

**ASCENDAS REAL ESTATE INVESTMENT TRUST  
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**



**Summary of Ascendas Reit Group Results**

	Note	01/04/19 to 30/09/19 ('1H FY2019') S\$'000	01/04/18 to 30/09/18 ('1H FY18/19') S\$'000	Variance %
Gross revenue		459,323	434,693	5.7%
Net property income		355,398	318,113	11.7%
Total amount available for distribution:		248,486	232,313	7.0%
- Taxable income		215,763	211,550	2.0%
- Distribution from capital	(a)	32,723	20,763	57.6%
<b>Distribution per Unit ("DPU") (cents)</b>				
		1H FY2019	1H FY18/19	Variance %
For the quarter from 1 July to 30 September		3.978	3.887	2.3%
- Taxable income		3.436	3.513	(2.2%)
- Distribution from capital	(a)	0.542	0.374	44.9%
For the period from 1 April to 30 September		7.983	7.889	1.2%
- Taxable income		6.931	7.184	(3.5%)
- Distribution from capital	(a)	1.052	0.705	49.2%

**Footnotes**

- (a) This relates to the distribution of (i) income repatriated from Australia by way of tax deferred distributions and/or shareholder loan repayment, (ii) net income attributable to properties in the United Kingdom ("UK"), (iii) reimbursements received from vendors in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of certain properties in Australia and the UK, and (iv) rental support received from vendors in relation to the acquisition of certain properties in Australia and the UK. 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.

**DISTRIBUTION DETAILS**

	1 April 2019 to 30 September 2019			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Distribution rate (cents per unit)	6.931	-	1.052	7.983
Book closure date	11 November 2019 (Monday)			
Payment date	3 December 2019 (Tuesday)			

**ASCENDAS REAL ESTATE INVESTMENT TRUST  
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## **Introduction**

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.

As at 30 September 2019, Ascendas Reit and its subsidiaries (the “Group”) have a diversified portfolio of 97 properties in Singapore, 35 properties in Australia and 38 properties in the UK, with a tenant base of more than 1,300 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’s results include the consolidation of subsidiaries and a joint venture. The commentaries provided are based on the consolidated Group results unless otherwise stated.

## **Change of financial year end**

As described in the announcement made by the Manager dated 24 July 2019 in relation to the Change of Ascendas Reit’s Financial Year end, Ascendas Reit changed its financial year end from 31 March to 31 December. Therefore, the current financial year is a nine-month period from 1 April 2019 to 31 December 2019 (“FY2019”). Thereafter, Ascendas Reit’s financial year will be a 12-month period ending on 31 December each year. The comparative financial year was a 12-month period from 1 April 2018 to 31 March 2019 (“FY18/19”).

Following the change in the financial year end of Ascendas Reit, Ascendas Reit will issue its annual report within four months, and its unaudited financial statement for the full financial year within 60 days, after the end of the current financial year (i.e. 31 December 2019).

For the current financial year ending 31 December 2019, the regular distributions to Unitholders of Ascendas Reit shall be for the six-month period ended 30 September 2019 and three-month period ending 31 December 2019. Thereafter, the regular distributions shall be made on a semi-annual basis for every six-month period ending 30 June and 31 December each year.

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

	Note	Group					
		2Q		Variance %	1H		Variance %
		FY2019 S\$'000	FY18/19 S\$'000		FY2019 S\$'000	FY18/19 S\$'000	
<b>Gross revenue</b>	(a)	<b>229,649</b>	218,131	5.3%	<b>459,323</b>	434,693	5.7%
Property services fees		<b>(8,407)</b>	(8,416)	(0.1%)	<b>(16,680)</b>	(16,604)	0.5%
Property tax	(b)	<b>(14,391)</b>	(12,451)	15.6%	<b>(29,043)</b>	(25,196)	15.3%
Land rent	(b)	-	(7,925)	(100.0%)	-	(16,029)	(100.0%)
Other property operating expenses		<b>(28,912)</b>	(30,433)	(5.0%)	<b>(58,202)</b>	(58,751)	(0.9%)
<b>Property operating expenses</b>	(b)	<b>(51,710)</b>	(59,225)	(12.7%)	<b>(103,925)</b>	(116,580)	(10.9%)
<b>Net property income</b>		<b>177,939</b>	158,906	12.0%	<b>355,398</b>	318,113	11.7%
Management fees	(c)	<b>(14,196)</b>	(13,409)	5.9%	<b>(28,313)</b>	(26,308)	7.6%
Trust and other expenses	(d)	<b>(2,099)</b>	(2,296)	(8.6%)	<b>(4,197)</b>	(4,230)	(0.8%)
Finance income	(g)	<b>2,693</b>	2,629	2.4%	<b>5,452</b>	5,033	8.3%
Finance costs	(g)	<b>(40,018)</b>	(31,636)	26.5%	<b>(81,101)</b>	(60,795)	33.4%
Foreign exchange differences	(e)	<b>(21,420)</b>	7,919	n.m.	<b>(29,078)</b>	(13,315)	118.4%
Gain on disposal of investment properties	(f)	<b>3,220</b>	1,731	n.m.	<b>3,220</b>	5,088	n.m.
<b>Net non property expenses</b>		<b>(71,820)</b>	(35,062)	104.8%	<b>(134,017)</b>	(94,527)	41.8%
<b>Net income</b>	(g)	<b>106,119</b>	123,844	(14.3%)	<b>221,381</b>	223,586	(1.0%)
Net change in fair value of financial derivatives	(h)	<b>22,289</b>	(4,076)	n.m.	<b>48,686</b>	11,224	n.m.
Change in fair value of right-of-use assets	(b)	<b>(1,546)</b>	-	n.m.	<b>(3,093)</b>	-	n.m.
Share of joint venture's results	(i)	<b>130</b>	127	2.4%	<b>264</b>	246	7.3%
<b>Total return for the period before tax</b>		<b>126,992</b>	119,895	5.9%	<b>267,238</b>	235,056	13.7%
Tax expense	(j)	<b>(3,888)</b>	(2,390)	62.7%	<b>(6,374)</b>	(4,814)	32.4%
<b>Total return for the period</b>		<b>123,104</b>	117,505	4.8%	<b>260,864</b>	230,242	13.3%
<b>Attributable to:</b>							
Unitholders and perpetual securities holders		<b>123,104</b>	117,522	4.7%	<b>260,864</b>	230,259	13.3%
Non-controlling interests		-	(17)	(100.0%)	-	(17)	(100.0%)
		<b>123,104</b>	117,505	4.8%	<b>260,864</b>	230,242	13.3%
<b>Distribution Statement</b>							
Total return for the period attributable to Unitholders and perpetual securities holders		<b>123,104</b>	117,522	4.7%	<b>260,864</b>	230,259	13.3%
Less: Amount reserved for distribution to perpetual securities holders	(k)	<b>(3,592)</b>	(3,592)	-	<b>(7,145)</b>	(7,145)	-
Other net non tax deductible expenses/ (taxable income) and other adjustments	(l)	<b>(12,547)</b>	(9,962)	25.9%	<b>(37,956)</b>	(11,564)	n.m.
<b>Income available for distribution</b>		<b>106,965</b>	103,968	2.9%	<b>215,763</b>	211,550	2.0%
Total amount available for distribution comprising:							
- Taxable income		<b>106,965</b>	103,968	2.9%	<b>215,763</b>	211,550	2.0%
- Distribution from capital	(m)	<b>16,857</b>	11,074	52.2%	<b>32,723</b>	20,763	57.6%
<b>Total amount available for distribution</b>		<b>123,822</b>	115,042	7.6%	<b>248,486</b>	232,313	7.0%

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

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**Explanatory notes to the statement of total return and distribution statement**

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

Gross revenue increased by 5.7% in 1H FY2019, mainly due to contributions from the 2 UK logistics portfolios acquired in FY18/19 consisting of a total of 38 properties.

- (b) Property operating expenses comprise property services fees, property taxes and other expenses such as maintenance and conservancy costs, utilities expenses, marketing fees, land rent and other miscellaneous property-related expenses.

Other property operating expenses decreased mainly due to the lower professional fees incurred in 1H FY2019. Higher property tax in 1H FY2019 was due to the lower property tax expenses in 1H FY18/19 arising from the retrospective downward revisions in the annual value of certain properties.

The Group is required to pay land rent, whether annually or on an upfront land premium basis to various land owners for the properties in its portfolio. The Group adopted Singapore Financial Reporting Standard 116 *Leases* ("FRS 116") on a modified retrospective basis on 1 April 2019 and did not adjust its comparatives for the effects arising from the adoption of the new standard.

With the adoption of FRS 116, the Group is required to recognise the land leases on the Statement of Financial Position to reflect the right to use of leasehold land and the associated obligation for the lease payments as lease liabilities. The right-of-use of leasehold land and the corresponding lease liabilities are derived by discounting the future lease payments using the Group's incremental borrowing rate for borrowings of similar amount and tenor, and with similar security.

As at 1 April 2019 (the date of adoption of FRS 116), the Group recognised the right-of-use of leasehold land of S\$625.9 million and lease liabilities of the same amount for its leases previously classified as operating land leases on the Statement of Financial Position. The adoption of FRS 116 has no impact on the net assets, total return and distributable amount to Unitholders.

Prior to the adoption of FRS 116, lease payments made for land rental are presented as land rent expenses in arriving at the net property income on the Statement of Total Return and form part of the Group's operating cash flows on the Cash Flow Statement. However, with the adoption of FRS 116, such payments are now reflected as finance cost and fair value change of the right-of-use of leasehold land on the Statement of Total Return and as payments for lease liabilities under financing cash flows on the Cash Flow Statement.

In 1H FY2019, the Group recognised finance cost on lease liabilities for leasehold land of S\$13.3 million (see note (g) below) and change in fair value of right-of-use of leasehold land of S\$3.1 million on the Statement of Total Return.

- (c) Higher management fees in 1H FY2019 were mainly due to higher deposited property under management attributable to the new portfolio acquisitions in the UK made during the last financial year. The Manager has elected to receive 20% of the base management fees in Units and the other 80% in cash. The effects arising from the adoption of FRS 116 have been excluded from the computation of the base management fee.
- (d) Trust and other expenses comprise statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses.
- (e) Foreign exchange differences arose mainly from the revaluation of AUD, GBP, HKD, USD and JPY denominated borrowings. Cross currency swaps were entered into to hedge against the foreign exchange exposure of HKD, USD and JPY denominated borrowings. Hence, the foreign exchange differences were largely offset by fair value movements in the foreign currency component of the cross currency swaps. Please refer to note (h) below.

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In 1H FY2019, the Group recorded a foreign exchange loss of S\$29.1 million, which was mainly attributable to the weakening of SGD against JPY and HKD in relation to both JPY and HKD denominated Medium Term Notes (“MTN”). In 1H FY18/19, the Group recorded a foreign exchange loss of S\$13.3 million mainly due to SGD depreciating against HKD and USD in relation to the HKD denominated MTN and certain USD denominated credit facilities.

(f) The gain on disposal of investment property in 1H FY2019 arose primarily from the disposal of No. 8 Loyang Way 1 in Singapore in September 2019. In 1H FY18/19, the Trust divested 30 Old Toh Tuck Road and 41 Changi South Avenue 2 in Singapore.

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

	Note	Group					
		2Q	2Q	Variance	1H	1H	Variance
		FY2019	FY18/19		FY2019	FY18/19	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
<b>Gross revenue</b>							
Gross rental income		<b>206,850</b>	195,779	5.7%	<b>414,047</b>	390,541	6.0%
Other income		<b>22,799</b>	22,352	2.0%	<b>45,276</b>	44,152	2.5%
<b>Property operating expenses</b>							
Reversal of allowance for impairment loss on doubtful receivables		-	27	n.m.	1	10	n.m.
<b>Finance income</b>							
Interest income	(1)	<b>2,693</b>	2,629	2.4%	<b>5,452</b>	5,033	8.3%
<b>Finance costs</b>							
Interest expense	(2)	<b>(32,683)</b>	(30,807)	6.1%	<b>(66,258)</b>	(59,093)	12.1%
Other borrowing costs		<b>(728)</b>	(829)	(12.2%)	<b>(1,543)</b>	(1,702)	(9.3%)
Finance costs on lease liabilities		<b>(6,607)</b>	-	n.m.	<b>(13,300)</b>	-	n.m.
		<b>(40,018)</b>	(31,636)	26.5%	<b>(81,101)</b>	(60,795)	33.4%

Note: “n.m.” denotes “not meaningful”

- Finance income comprises receipts from interest rate swaps and interest income from bank deposits.
- Finance costs comprise interest expenses on borrowings, payments on interest rate swaps, amortised costs of establishing debt facilities (including the MTNs, term loan facilities and committed revolving credit facilities), and the finance costs on lease liabilities. Please refer to note 1(a)(i)(b) for the details on the finance costs on lease liabilities with the adoption of FRS116.

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

	Group						
	2Q	2Q	Variance	1H	1H	Variance	
	FY2019	FY18/19		FY2019	FY18/19		
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Fair value (loss)/gain on:							
- interest rate swaps		<b>(3,441)</b>	(509)	n.m.	<b>(11,118)</b>	3,070	n.m.
- cross currency swaps		<b>25,799</b>	(3,426)	n.m.	<b>59,939</b>	8,745	n.m.
- foreign exchange forward contracts		<b>(69)</b>	(141)	n.m.	<b>(135)</b>	(591)	n.m.
<b>Net change in fair value of financial derivatives</b>		<b>22,289</b>	(4,076)	n.m.	<b>48,686</b>	11,224	n.m.

Note: “n.m.” denotes “not meaningful”

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- (i) 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 Group uses the equity method to account for the results of CCP LLP.
- (j) Tax expense includes income tax expenses of subsidiaries holding properties in the UK, withholding tax paid on interest payments and distributions from Australia as well as deferred tax expense on the undistributed profits and gains in certain overseas subsidiaries.
- (k) Ascendas Reit issued S\$300 million of subordinated perpetual securities (the "Perpetual Securities") in 2015. The Perpetual Securities confer the holders a right to receive distribution payments at 4.75% per annum, with the first distribution rate reset on 14 October 2020 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Perpetual Securities.
- (l) Net effect of non-tax deductible expenses/(taxable income) and other adjustments comprises:

	Note	Group					
		2Q FY2019 S\$'000	2Q FY18/19 S\$'000	Variance %	1H FY2019 S\$'000	1H FY18/19 S\$'000	Variance %
Management fees paid/payable in units		2,835	2,683	5.7%	5,648	5,262	7.3%
Trustee fee		520	495	5.1%	1,033	973	6.2%
Gain on disposal of investment property		(3,220)	(1,731)	n.m.	(3,220)	(5,088)	n.m.
Net change in fair value of financial derivatives		(22,289)	4,076	n.m.	(48,686)	(11,224)	n.m.
Foreign exchange differences		21,420	(7,919)	n.m.	29,078	13,315	118.4%
Other net non tax deductible expenses and other adjustments	A	11,281	10,241	10.2%	23,299	18,803	23.9%
Income from subsidiaries and joint venture	B	(23,094)	(17,807)	29.7%	(45,108)	(33,605)	34.2%
<b>Other net non tax deductible expenses/(taxable income) and other adjustments</b>		<b>(12,547)</b>	<b>(9,962)</b>	<b>25.9%</b>	<b>(37,956)</b>	<b>(11,564)</b>	<b>n.m.</b>

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, interest expenses on loans drawn to fund overseas investments and returns attributable to the Perpetual Securities holders.
- B. This relates to the net income from the Trust's subsidiaries and joint venture including the effects of consolidation.
- (m) This relates to the distribution of (i) income repatriated from Australia by way of tax deferred distributions and/or shareholder loan repayment, (ii) net income attributable to properties in the UK, (iii) reimbursements received from vendors in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of certain properties in Australia and the UK, and (iv) rental support received from vendors in relation to the acquisition of certain properties in Australia and the UK. 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.

**ASCENDAS REAL ESTATE INVESTMENT TRUST  
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**1(b)(i) Statements of Financial Position**

	Note	Group		Trust	
		30/09/19 S\$'000	31/03/19 S\$'000	30/09/19 S\$'000	31/03/19 S\$'000
<b>Non-current assets</b>					
Investment properties	(a)	11,065,345	11,143,937	8,756,949	8,769,500
Investment properties under development	(b)	131,406	91,595	131,406	91,595
Right-of-use assets	(c)	619,215	-	619,215	-
Finance lease receivables		49,099	50,554	49,099	50,554
Interest in subsidiaries	(d)	-	-	1,171,947	1,179,012
Loans to subsidiaries	(e)	-	-	276,248	297,000
Investment in joint venture		140	102	-	-
Derivative assets	(f)	74,758	31,546	66,598	29,767
		<b>11,939,963</b>	<b>11,317,734</b>	<b>11,071,462</b>	<b>10,417,428</b>
<b>Current assets</b>					
Finance lease receivables		2,849	2,688	2,849	2,688
Trade and other receivables	(g)	29,424	39,635	27,708	33,570
Derivative assets	(f)	232	1,425	232	1,425
Cash and fixed deposits		80,376	52,341	11,543	6,678
	(h)	<b>112,881</b>	<b>96,089</b>	<b>42,332</b>	<b>44,361</b>
<b>Current liabilities</b>					
Trade and other payables	(i)	176,749	158,255	159,950	131,581
Security deposits		58,700	46,862	58,554	46,690
Derivative liabilities	(f)	207	8	207	8
Short term borrowings	(j)	446,562	215,820	446,562	215,820
Term loans	(j)	99,941	301,094	99,941	301,094
Medium term notes	(j)	99,952	94,994	99,952	94,994
Lease liabilities	(c)	37,509	-	37,509	-
Provision for taxation		9,507	7,934	1,071	1,140
	(h)	<b>929,127</b>	<b>824,967</b>	<b>903,746</b>	<b>791,327</b>
<b>Non-current liabilities</b>					
Security deposits		70,521	82,167	68,213	79,921
Derivative liabilities	(f)	57,403	64,112	46,192	55,958
Amount due to a subsidiary		-	-	25,503	25,646
Term loans	(j)	1,664,776	1,595,947	788,055	701,997
Medium term notes	(j)	1,798,688	1,889,936	1,798,688	1,889,936
Lease liabilities	(c)	581,705	-	581,705	-
Deferred tax liabilities	(k)	12,931	10,701	-	-
		<b>4,186,024</b>	<b>3,642,863</b>	<b>3,308,356</b>	<b>2,753,458</b>
<b>Net assets</b>					
		<b>6,937,693</b>	<b>6,945,993</b>	<b>6,901,692</b>	<b>6,917,004</b>
<b>Represented by:</b>					
Unitholders' funds		6,633,271	6,641,611	6,597,270	6,612,622
Perpetual securities holders		304,422	304,382	304,422	304,382
		<b>6,937,693</b>	<b>6,945,993</b>	<b>6,901,692</b>	<b>6,917,004</b>

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**Explanatory notes to the statements of financial position**

- (a) Movements in investment properties are mainly due to the transfer of 25 & 27 Ubi Road 4 in Singapore to investment properties under development (“IPUD”) when the redevelopment work started in 1Q FY2019. In addition, No. 8 Loyang Way 1 in Singapore was divested in September 2019.
- (b) As at 31 March 2019, IPUD relates to a built-to-suit development in Singapore. During 1H FY2019, 25 & 27 Ubi Road 4 were added to IPUD.
- (c) The right-of-use assets were recognised due to the adoption of FRS116 effective from 1 April 2019. Please refer to note 1(a)(i)(b) for more details.
- (d) Interest in subsidiaries relates to entities directly or indirectly wholly-owned by Ascendas Reit.
- (e) Loans to subsidiaries relate to the interest-bearing loans extended to subsidiaries to fund their overseas acquisitions.
- (f) Derivative assets and derivative liabilities relate to favourable and unfavourable changes in the fair value of certain interest rate swaps, cross currency swaps and foreign currency forward contracts respectively.
- (g) The decrease in trade and other receivables of the Trust was mainly due to the collection of arrears in Singapore and the UK, as well as a decrease in prepayments.
- (h) Notwithstanding the net current liabilities position, based on the Group’s available 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.
- (i) The increase in trade and other payables mainly related to unpaid property management services to related parties.
- (j) Details of borrowings

	Group		Trust	
	30/09/19	31/03/19	30/09/19	31/03/19
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Gross borrowings</b>				
<b>Secured borrowings</b>				
Amount repayable after one year				
- Term loans	<b>531,164</b>	541,543	-	-
<b>Unsecured borrowings</b>				
Amount repayable after one year				
- Medium term notes	<b>1,802,150</b>	1,893,839	<b>1,802,150</b>	1,893,839
- Term loans	<b>1,139,485</b>	1,061,435	<b>789,716</b>	704,080
	<b>2,941,635</b>	2,955,274	<b>2,591,866</b>	2,597,919
Amount repayable within one year				
- Short term borrowings	<b>446,562</b>	215,819	<b>446,562</b>	215,819
- Medium term notes	<b>100,000</b>	95,000	<b>100,000</b>	95,000
- Term loans	<b>100,000</b>	301,142	<b>100,000</b>	301,142
	<b>646,562</b>	611,961	<b>646,562</b>	611,961
<b>Total unsecured borrowings</b>	<b>3,588,197</b>	3,567,235	<b>3,238,428</b>	3,209,880



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As at 30 September 2019, the Group has A\$564.3 million (31 March 2019: A\$564.3 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and guaranteed by Ascendas Reit. The carrying value of properties secured for the Syndicated Loans was S\$1,006.7 million or A\$1,069.5 million as at 30 September 2019 (31 March 2019: S\$1,025.4 million or A\$1,068.6 million).

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

As at 30 September 2019, 76.8% (31 March 2019: 83.0%) of the Group's borrowings are on fixed interest rates (after taking into consideration effects of the interest rate swaps) with an overall weighted average tenure of 3.29 years (31 March 2019: 3.6 years). The overall weighted average cost of borrowings for the period ended 30 September 2019 was 3.0% (31 March 2019: 3.0%).

- (k) Deferred tax liabilities relate to tax provided on the undistributed profits and capital gains in the subsidiaries of the Group.

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

	Note	Group			
		2Q FY2019 S\$'000	2Q FY18/19 S\$'000	1H FY2019 S\$'000	1H FY18/19 S\$'000
<b>Cash flows from operating activities</b>					
Total return for the period before tax		126,992	119,895	267,238	235,056
Adjustments for:					
Provision of allowance for impairment loss on doubtful receivables		-	(27)	(1)	(10)
Finance income		(2,693)	(2,629)	(5,452)	(5,033)
Finance costs		40,018	31,636	81,101	60,795
Net foreign exchange differences		21,420	(7,919)	29,078	13,315
Gain from disposal of investment properties		(3,220)	(1,731)	(3,220)	(5,088)
Management fees paid/payable in units		2,835	2,683	5,648	5,262
Net change in fair value of financial derivatives		(22,289)	4,076	(48,686)	(11,224)
Net change in fair value of right-of-use assets		1,546	-	3,093	-
Share of joint venture's results		(131)	(127)	(264)	(246)
<b>Operating income before working capital changes</b>		<b>164,478</b>	<b>145,857</b>	<b>328,535</b>	<b>292,827</b>
Changes in working capital:					
Trade and other receivables		17,686	540	22,917	6,925
Trade and other payables		(35,548)	(15,855)	(13,892)	1,773
<b>Cash generated from operating activities</b>		<b>146,615</b>	<b>130,542</b>	<b>337,560</b>	<b>301,525</b>
Income tax paid		(1,920)	(409)	(2,467)	(1,799)
<b>Net cash generated from operating activities</b>		<b>144,695</b>	<b>130,133</b>	<b>335,093</b>	<b>299,726</b>
<b>Cash flows from investing activities</b>					
Deposits paid for the acquisition of investment properties		-	(22,954)	-	(22,954)
Dividend received from a joint venture company		126	125	227	246
Purchase of investment properties		-	(398,928)	-	(450,148)
Payment for investment properties under development		(13,425)	(12,230)	(20,101)	(18,774)
Payment for capital improvement on investment properties		(47)	(20,547)	(12,566)	(32,449)
Proceeds from the divestment of investment property		27,000	13,580	27,000	37,580
Interest received		4,589	3,778	12,543	11,934
<b>Net cash generated from/(used in) investing activities</b>		<b>18,243</b>	<b>(437,176)</b>	<b>7,103</b>	<b>(474,565)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of units		-	452,138	-	452,138
Equity issue costs paid		-	(3,843)	-	(3,843)
Distributions paid to Unitholders		-	-	(253,409)	(230,764)
Distributions paid to perpetual securities holders		-	-	(7,105)	(7,105)
Finance costs paid		(40,170)	(32,327)	(74,624)	(60,542)
Payment of lease liabilities		(8,152)	-	(16,392)	-
Transaction costs paid in respect of borrowings		(1)	(2,561)	(341)	(3,168)
Proceeds from borrowings		15,824	815,891	612,946	1,249,583
Repayment of borrowings		(56,172)	(866,469)	(526,633)	(1,189,430)
<b>Net cash (used in)/generated from financing activities</b>		<b>(88,671)</b>	<b>362,829</b>	<b>(265,558)</b>	<b>206,869</b>
<b>Net increase in cash and cash equivalents</b>		<b>74,267</b>	<b>55,786</b>	<b>76,638</b>	<b>32,030</b>
Cash and cash equivalents at beginning of the period		7,033	(46,729)	4,921	(22,949)
Effect of exchange rate changes on cash balances		(924)	(418)	(1,183)	(442)
<b>Cash and cash equivalents at end of the financial period</b>	(a)	<b>80,376</b>	<b>8,639</b>	<b>80,376</b>	<b>8,639</b>

**Footnote**

- (a) Included in cash and cash equivalents was a bank overdraft amounting to approximately S\$18.5 million as at 30 September 2018.

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

	Note	Group		Trust	
		1H FY2019 S\$'000	1H FY18/19 S\$'000	1H FY2019 S\$'000	1H FY18/19 S\$'000
<b>Unitholders' Funds</b>					
Balance at beginning of the financial period		6,641,611	6,194,310	6,612,622	6,170,366
<b>Operations</b>					
Total return for the period attributable to Unitholders and perpetual securities holders		260,864	230,259	239,554	209,190
Less: Amount reserved for distribution to perpetual securities holders		(7,145)	(7,145)	(7,145)	(7,145)
<b>Net increase in net assets from operations</b>		<b>253,719</b>	<b>223,114</b>	<b>232,409</b>	<b>202,045</b>
<b>Movement in foreign currency translation reserve</b>	(a)	<b>(14,298)</b>	(13,095)	-	-
<b>Unitholders' transactions</b>					
New Units issued	(b)	-	452,138	-	452,138
Equity issue costs		-	(4,200)	-	(4,200)
Management fees paid/payable in Units		5,648	5,262	5,648	5,262
Distributions to Unitholders		(253,409)	(230,764)	(253,409)	(230,764)
<b>Net decrease in net assets from Unitholders' transactions</b>		<b>(247,761)</b>	<b>222,436</b>	<b>(247,761)</b>	<b>222,436</b>
Balance at end of the financial period		<b>6,633,271</b>	6,626,765	<b>6,597,270</b>	6,594,847
<b>Perpetual Securities Holders' Funds</b>					
Balance at beginning of the financial period		304,382	304,382	304,382	304,382
Amount reserved for distribution to perpetual securities holders		7,145	7,145	7,145	7,145
Distributions to Perpetual Securities Holders		(7,105)	(7,105)	(7,105)	(7,105)
Balance at end of the financial period		<b>304,422</b>	304,422	<b>304,422</b>	304,422
<b>Non-controlling interests</b>					
Balance at beginning of the financial period		-	4	-	-
Total return for the period attributable to non-controlling interests		-	(17)	-	-
Balance at end of the financial period		-	(13)	-	-
<b>Total</b>		<b>6,937,693</b>	6,931,174	<b>6,901,692</b>	6,899,269

**Footnotes**

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.
- (b) This relates to the issuance of new Units on 18 September 2018 pursuant to a private placement of 178,007,000 Units at an issue price of S\$2.540 per Unit.

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	Note	Group		Trust	
		2Q FY2019 S\$'000	2Q FY18/19 S\$'000	2Q FY2019 S\$'000	2Q FY18/19 S\$'000
<b>Unitholders' Funds</b>					
Balance at beginning of the financial period		6,516,359	6,072,998	6,477,839	6,041,856
<b>Operations</b>					
Total return for the period attributable to Unitholders and perpetual securities holders		123,104	117,522	120,188	105,962
Less: Amount reserved for distribution to perpetual securities holders		(3,592)	(3,592)	(3,592)	(3,592)
<b>Net increase in net assets from operations</b>		<b>119,512</b>	<b>113,930</b>	<b>116,596</b>	<b>102,370</b>
<b>Movement in foreign currency translation reserve</b>	(a)	<b>(5,435)</b>	(10,784)	-	-
<b>Unitholders' transactions</b>					
New Units issued	(b)	-	452,138	-	452,138
Equity issue costs		-	(4,200)	-	(4,200)
Management fees paid/payable in Units		2,835	2,683	2,835	2,683
<b>Net decrease in net assets from Unitholders' transactions</b>		<b>2,835</b>	450,621	<b>2,835</b>	450,621
Balance at end of the financial period		<b>6,633,271</b>	6,626,765	<b>6,597,270</b>	6,594,847
<b>Perpetual Securities Holders' Funds</b>					
Balance at beginning of the financial period		300,830	300,830	300,830	300,830
Amount reserved for distribution to perpetual securities holders		3,592	3,592	3,592	3,592
Balance at end of the financial period		<b>304,422</b>	304,422	<b>304,422</b>	304,422
<b>Non-controlling interests</b>					
Balance at beginning of the financial period		-	4	-	-
Total return for the period attributable to non-controlling interests		-	(17)	-	-
Balance at end of the financial period		-	(13)	-	-
<b>Total</b>		<b>6,937,693</b>	6,931,174	<b>6,901,692</b>	6,899,269

**Footnotes**

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.
- (b) This relates to the issuance of new Units on 18 September 2018 pursuant to a private placement of 178,007,000 Units at an issue price of S\$2.540 per Unit.

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

	Group and Trust			
	2Q FY2019 Units	2Q FY18/19 Units	1H FY2019 Units	1H FY18/19 Units
Issued Units at beginning of the financial period	3,112,755,652	2,930,431,055	3,110,841,823	2,928,503,929
<b>Issue of new Units:</b>				
- Management fees paid in Units	-	-	1,913,829	1,927,126
- Equity fund raising	-	178,007,000	-	178,007,000
Issued Units at the end of the financial period	<b>3,112,755,652</b>	3,108,438,055	<b>3,112,755,652</b>	3,108,438,055
<b>Units to be issued:</b>				
Management fees payable in Units	<b>1,199,827</b>	1,363,730	<b>1,199,827</b>	1,363,730
Units issued and issuable at end of the financial period	<b>3,113,955,479</b>	3,109,801,785	<b>3,113,955,479</b>	3,109,801,785

**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 30 September 2019 and 31 March 2019. 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**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2019.

**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.**

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 April 2019 as follows:

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FRS 116 *Lease*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard, and the lessor shall continue to classify leases as finance or operating leases.

Please refer to 1(a)(i)(b) for more details on the effects of the adoption of FRS 116 with effect from 1 April 2019.

**6. Earnings per Unit (“EPU”) and Distribution per Unit (“DPU”) for the financial period**

	Note	Group			
		2Q FY2019	2Q FY18/19	1H FY2019	1H FY18/19
<b><u>EPU</u></b>					
<b><u>Basic EPU</u></b>					
Weighted average number of Units		<b>3,112,768,694</b>	2,955,599,041	<b>3,111,956,936</b>	2,942,262,415
Earnings per Unit in cents	(a)	<b>3.839</b>	3.855	<b>8.153</b>	7.583
<b><u>Diluted EPU</u></b>					
Weighted average number of Units		<b>3,112,768,694</b>	2,955,599,041	<b>3,111,956,936</b>	2,942,262,415
Earnings per Unit in cents (diluted)	(a)	<b>3.839</b>	3.855	<b>8.153</b>	7.583
<b><u>DPU</u></b>					
Number of Units in issue		<b>3,112,755,652</b>	3,108,438,055	<b>3,112,755,652</b>	3,108,438,055
Distribution per Unit in cents		<b>3.978</b>	3.887	<b>7.983</b>	7.889

**Footnote**

- (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.

The diluted EPU is equivalent to the basic EPU as no dilutive instruments were in issue as at 30 September 2019 and 30 September 2018.

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

	Note	Group		Trust	
		30/09/19 cents	31/03/19 cents	30/09/19 cents	31/03/19 cents
Net asset value per Unit		<b>213</b>	213	<b>212</b>	212
Adjusted net asset value per Unit	(a)	<b>205</b>	205	<b>204</b>	204

**Footnote**

- (a) The adjusted net asset value per Unit is arrived at after deducting the amount to be distributed for the relevant period after the reporting date.

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**8. Review of Performance**

	2Q FY2019	1Q FY2019	Group Variance	2Q FY18/19	Variance
	(A)	(B)	(A) vs (B)	(C)	(A) vs (C)
	S\$'000	S\$'000	%	S\$'000	%
Gross revenue	229,649	229,674	(0.0%)	218,131	5.3%
Property operating expenses	(51,710)	(52,215)	(1.0%)	(59,225)	(12.7%)
<b>Net property income</b>	<b>177,939</b>	177,459	0.3%	158,906	12.0%
Non property expenses	(16,295)	(16,215)	0.5%	(15,705)	3.8%
Net finance costs	(30,718)	(31,631)	(2.9%)	(29,007)	5.9%
Finance costs on lease liabilities	(6,607)	(6,693)	(1.3%)	-	n.m.
Foreign exchange differences	(21,420)	(7,658)	179.7%	7,919	n.m.
Gain on disposal of investment property	3,220	-	n.m.	1,731	n.m.
	<b>(71,820)</b>	(62,197)	15.5%	(35,062)	104.8%
<b>Net income</b>	<b>106,119</b>	115,262	(7.9%)	123,844	(14.3%)
Net change in fair value of financial derivatives	22,289	26,397	(15.6%)	(4,076)	n.m.
Net change in fair value of investment properties	-	-	n.m.	-	n.m.
Change in fair value of right-of-use assets	(1,546)	(1,547)	(0.1%)	-	n.m.
Share of joint venture's results	130	134	(3.0%)	127	2.4%
<b>Total return for the period before tax</b>	<b>126,992</b>	140,246	(9.5%)	119,895	5.9%
Tax expense	(3,888)	(2,486)	56.4%	(2,390)	62.7%
<b>Total return for the period</b>	<b>123,104</b>	137,760	(10.6%)	117,505	4.8%
<b>Attributable to:</b>					
Unitholders and perpetual securities holders	123,104	137,760	(10.6%)	117,522	4.7%
Non-controlling interests	-	-	n.m.	(17)	(100.0%)
<b>Total return for the period</b>	<b>123,104</b>	137,760	(10.6%)	117,505	4.8%
<b>Distribution Statement</b>					
Total return for the period attributable to					
Unitholders and perpetual securities holders	123,104	137,760	(10.6%)	117,522	4.7%
Less: Amount reserved for distribution to					
perpetual securities holders	(3,592)	(3,553)	1.1%	(3,592)	-
Net effect of (taxable income)/ non tax					
deductible expenses and other adjustments	(12,547)	(25,409)	(50.6%)	(9,962)	25.9%
<b>Income available for distribution</b>	<b>106,965</b>	108,798	(1.7%)	103,968	2.9%
Total amount available for distribution					
comprising:					
- Taxable income	106,965	108,798	(1.7%)	103,968	2.9%
- Distribution from capital	16,857	15,866	6.2%	11,074	52.2%
<b>Total amount available for distribution</b>	<b>123,822</b>	124,664	(0.7%)	115,042	7.6%
<b>EPU/DPU</b>					
Earnings per unit (cents)	3.839	4.314	(11.0%)	3.855	(0.4%)
Distribution per unit (cents)	3.978	4.005	(0.7%)	3.887	2.3%

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

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**2Q FY2019 vs 1Q FY2019**

Despite the lower occupancy in Singapore and the UK, gross revenue remained flat due to new take-up and as well as liquidated damages received in relation to the pre-termination of a lease in Australia.

Property operating expenses decreased marginally by 1.0% mainly due to the decommissioning of 25 & 27 Ubi for redevelopment since end June 2019 and lower property tax in Singapore.

Non-property expenses remained fairly stable across the two quarters.

In 2Q FY2019, the Group recorded a foreign exchange loss of S\$21.4 million mainly due to the weakening of SGD against JPY and HKD in relation to both JPY and HKD denominated MTN. The foreign exchange loss of S\$7.7 million in 1Q FY2019 was mainly due to the weakening of SGD against JPY and HKD in relation to both JPY and HKD denominated MTN.

2Q FY2019 recorded higher tax expenses than 1Q FY2019 due to the higher income tax from the UK and higher withholding tax incurred on the distribution of dividends back to Singapore.

Gain on disposal of investment properties of \$3.2 million in 2Q FY2019 was due to the divestment of No. 8 Loyang Way 1 in Singapore in September 2019.

**2Q FY2019 vs 2Q FY18/19**

Gross revenue increased by 5.3%, mainly due to contributions from acquisitions made in Australia and the UK in FY18/19, as well higher occupancy in Singapore.

Property operating expenses decreased by 12.7% mainly due to the adoption of FRS116 as disclosed in note 1(a)(i)(b). No land rent expense was included in the property operating expenses for 2Q FY2019, while land rent expenses of \$8.2 million was included in 2Q FY18/19.

Non-property expenses increased 3.8% mainly due to an increase in manager's fee and trustee fee as a result of enlarged deposited property under management. Higher net finance costs of 5.9% in 2Q FY2019 was due to higher average debt balance.

Arising from the adoption of FRS116, finance cost on lease liabilities of S\$6.6 million was recognised in 2Q FY2019 without corresponding cost in 2Q FY18/19.

In 2Q FY2019, the Group recorded a foreign exchange loss of S\$21.4 million, which arose mainly from the weakening of SGD against JPY and HKD in relation to both JPY and HKD denominated MTN. In 2Q FY18/19, the Group recorded a foreign exchange gain of S\$7.9 million mainly due to the appreciation of SGD against JPY in relation to JPY denominated MTN partially offset by the weakening of the SGD against USD in relation to certain USD denominated credit facilities.

Gain on disposal of investment properties in 2Q FY2019 and 2Q FY18/19 were contributed by the divestment of No. 8 Loyang Way 1 in September 2019 and 41 Changi South Avenue 2 in August 2018.

**9. Variance between forecast and the actual results**

The current results are broadly in line with the Trust's commentary made in 1Q FY2019 Financial Results Announcement under Paragraph 10 on page 17. 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 global growth outlook remains weak amid the protracted trade conflict between the United States and China, and other economic uncertainties. Recently, several central banks, including the US Federal Reserve, the European Central Bank, China and India have cut interest rates to shore up their economies.

**Singapore**

Singapore's 3Q 2019 GDP growth was maintained at 0.1% year-on-year ("y-o-y"), the same pace of growth as in 2Q 2019. The construction and services industries grew 2.7% y-o-y (2Q 2019: 2.8% y-o-y) and 0.9% y-o-y (2Q 2019: 1.1% y-o-y) respectively. However, the manufacturing sector contracted by 3.5% y-o-y (2Q 2019: 3.3% y-o-y). The Singapore government downgraded its GDP growth forecast for 2019 to be between 0.0% to 1.0% from 1.5% to 2.5% (source: Ministry of Trade and Industry). In view of the weaker outlook, businesses are likely to remain conservative with their capital investments and expansion plans, which will dampen demand for industrial space.

On top of the new supply of industrial property space that was built-up over the last 4-5 years, an additional 2.2 million sqm of new industrial space is expected to complete in the rest of 2019 and in 2020, representing 4.4% of the total stock of 49.6 million sqm as at 30 September 2019.

Against the above-mentioned backdrop, rental rates are expected to remain subdued.

**Australia**

The Australian economy grew by a lower 1.4% y-o-y in 2Q 2019 compared to 1.8% y-o-y a quarter ago. Household spending remained subdued, recording a 1.4% growth y-o-y (1Q 2019: +1.8%). In October 2019, the Reserve Bank of Australia lowered the cash rate for the third time in 2019 from 1.0% to 0.75% to support employment and income growth and achieve its inflation target over time. Consensus GDP growth forecast for 2019 is 1.9% y-o-y (source: Bloomberg), lower than the 2.3% y-o-y growth in 2018.

Ascendas Reit's Australian properties continue to deliver a stable performance due to their good location, long weighted average lease to expiry of 4.3 years and average annual rent escalations of approximately 3% per annum.

**United Kingdom (UK)**

In 2Q 2019, the UK economy rose by 1.3% y-o-y compared to 2.1% y-o-y in 1Q 2019. The services sector, which is the largest contributor to the UK economy, weakened to 0.1% q-o-q (1Q 2019: +0.4% q-o-q). Lower manufacturing output led to a 1.8% q-o-q contraction in

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production output (1Q 2019: +1.1%). Consensus GDP growth forecast for 2019 is 1.2% y-o-y (source: Bloomberg), lower than the 1.4% y-o-y growth in 2018.

The UK portfolio's long weighted average lease to expiry of 9.0 years and the high e-commerce penetration rate in the UK are factors that help to mitigate uncertainty surrounding Brexit negotiations.

**Conclusion**

Given Ascendas Reit's well-diversified portfolio and customer base, the portfolio performance is expected to remain stable. The Manager will continue with its multi-pronged strategy to deliver sustained performance and complement it with disciplined and accretive investments in Singapore and other developed markets.

**11. Distributions**

**(a) Current financial period**

Any distributions declared for the current financial period: Yes

**(i) Name of distribution: 60<sup>th</sup> distribution for the period from 1 April 2019 to 30 September 2019**

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	6.931	-	1.052	7.983

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.

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Capital distribution

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

Books closure date: 11 November 2019

Payment date: 3 December 2019

**(b) Corresponding financial period of the immediately preceding year**

Any distributions declared for the current financial period: Yes

**(i) Name of distribution: 57<sup>th</sup> distribution for the period from 1 April 2018 to 17 September 2018**

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	6.620	-	0.630	7.250

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.

**ASCENDAS REAL ESTATE INVESTMENT TRUST  
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Capital distribution

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

Books closure date: 13 September 2018

Payment date: 17 October 2018

**(ii) Name of distribution: 58<sup>th</sup> distribution for the period from 18 September to 30 September 2018**

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	0.564	-	0.075	0.639

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

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calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.

Books closure date: 2 November 2018

Payment date: 27 November 2018

**12. If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**13. If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

Ascendas Reit has not obtained a general mandate from Unitholders for interested person transactions.

**14. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

The Manager hereby certifies that, in relation to the distribution to the Unitholders of Ascendas Reit for the period from 1 April 2019 to 30 September 2019, the Manager is satisfied on reasonable grounds that, immediately after making the distribution, Ascendas Reit will be able to fulfil, from its deposited property, its liabilities as and when they fall due.

Ascendas Reit currently distributes 100% of its distributable income to Unitholders, other than gains on the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

Due to the change of year end from 31 March to 31 December, the current financial year will be a 9-month period from 1 April 2019 to 31 December 2019. The regular distributions to unitholders of Ascendas Reit shall be for the six-month period ended 30 September 2019 and three-month period ending 31 December 2019. Thereafter, the regular distributions shall be made on a semi-annual basis for every six-month period ending 30 June and 31 December each year.

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**15. Use of proceeds from equity fund raising**

Gross proceeds of S\$452.1 million from the Private Placement in September 2018:

<b>Intended use of proceeds</b>	<b>Announced use of proceeds<sup>1</sup> (S\$'million)</b>	<b>Actual use of proceeds (S\$'million)</b>	<b>Balance of proceeds (S\$'million)</b>
To partially fund the second portfolio of 26 UK logistics properties and the associated costs.	246.6	246.6	-
To partially fund the development of a build-to-suit facility located in Singapore.	109.0	107.5	1.5
To fund debt repayment and future acquisitions.	92.3	92.3	-
To pay the fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Private Placement.	4.2	4.2	-
<b>Total</b>	<b>452.1</b>	<b>450.6</b>	<b>1.5</b>

**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.

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.

<sup>1</sup> As set out and defined in the Use of Proceeds Announcement dated 4 October 2018.

**ASCENDAS REAL ESTATE INVESTMENT TRUST  
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

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**  
**1 November 2019**

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

1 November 2019

Dear Sirs

**Ascendas Real Estate Investment Trust and its subsidiaries  
Review of interim financial information for the three-month and six-month periods ended  
30 September 2019**

***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 six-month periods ended 30 September 2019 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 30 September 2019;
- Portfolio statement of the Group as at 30 September 2019;
- Statement of total return of the Group for the three-month and six-month periods ended 30 September 2019;
- Distribution statement of the Group for the three-month and six-month periods ended 30 September 2019;
- Statements of movements in unitholders' funds of the Group and the Trust for the three-month and six-month periods ended 30 September 2019;
- Statement of cash flows of the Group for the six-month period ended 30 September 2019; 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

1 November 2019