)	(26,098)	165.9%	(22,616)	n.m.
Net income	88,465	131,527	(32.7%)	131,453	(32.7%)
Net change in fair value of financial derivatives	47,197	(21,570)	n.m.	(34,252)	n.m.
Net change in fair value of investment properties	3,800	-	n.m.	(18,360)	(120.7%)
Share of joint venture's results	122	145	(15.9%)	124	(1.6%)
Total return for the period before tax	139,584	110,102	26.8%	78,965	76.8%
Tax expense	(1,097)	(1,055)	4.0%	(1,499)	(26.8%)
Total return for the period	138,487	109,047	27.0%	77,466	78.8%
Attributable to:					
Unitholders and perpetual securities holders	138,505	109,049	27.0%	77,466	78.8%
Non-controlling interests	(18)	(2)	n.m.	-	n.m.
Total return for the period	138,487	109,047	27.0%	77,466	78.8%

Statement of distribution

Total return for the period attributable to Unitholders and perpetual securities holders	138,505	109,049	27.0%	77,466	78.8%
Less: Amount reserved for distribution to perpetual securities holders	(3,514)	(3,591)	(2.1%)	(3,514)	0.0%
Net effect of (taxable income)/ non tax deductible expenses and other adjustments	(26,071)	3,878	n.m.	11,521	n.m.
Net change in fair value of investment properties	(3,800)	-	n.m.	18,360	(120.7%)
Income available for distribution	105,120	109,336	(3.9%)	103,833	1.2%
Income available for distribution	105,120	109,336	(3.9%)	103,833	1.2%
Tax-exempt income (China)	-	-	n.m.	1,552	(100.0%)
Distribution from capital (Australia)	9,383	6,925	35.5%	6,006	56.2%
Distribution from capital (China)	-	-	n.m.	471	(100.0%)
Total amount available for distribution	114,503	116,261	(1.5%)	111,862	2.4%
EPU/DPU					
Earnings per unit (cents)	4.610	3.603	27.9%	2.554	80.5%
Distribution per unit (cents)	3.910	3.970	(1.5%)	3.852	1.5%

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

4Q FY17/18 vs 3Q FY17/18

Net property income in 4Q FY17/18 was comparable to that achieved in 3Q FY17/18, as the contributions from the acquisition of 108 Wickham Street in Brisbane, Australia in December 2017 was partly offset by the divestment of 84 Genting Lane in Singapore in January 2018.

4Q FY17/18 recorded a foreign exchange loss of S\$29.9 million (3Q FY17/18: gain of S\$13.9 million), mainly from the maturity of certain cross currency interest rate swaps that matured during the quarter.

The gain on disposal of investment properties amounting to S\$0.7 million in 4Q FY17/18 relates to the disposal of 84 Genting Lane in Singapore in January 2018.

Net change in fair value of financial derivatives in 4Q FY17/18 was made up of a S\$40.5 million fair value gain on cross currency swaps (3Q FY17/18: loss of S\$23.4 million), a S\$6.4 million fair value gain on interest rates swaps (3Q FY17/18: gain of S\$1.4 million) and a S\$0.3 million fair value gain on foreign exchange forward contracts (3Q FY17/18: gain of S\$0.4 million).

4Q FY17/18 vs 4Q FY16/17

Gross revenue increased by 3.3%, mainly due to the acquisition of DNV/DSO in Singapore, 52 Fox Drive, Dandenong South in Melbourne, Australia, 100 Wickham Street and 108 Wickham Street in Brisbane, Australia. The completion of redevelopment works at 50 Kallang Avenue in Singapore since June 2017 also contributed to the increase. These were partially offset by the divestment of 10 Woodlands Link, 13 International Business Park and 84 Genting Lane in Singapore.

Property operating expenses in 4Q FY17/18 increased by \$3.0 million or 5.5% as included in 4Q FY16/17 was a one-off property tax refund arising from retrospective downward revisions in the annual value of certain properties whereas there are no such revision in the current financial period.

Non property expenses decreased by 13.8% as included in 4Q FY16/17 was a performance fees of S\$1.9 million (4Q FY17/18: Nil).

Net finance costs were S\$25.8 million, \$8.4 million lower than that of 4Q FY16/17. Included in 4Q FY16/17 was an accretion loss on security deposit of S\$7.1 million.

4Q FY17/18 recorded a foreign exchange loss of S\$29.9 million (4Q FY16/17: gain of S\$26.0 million), mainly from the maturity of certain cross currency interest rate swaps during the quarter.

A gain on de-recognition of finance lease receivables of S\$2.3 million was recognised in 4Q FY16/17 subsequent to Ascendas Reit obtaining a remission of seller's stamp duty in relation to the divestment during the quarter.

Net change in fair value of financial derivatives in 4Q FY17/18 was made up of a S\$40.5 million fair value gain on cross currency swaps (4Q FY16/17: loss of S\$25.8 million), a S\$6.4 million fair value gain on interest rates swaps (4Q FY16/17: loss of S\$8.1 million) and a S\$0.3 million fair value gain on foreign exchange forward contracts (4Q FY16/17: loss of S\$0.4 million).

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 3Q 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 Ministry of Trade & Industry expects Singapore's 2018 GDP growth to moderate to 1.5% to 3.5%, after recording a 3.6% y-o-y growth in 2017. In 1Q 2018, the economy expanded by 4.3% y-o-y based on advance GDP estimate. The Monetary Authority of Singapore announced that it will be increasing slightly the slope of the S\$ nominal effective exchange rate policy band to allow for "modest and gradual" appreciation of the currency.

In Australia, consensus GDP growth forecast for 2018 is stronger at 2.7% y-o-y, from 2.3% y-o-y in 2017 (source: Bloomberg). The Australian economy is underpinned by the accommodative monetary policy and the diminishing drag from the decline in mining investment.

A rebound in investment and trade has contributed to the cyclical recovery in the global economy. However, the global outlook is still subject to downside risks, including in particular the escalating trade tensions between the US and China.

Ascendas Reit's Singapore portfolio occupancy rate improved to 89.5% as at 31 March 2018 from 88.8% a quarter ago. On the back of an improving economy and the tapering off of new industrial property supply, there are market expectations of a gradual recovery of the industrial property market. Although leasing enquiries have improved in recent months, businesses are still cautious and some are still consolidating and right-sizing.

The Australian portfolio maintained a high occupancy rate of 98.5%. The 31 properties are well-located in the key cities of Sydney, Melbourne and Brisbane. We expect our performance in Australia to remain stable.

The financial markets have been volatile. Interest rates are widely expected to continue rising in the months ahead. With a prudent capital management strategy in place (e.g. 71.9% of our borrowings are at fixed interest rates) and a well-spread out debt expiry profile, we are well positioned to mitigate the impact of interest rate increases and maintain an optimal financial position.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 56th distribution for the period from 1 October 2017 to 31 March 2018

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per unit)	7.324	-	0.556	7.880

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: 2 May 2018

Payment date: 24 May 2018

(b) Corresponding financial period of the immediately preceding year

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 53rd distribution for the period from 1 October 2016 to 15 February 2017

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per unit)	5.475	0.080	0.331	5.886

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: 6 February 2017

Payment date: 28 February 2017

(ii) Name of distribution: 54th distribution for the period from 16 February 2017 to 31 March 2017

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per unit)	1.818	0.027	0.114	1.959

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: 4 May 2017

Payment date: 1 June 2017

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 High-Specifications Industrial property located in Singapore to convert the property from a multi-tenant building to a single-tenant building	40.0	39.5	0.5
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	154.2	0.5

15. 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 1 October 2017 to 31 March 2018:

The Manager is satisfied on reasonable grounds that, immediately after making the distribution, Ascendas Reit will be able to fulfill, 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.

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.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

18. Segmented revenue and results for business or geographical segments

	Note	Group		
		FY17/18 S\$'000	FY16/17 S\$'000	Variance %
Gross revenue				
Business & Science Park/Suburban Office	(a)	314,249	291,981	7.6%
High-Specifications Industrial Properties		191,375	190,780	0.3%
Light Industrial Properties		93,400	93,433	(0.0%)
Logistics and Distributions Centres	(b)	201,643	193,166	4.4%
Integrated Development, Amenities & Retail		61,445	61,232	0.3%
Total Gross revenue	(e)	862,111	830,592	3.8%
Net property income				
Business & Science Park/Suburban Office	(a)	220,814	200,716	10.0%
High-Specifications Industrial Properties	(c)	142,020	150,835	(5.8%)
Light Industrial Properties	(d)	65,087	66,720	(2.4%)
Logistics and Distributions Centres	(b)	153,785	145,772	5.5%
Integrated Development, Amenities & Retail		47,694	46,912	1.7%
Total Net property income	(e)	629,400	610,954	3.0%

Footnotes

- (a) The increase in gross revenue and net property income in Business and Science Park Properties is mainly due to (i) full year contribution from DNV/DSO in Singapore and 197-201 Coward Street in Sydney, Australia (ii) the acquisition of 100 Wickham Street and 108 Wickham Street in Brisbane, Australia, (iii) partially offset by the divestment of 13 International Business Park in Singapore.
- (b) The increase in gross revenue and net property income in Logistics and Distribution Centres is mainly due to the acquisition of 52 Fox Drive, Dandenong South in Melbourne, Australia and higher operating performance from Australia properties.
- (c) The decrease in net property income in High-Specifications Industrial Properties is mainly due to one-off property tax refund arising from retrospective downward revisions in the annual value of certain properties whereas there are no such revision in the current financial period.
- (d) The decrease in net property income in Light Industrial is mainly due to the divestment of 10 Woodlands Link and 84 Genting Lane in Singapore.
- (e) Please refer to paragraphs 1(a)(i)(b) and 1(a)(i)(c) on page 4 for details.

	Note	Group		
		FY17/18 S\$'000	FY16/17 S\$'000	Variance %
<u>Gross revenue</u>				
Singapore		752,222	730,128	3.0%
Australia		109,889	90,447	21.5%
China		-	10,017	n.m.
Total Gross revenue	(a)	862,111	830,592	3.8%
<u>Net property income</u>				
Singapore		536,856	528,409	1.6%
Australia		92,544	75,872	22.0%
China		-	6,673	n.m.
Total Net property income	(a)	629,400	610,954	3.0%

Footnotes

(a) Please refer to paragraphs 1(a)(i)(b) and 1(a)(i)(c) on page 4 for details.

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

Please refer to paragraph 8 on pages 17 to 18 for the review of the actual performance.

20. Breakdown of revenue

	Note	Group		
		FY17/18 S\$'000	FY16/17 S\$'000	Variance %
Gross revenue reported for first half year	(a)	429,084	413,029	3.9%
Net income after tax for first half year	(b)	262,135	182,871	43.3%
Gross revenue reported for second half year	(c)	433,027	417,563	3.7%
Net income after tax for second half year	(d)	217,840	274,160	(20.5%)

Footnotes

(a) Gross revenue for the first half of FY17/18 ("1H FY17/18") increased by 3.9% over the first half of FY16/17 ("1H FY16/17"), mainly attributable to contributions from the acquisition of 197-201 Coward Street in Sydney, 52 Fox Drive, Dandenong South in Melbourne and DNV/DSO in Singapore. This was partially offset by the divestment of Ascendas Z-Link and A-REIT City @ Jinqiao as well as the decommissioning of 50 Kallang Avenue for asset enhancement works.

(b) Net income after tax for 1H FY17/18 increased by 43.3% over 1H FY16/17 mainly due to (i) increase in Net Property Income of S\$12.0 million, (ii) foreign exchange gain recognised in 1H FY17/18 of S\$23.3 million (1H FY16/17: loss S\$38.1 million) and (iii) gain on disposal from the divestment of 10 Woodlands Link and 13 International Business Park of S\$4.6 million in 1H FY17/18 (1H FY16/17: nil). Included in 1H FY16/17 was a tax credit of \$11.7 million (1H FY17/18: tax expense of \$0.7 million) and a fair value loss on ECS amounting \$12.3 million (1H FY17/18: nil).

- (c) Gross revenue for the second half of FY17/18 (“2H FY17/18”) increased by 3.7% over the second half of FY16/17 (“2H FY16/17”), mainly attributable to (i) the full year contribution from DNV/DSO in Singapore, which was acquired during the second half of FY16/17; (ii) contributions from the acquisition of the 52 Fox Drive in Melbourne, 100 Wickham Street and 108 Wickham Street in Brisbane, Australia; as well as (iii) the completion of redevelopment works at 50 Kallang Avenue. This was partially offset by the divestment of 10 Woodlands Link, 13 International Business Park and 84 Genting Lane in Singapore.
- (d) Net income after tax for 2H FY17/18 decreased by 20.0% over 2H FY16/17 despite an increase in Net Property Income of \$6.5 million mainly due to (i) foreign exchange loss recognised in 2H FY17/18 of S\$16.0 million (2H FY16/17: gain S\$15.1 million) (ii) gain on disposal of subsidiaries recorded in 2H FY16/17 amounting to \$16.3 million (2H FY17/18: nil), (iii) a tax credit of S\$7.4 million recorded in 2H FY16/17 (2H FY17/18: tax expense of \$0.7 million) and (iv) gain on the fair value of ECS in 2H FY16/17 amounting to S\$8.7 million (2H FY17/18: nil).

21. Breakdown of the total distribution for the financial years ended 31 March 2018 and 31 March 2017

	Group	
	FY17/18 S\$'000	FY16/17 S\$'000
1 Jan 18 to 31 Mar 18	114,503	-
1 Oct 17 to 31 Dec 17	116,261	-
1 Jul 17 to 30 Sep 17	118,783	-
1 Apr 17 to 30 Jun 17	118,498	-
1 Jan 17 to 31 Mar 17	-	111,862
1 Oct 16 to 31 Dec 16	-	115,086
1 July 16 to 30 Sep 16	-	112,503
1 Apr 16 to 30 Jun 16	-	106,853
Total distribution to unitholders	468,045	446,304

22. Confirmation pursuant to Rule 704(13) of the Listing Manual

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

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support 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
23 April 2018