A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas Funds Management (S) Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended and restated.

Units in A-REIT were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT and its subsidiaries (the “Group”) have a diversified portfolio of 103 properties in Singapore and 2 properties in China, with a tenant base of around 1,300 customers across the following segments: Business & Science Park, Hi-Specs Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

The Group results include the consolidation of a 100% interest in Ascendas ZPark (S) Pte. Ltd. (“AZ Park”) and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited (“AHTDBC”), which were acquired on 3 October 2011; and a 100% interest in Shanghai (JQ) Investment Holdings Pte. Ltd. (“SHJQ”) and its subsidiary, A-REIT Shanghai Realty Co, Ltd. (“ASRC”), which were acquired on 12 July 2013. The commentaries below are based on the Group results unless otherwise stated.

SUMMARY OF A-REIT GROUP RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

	Group		
	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000	Increase / (Decrease) %
Gross revenue	**457,053**	**430,454**	**6.2%**
Net property income	**323,666**	**308,697**	**4.8%**
Total amount available for distribution:	**256,734**	**236,713**	**8.5%**
- from operations	253,566	235,729	7.6%
- tax-exempt income (Note a)	2,466	-	nm
- from capital (Note b)	702	984	(28.7%)
	Cents per Unit		
Distribution per Unit ("DPU")	FY13/14	FY12/13	Increase / (Decrease) %
For the quarter from 1 October to 31 December (Note c)	**3.54**	**3.62**	**(2.2%)**
- from operations	3.52	3.62	(2.8%)
- tax-exempt income	0.02	-	nm
Proforma DPU from operations for the quarter from 1 October to 31 December (Note d)	-	3.38	4.1%
For the nine months from 1 April to 31 December (Note c)	**10.69**	**10.68**	**0.1%**
- from operations	10.57	10.63	(0.6%)
- tax-exempt income	0.09	-	nm
- from capital	0.03	0.05	(40.0%)
Proforma DPU from operations for the nine months from 1 April to 31 December (Note d)	-	9.81	7.7%

Footnotes

(a) This includes a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. It also includes the first distribution of incentive payment (net of Singapore corporate tax) in 2Q FY13/14, received as income support for AHTDBC in relation to the property in Beijing ("Z-Link"), for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (b) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders, save for Unitholders who are holding the units as trading assets.

(b) The capital distribution in FY13/14 relates to the first distribution of net income from its subsidiary, AHTDBC, in 2Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 December 2013. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

The capital distribution in FY12/13 was related to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) from a finance lease with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets. In 2Q FY12/13, the Inland Revenue Authority of Singapore ("IRAS") had ruled that the income received from the finance lease with the tenant qualified for tax transparency treatment. Thus, the income from the finance lease with the tenant which was distributed was classified as distribution from operations and not as capital distribution since 2Q FY12/13.

(c) As at book closure date, none of the S$300 million collateral loan with maturity date on 1 February 2017 is converted into A-REIT's Units. For more details on the collateral loan, please refer to Para 1(b)(i)(o) on Page 13 and Para 1(d)(ii) on Page 19.

(d) The Proforma DPU from operations for 3Q FY12/13 and 3Q YTD FY12/13 had been calculated using prior period distributable income and the applicable number of units as at 31 December 2013, which included units issued in pursuant to a private placement in March 2013, units issued for payment of acquisition fee in April 2013, units issued in lieu of the 20% base management fee in June 2013 and December 2013. On a proforma basis, DPU growth from operations would be 4.1% and 7.7% year-on-year for the quarter and year-to-date respectively.

DISTRIBUTION DETAILS

Distribution period	1 October 2013 to 31 December 2013	
Distribution Type	Taxable income	Tax-exempt income
Distribution amount per unit (cents)	3.52	0.02
Book closure date	27 January 2014	
Payment date	27 February 2014	

1(a) Statement of total return together with a comparative statement for the corresponding period of the immediate preceding financial year

1(a)(ii) Statement of total return (3Q YTD FY13/14 vs 3Q YTD FY12/13)

	Group			Trust		
	01/04/13 to 31/12/13 (Note a) S$'000	01/04/12 to 31/12/12 (Note a) S$'000	Increase / (Decrease) %	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000	Increase / (Decrease) %
Gross revenue	457,053	430,454	6.2%	451,185	426,222	5.9%
Property services fees	(15,219)	(14,074)	8.1%	(15,089)	(13,827)	9.1%
Property tax	(33,131)	(27,573)	20.2%	(32,869)	(27,319)	20.3%
Other property operating expenses	(85,037)	(80,110)	6.2%	(83,266)	(79,328)	5.0%
Property operating expenses	(133,387)	(121,757)	9.6%	(131,224)	(120,474)	8.9%
Net property income	323,666	308,697	4.8%	319,961	305,748	4.6%
Management fees (Note b)	(26,704)	(24,913)	7.2%	(26,704)	(24,913)	7.2%
Trust expenses	(4,171)	(3,852)	8.3%	(3,833)	(3,642)	5.2%
Finance income (Note c)	61,734	15,803	nm	61,658	15,682	nm
Finance costs (Note d)	(50,633)	(80,042)	(36.7%)	(50,100)	(79,139)	(36.7%)
Foreign exchange gain (Note e)	22,695	22,163	2.4%	22,367	22,236	0.6%
Gain on disposal of investment property (Note f)	7,205	-	nm	7,205	-	nm
Net non property income/(expenses)	10,126	(70,841)	(114.3%)	10,593	(69,776)	(115.2%)
Net income	333,792	237,856	40.3%	330,554	235,972	40.1%
Net change in fair value of financial derivatives (Note g)	(21,383)	(24,620)	(13.1%)	(21,383)	(24,620)	(13.1%)
Total return for the period before income tax expense	312,409	213,236	46.5%	309,171	211,352	46.3%
Income tax (expense)/credit (Note h)	(1,230)	1,187	nm	(901)	1,526	(159.0%)
Total return for the period after income tax expense	311,179	214,423	45.1%	308,270	212,878	44.8%
Net effect of non (taxable income)/tax deductible expenses and other adjustments (Note i)	(55,769)	22,290	nm	(52,860)	23,835	nm
Income available for distribution	255,410	236,713	7.9%	255,410	236,713	7.9%
Comprising:						
- Taxable income	253,566	235,729	7.6%	253,566	235,729	7.6%
- Tax-exempt income (Note j)	1,844	-	nm	1,844	-	nm
- Distribution from capital (Note k)	-	984	nm	-	984	nm
Income available for distribution	255,410	236,713	7.9%	255,410	236,713	7.9%
Tax-exempt income (prior periods) (Note l)	622	-	nm	622	-	nm
Distribution from capital (prior periods) (Note m)	702	-	nm	702	-	nm
Total amount available for distribution	256,734	236,713	8.5%	256,734	236,713	8.5%

The following items have been included in arriving at net income:

	01/04/13 to 31/12/13 (Note a) S$'000	01/04/12 to 31/12/12 (Note a) S$'000	Increase / (Decrease) %	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000	Increase / (Decrease) %
Gross rental income	407,612	389,070	4.8%	401,775	384,855	4.4%
Other income (Note n)	49,441	41,384	19.5%	49,410	41,367	19.4%
Allowance for impairment loss on doubtful receivables	(289)	(95)	nm	(289)	(95)	nm
Depreciation of plant and equipment	(521)	(597)	(12.7%)	(515)	(595)	(13.4%)

Note: nm denotes “not meaningful

Footnotes

(a) The Group had 105 properties and 102 properties as at 31 December 2013 and 31 December 2012 respectively. The Group completed (i) acquisition of The Galen in March 2013, (ii) the development of a build-to-suit investment property at Nepal Hill (Unilever Four Acres Singapore) in April 2013, (iii) acquisition of shares in SHJQ, which holds the property, A-REIT City@Jinqiao, via its subsidiary in China, ASRC, in July 2013 and (iv) development of Nexus@one-north, a business park property located at Fusionopolis, Singapore, in September 2013. The Group completed the divestment of the property at 6 Pioneer Walk in June 2013.

(b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and the other 80% in cash. Management fees increased in line with higher Deposited Property value contributed mainly by the acquisition of The Galen at the end of FY12/13, fair value gain on investment properties in FY12/13, completion of Unilever Four Acres Singapore and Nexus@one-north, and acquisition of A-REIT City@Jinqiao.

(c) Finance income comprises interest income from interest rate swaps, convertible bonds and bank deposits. In 3Q YTD FY13/14, finance income included a fair value gain on convertible bonds of $27.9 million (3Q YTD FY12/13: $8.7 million) and fair value gain on collateral loan of $25.9 million (3Q YTD FY12/13: $25.8 million loss included in finance costs (see note (d) below). The convertible bonds and collateral loan (with embedded derivatives) have been designated at fair value through profit or loss in accordance with FRS 39, where changes in fair value therein are recognised in the Statement of Total Return as finance income or finance costs.

(d) Finance costs comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes ("MTN"), Transferrable Loan Facilities, Committed Revolving Credit Facilities) and accretion adjustments for refundable security deposits. The lower finance costs was mainly due to the fair value loss on collateral loan of $25.8 million recognised in 3Q YTD FY12/13 (3Q YTD FY13/14: gain of $25.9 million included in finance income (see note (c) above)).

(e) Foreign exchange gain/(loss) mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange gain in 3Q YTD FY13/14 was mainly due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

(f) This relates to the gain arising from the divestment of investment property located at 6 Pioneer Walk, which was completed in June 2013.

(g) Net change in fair value of financial derivatives in 3Q YTD FY13/14 was made up of a $5.6 million fair value loss (3Q YTD FY12/13: $0.7 million) on interest rate swaps, and a fair value loss on cross currency swaps of $15.7 million (3Q YTD FY12/13: $23.9 million). Fair value loss on cross currency swaps in 3Q YTD FY13/14 was mainly due to the weakening of JPY forward exchange rates against SGD. For further details, please refer to Note (o) on Pages 13 and 14.

(h) Income tax expense in 3Q YTD FY13/14 includes income tax expense relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds, finance lease interest income received from a tenant and incentive payment received as income support for AHTDBC in relation to Z-Link. Income tax credit in 3Q YTD FY12/13 was mainly related to the reversal of deferred tax liability of $1.9 million that was previously accrued on the finance lease receivable since FY11/12, as IRAS had issued a tax ruling to A-REIT in 2Q FY12/13, granting tax transparency status to both the principal and interest income amount from a finance lease with a tenant. This is partially offset by income tax expenses incurred in China relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds and incentive payment received as income support for AHTDBC in relation to Z-Link.

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

	Group			Trust		
	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000	Increase / (Decrease) %	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	5,341	4,982	7.2%	5,341	4,982	7.2%
Trustee fee	1,606	1,498	7.2%	1,606	1,498	7.2%
Net change in fair value of financial derivatives	21,383	24,620	(13.1%)	21,383	24,620	(13.1%)
Other net non (taxable income)/tax deductible expenses and other adjustments (Note A)	(58,823)	14,971	nm	(58,823)	14,971	nm
Transfer to general reserve	(106)	(92)	15.2%	-	-	-
Unrealised foreign exchange gain	(22,695)	(22,163)	2.4%	(22,367)	(22,236)	0.6%
Distributable income from subsidiaries not yet received, not distributed (Note B)	(2,475)	(1,526)	62.2%	-	-	-
Net effect of (non taxable income)/tax deductible expenses and other adjustments	(55,769)	22,290	nm	(52,860)	23,835	nm

Note: nm denotes "not meaningful

A. Other net non (taxable income)/tax deductible expenses and other adjustments include mainly set-up costs on loan facilities, commitment fee paid on undrawn committed credit facilities, net change in fair value of collateral loan and convertible bonds, accretion adjustments for refundable security deposits and gain arising from the divestment of investment property.

B. This relates to net income from AHTDBC and ASRC, which has yet to be received by A-REIT as at 31 December 2013. The intention is to distribute such net income semi-annually, after relevant adjustments such as withholding tax payable.

(j) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders, save for Unitholders who are holding the units as trading assets.

(k) The capital distribution in FY12/13 was related to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) in relation to a finance lease entered into with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets. In 2Q FY12/13, IRAS had ruled that the income received from the finance lease with the tenant qualified for tax transparency treatment.

(l) This relates to the first distribution of incentive payment (net of Singapore corporate tax) in 2Q FY13/14, received as income support for AHTDBC in relation to Z-Link, for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (m) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(m) The capital distribution in FY13/14 relates to the first distribution of net income from its subsidiary, AHTDBC, in 2Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 December 2013. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(n) Other income includes revenue from utilities charges, interest income from finance lease receivable, car park revenue and liquidated damages.

Gross revenue increased by 6.2% mainly due to the recognition of rental income earned from The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. Positive rental reversion also contributed to the increase in gross revenue. In 3Q YTD FY13/14, gross revenue included $0.9 million (DPU impact of 0.04 cents) of licence fees charged to telecommunication companies for the installation of antennas, base station and equipment in A-REIT properties. Infocomm Development Authority of Singapore had implemented a change to the Code of Practice for Info-communication Facilities in Buildings (COPIF 2013) which may negatively impact this income stream.

The increase in property tax of 20.2% was mainly contributed by The Galen that was acquired at the end of FY12/13 as well as the upward revision in annual value of Kim Chuan Telecommunications Complex and 38 Kim Chuan Road. Changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted had also contributed to the higher property tax in 3Q YTD FY13/14. In 3Q YTD FY13/14, property tax expense included vacancy refund of $1.5 million (or DPU contribution of 0.06 cents). Following IRAS's announcement on the removal of the property tax refund concession on unoccupied buildings with effect from 1 Jan 2014, vacancy refund will not be available from 4Q FY13/14 onwards.

The acquisition of The Galen, completion of the development at Nexus@one-north, acquisition of shares in SHJQ which holds the property A-REIT City@Jinqiao via its subsidiary in China, ASRC and changes in lease structure of certain properties had also given rise to higher other property expenses in 3Q YTD FY13/14. For most of the single-tenanted properties, the properties are maintained by the tenants in which expenses such as land rent, property tax, and/or maintenance & conservancy costs may be borne by the tenants. Increase in these expenses were, however, offset by lower utilities charges primarily in the Hi-Specs Industrial segment due to more efficient use of energy as a result of the completion of chiller upgrading at Corporation Place and lower pre-committed utilities rates at certain properties.

The difference between net non property income/(expenses) in 3Q YTD FY13/14 and 3Q YTD12/13 was as follows:

(i) higher finance income which included a fair value gain on collateral loan of $25.9 million (3Q YTD FY12/13: $25.8 million loss included in finance costs) and a fair value gain on convertible bonds of $27.9 million in 3Q FY13/14 (3Q YTD FY12/13: $8.7 million);
(ii) foreign exchange gain on translation of the Trust's JPY-denominated MTN of $22.3 million in 3Q FY13/14 (3Q YTD FY12/13: $22.2 million); and
(iii) gain arising from the divestment of investment property located at 6 Pioneer Walk, which was completed in June 2013.

offset by:
(iv) higher management fees in 3Q FY13/14 (see Note (b) on Page 4).

1 (a)(ii) Statement of total return (3Q FY13/14 vs 3Q FY12/13)

	Group			Trust		
	01/10/13 to 31/12/13 (Note a) S$'000	01/10/12 to 31/12/12 (Note a) S$'000	Increase / (Decrease) %	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000	Increase / (Decrease) %
Gross revenue	154,436	145,170	6.4%	151,798	143,776	5.6%
Property services fees	(5,346)	(4,476)	19.4%	(5,253)	(4,395)	19.5%
Property tax	(11,536)	(9,495)	21.5%	(11,449)	(9,411)	21.7%
Other property operating expenses	(28,981)	(26,537)	9.2%	(28,173)	(26,256)	7.3%
Property operating expenses	(45,863)	(40,508)	13.2%	(44,875)	(40,062)	12.0%
Net property income	108,573	104,662	3.7%	106,923	103,714	3.1%
Management fees (Note b)	(9,038)	(8,380)	7.9%	(9,038)	(8,380)	7.9%
Trust expenses	(1,466)	(1,045)	40.3%	(1,220)	(942)	29.5%
Finance income (Note c)	24,265	8,624	181.4%	24,249	8,592	182.2%
Finance costs (Note d)	(16,713)	(18,294)	(8.6%)	(16,607)	(18,103)	(8.3%)
Foreign exchange gain (Note e)	16,602	31,159	(46.7%)	15,680	31,164	(49.7%)
Net non property income	13,650	12,064	13.1%	13,064	12,331	5.9%
Net income	122,223	116,726	4.7%	119,987	116,045	3.4%
Net change in fair value of financial derivatives (Note f)	(16,667)	(38,568)	(56.8%)	(16,667)	(38,568)	(56.8%)
Total return for the period before income tax expense	105,556	78,158	35.1%	103,320	77,477	33.4%
Income tax expense (Note g)	(412)	(231)	78.4%	(322)	(98)	nm
Total return for the period after income tax expense	105,144	77,927	34.9%	102,998	77,379	33.1%
Net effect of non (taxable income)/tax deductible expenses and other adjustments (Note h)	(20,042)	3,179	nm	(17,896)	3,727	nm
Income available for distribution	85,102	81,106	4.9%	85,102	81,106	4.9%
Comprising:						
- Taxable income	84,494	81,106	4.2%	84,494	81,106	4.2%
- Tax-exempt income (Note i)	608	-	nm	608	-	nm
Total amount available for distribution	85,102	81,106	4.9%	85,102	81,106	4.9%

The following items have been included in arriving at net income:

	01/10/13 to 31/12/13 (Note a) S$'000	01/10/12 to 31/12/12 (Note a) S$'000	Increase / (Decrease) %	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000	Increase / (Decrease) %
Gross rental income	137,796	131,384	4.9%	135,167	129,995	4.0%
Other income (Note j)	16,640	13,786	20.7%	16,631	13,781	20.7%
(Allowance for)/reversal of allowance for impairment loss on doubtful receivables, net	(214)	104	nm	(214)	104	nm
Depreciation of plant and equipment	(176)	(184)	(4.3%)	(172)	(182)	(5.5%)

Note: nm denotes “not meaningful

Footnotes

(a) The Group had 105 properties and 102 properties as at 31 December 2013 and 31 December 2012 respectively.

(b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and the other 80% in cash. Management fees increased in line with higher Deposited Property value contributed mainly by the acquisition of The Galen at the end of FY12/13, fair value gain on investment properties in FY12/13, completion of Unilever Four Acres Singapore and Nexus@one-north, and acquisition of A-REIT City@Jinqiao.

(c) Finance income comprises interest income from interest rate swaps, convertible bonds, bank deposits and accretion gain for refundable security deposits. In 3Q FY13/14, finance income included a fair value gain on convertible bonds of $8.5 million (3Q FY12/13: $1.1 million), fair value gain on collateral loan of $12.7 million (3Q FY12/13: $5.1 million) and accretion gain of $0.4 million on refundable security deposits for 3Q FY13/14 (3Q FY12/13: loss of $0.2 million included in finance costs, see note (d) below). The convertible bonds and collateral loan have been designated at fair value through profit or loss in accordance with FRS 39, where changes in fair value therein are recognised in the Statement of Total Return as finance income or finance costs.

(d) Finance costs comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes (“MTN”), Transferrable Loan Facilities, Committed Revolving Credit Facilities) and accretion loss for refundable security deposits. The decrease in finance costs was mainly due to lower borrowings with lower interest rates and accretion gain of $0.4 million on refundable security deposits for 3Q FY13/14 which was recognized in finance income (see note (c) above) (3Q FY12/13: loss of $0.2 million).

(e) Foreign exchange (loss)/gain mainly relates to the translation of the Trust’s JPY-denominated MTN. Foreign exchange gain in 3Q FY13/14 was mainly due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

(f) Net change in fair value of financial derivatives in 3Q FY13/14 was made up of a $0.6 million fair value loss (3Q FY12/13: gain of $0.6 million) on interest rate swaps, and a fair value loss on cross currency swaps of $16.0 million (3Q FY12/13: $39.2 million). Fair value loss on cross currency swaps in 3Q FY13/14 was mainly due to the weakening of JPY forward exchange rates against SGD. For further details, please refer to Note (o) on Pages 13 and 14.

(g) Income tax expense in 3Q FY13/14 included income tax expense relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds, finance lease interest income received from a tenant and incentive payment received as income support for AHTDBC in relation to Z-Link. Income tax expense in 3Q FY12/13 included income tax expense relating to AHTDBC, income tax provided on interest income earned from investment in convertible bonds and incentive payment received as income support for AHTDBC in relation to Z-Link.

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

	Group			Trust		
	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000	Increase / (Decrease) %	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000	Increase / (Decrease) %
Management fees paid/payable in units	1,808	1,676	7.9%	1,808	1,676	7.9%
Trustee fee	543	504	7.7%	543	504	7.7%
Net change in fair value of financial derivatives	16,667	38,568	(56.8%)	16,667	38,568	(56.8%)
Other net non taxable income and other adjustments (Note A)	(21,234)	(5,857)	nm	(21,234)	(5,857)	nm
Transfer to general reserve	(26)	(32)	(18.8%)	-	-	-
Unrealised foreign exchange gain	(16,602)	(31,159)	(46.7%)	(15,680)	(31,164)	(49.7%)
Distributable income from subsidiaries not yet received, not distributed (Note B)	(1,198)	(521)	129.9%	-	-	-
Net effect of (non taxable income)/tax deductible expenses and other adjustments	(20,042)	3,179	nm	(17,896)	3,727	nm

A. Other net non taxable income and other adjustments include mainly set-up costs on loan facilities, commitment fee paid on undrawn committed credit facilities, net change in fair value of collateral loan and convertible bonds and accretion adjustments for refundable security deposits.

B. This relates to net income from AHTDBC and ASRC, which has yet to be received by A-REIT as at 31 December 2013. The intention is to distribute such net income semi-annually, after relevant adjustments such as withholding tax payable.

(i) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders, save for Unitholders who are holding the units as trading assets.

(j) Other income includes revenue from utilities charges, interest income from finance lease receivable, car park revenue and liquidated damages.

Gross revenue increased by 6.4% mainly due to the recognition of rental income earned from The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. Positive rental reversion also contributed to the increase in gross revenue.

The increase in property tax of 21.5% was mainly contributed by The Galen which was acquired at the end of FY12/13, Nexus@one-north that was completed in September 2013 as well as the upward revision in annual value of Kim Chuan Telecommunications Complex and 38 Kim Chuan Road. Changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted had also contributed to the higher property tax in 3Q FY13/14.

The acquisition of The Galen and A-REIT City@Jinqiao, completion of Nexus@one-north and changes in lease structure of certain properties had also given rise to higher other property expenses in 3Q FY13/14. For most of the single-tenanted properties, the properties are maintained by the tenants in which expenses such as land rent, property tax, and/or maintenance & conservancy costs may be borne by the tenants. These increase in expenses were, however, offset by lower utilities charges primarily in the Hi-Specs Industrial segment due to more efficient use of energy as a result of the completion of chiller upgrading at Corporation Place and lower pre-committed utilities rates at certain properties.

Net non property income were higher in 3Q FY13/14 mainly due to:

(i) lower foreign exchange gain on translation of the Trust's JPY-denominated MTN of $15.7 million in 3Q FY13/14 (3Q FY12/13: $31.2 million); and
(ii) higher management fees in 3Q FY13/14 (see Note (b) on Page 8).

offset by:
(iii) higher finance income which included a fair value gain on convertible bonds of $8.5 million (3Q FY12/13: $1.1 million) and fair value gain on collateral loan of $12.7 million in 3Q FY13/14 (3Q FY12/13: $5.1 million); and
(iv) lower finance costs from lower borrowings with lower interest rates in 3Q FY13/14.

1 (b)(i) Balance sheet, together with comparatives as at the end of the immediate preceding financial year

	Group		Trust	
	31/12/13 S$'000	31/03/13 S$'000	31/12/13 S$'000	31/03/13 S$'000
Non-current assets				
Investment properties (Note a)	6,786,921	6,447,054	6,589,363	6,378,190
Investment properties under development (Note b)	-	151,916	-	151,916
Investment in debt securities (Note c)	221,164	145,535	221,164	145,535
Plant and equipment (Note d)	883	992	475	990
Finance lease receivable (Note e)	94,107	63,370	94,107	63,370
Interest in subsidiaries (Note f)	-	-	166,521	48,918
Other assets (Note g)	-	33,070	-	33,070
Derivative assets (Note h)	1,432	12,259	1,432	12,259
	7,104,507	**6,854,196**	**7,073,062**	**6,834,248**
Current assets				
Finance lease receivable (Note e)	998	1,901	998	1,901
Trade and other receivables (Note i)	62,834	47,301	60,371	46,653
Other assets (Note g)	-	36,040	-	36,040
Derivative assets (Note h)	2,251	64	2,251	64
Property held for sale (Note j)	32,500	-	32,500	-
Cash and cash equivalents	21,513	19,525	13,878	12,544
	120,096	**104,831**	**109,998**	**97,202**
Current liabilities				
Trade and other payables (Note k)	142,723	134,647	133,970	132,981
Security deposits (Note l)	43,513	69,667	42,083	68,394
Derivative liabilities (Note m)	4,542	885	4,542	885
Short term borrowings (Note n)	349,770	109,710	349,770	109,710
Term loan (Note o)	394,944	-	394,944	-
Medium term notes (Note o)	-	124,965	-	124,965
Provision for taxation (Note p)	1,391	759	1,302	478
	936,883	**440,633**	**926,611**	**437,413**
Non-current liabilities				
Security deposits (Note l)	39,216	4,617	38,819	4,617
Derivative liabilities (Note m)	96,320	105,879	96,320	105,879
Medium term notes (Note o)	434,022	456,202	434,022	456,202
Collateral loan (Note o)	333,645	359,517	333,645	359,517
Term loans and borrowings (Note o)	623,554	928,671	609,250	914,920
Deferred tax liabilities	2,449	2,359	-	-
	1,529,206	**1,857,245**	**1,512,056**	**1,841,135**
Net assets	**4,758,514**	**4,661,149**	**4,744,393**	**4,652,902**
Represented by:				
Unitholders' funds	**4,758,514**	**4,661,149**	**4,744,393**	**4,652,902**

	31/12/13 S$'000	31/03/13 S$'000	31/12/13 S$'000	31/03/13 S$'000
Gross borrowings				
Secured borrowings				
Amount repayable after one year	333,645	754,517	333,645	754,517
Amount repayable within one year	395,000	-	395,000	-
Unsecured borrowings				
Amount repayable after one year	1,065,288	997,080	1,050,984	983,328
Amount repayable within one year	350,000	235,000	350,000	235,000
	2,143,933	1,986,597	2,129,629	1,972,845

Footnotes

(a) The increase in value of investment properties was mainly due to the acquisition of shares in SHJQ, which holds the property, A-REIT City@Jinqiao, via its subsidiary in China, ASRC, completion of the development of Nexus@one-north and Unilever Four Acres Singapore, and asset enhancement works at 1 Changi Business Park Avenue 1, 31 International Business Park, DBS Asia Hub, Techplace II, Techpoint, Techquest, Logistech, 31 Ubi Road 1, Corporation Place and 5 Toh Guan Road East, offset by the divestment of 6 Pioneer Walk, which was completed in June 2013 and the reclassification of Block 5006 of Techplace II to Property held for sale (see note (j) below).

(b) Investment properties under development as at 31 March 2013 was related to the Fusionopolis project (Nexus@one-north) which had been completed in September 2013.

(c) Investment in debt securities relates to an investment in convertible bonds (the "CB") issued by PLC8 Development Pte Ltd (the "Issuer") and due in June 2015. A-REIT had subscribed for an additional amount of $47.75 million convertible bonds in 3Q YTD FY13/14. An increase in the fair value of the CB also contributed to the increase in investment in debt securities.

The Issuer is the developer of an integrated industrial mixed use property on a 60-year leasehold land parcel at Kallang Avenue, Singapore (the "Property"). The CB carries a coupon of 2% per annum and is secured over the assets of the Issuer but ranked after the security given by the Issuer to secure bank financing for the development of the Property.

(d) The decrease in plant and equipment was due to depreciation charge.

(e) The increase in finance lease receivable was due to the transfer of a build-to-suit investment property from other assets upon completion of its development and commencement of the lease to a tenant. The lease from the build-to-suit investment property is classified as finance lease receivable in accordance with FRS 17.

(f) Interest in subsidiaries relates to A-REIT's investment in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, AHTDBC; and Shanghai (JQ) Investment Holdings Pte. Ltd and its subsidiary, ASRC.

(g) Other assets decreased due to the transfer of a build-to-suit investment property to finance lease receivable upon the completion of its development and commencement of the lease to a tenant in April 2013.

(h) The decrease in derivative assets was mainly due to an unfavourable change in the fair value of floating rate interest rate swaps.

(i) The increase in trade and other receivables was mainly due to higher interest income receivable on investment in convertible bonds and higher prepaid expenses.

(j) Property held for sale relates to the divestment of Block 5006 of Techplace II at the agreed price of $38 million. Completion of the divestment is expected to be in the second half of FY13/14, which is pending for the issuance of a separate certificate of titles by Singapore Land Authority.

(k) The trade and other payables balance as at 31 December 2013 was higher due to an increase for accrual of asset enhancement works and development costs.

(l) The increase in security deposits was mainly due to new properties acquired/completed since 1 April 2013.

(m) Derivatives liabilities decreased mainly due to a favourable change in the fair value of certain fixed interest rate swaps.

(n) The increase in short term borrowings was mainly to partially finance the full repayment of $125.0 million MTN2009 Note, costs of asset enhancement works and development costs.

(o) **Details of borrowings & collateral**

Term loans
A term loan of S$395 million (Commercial Mortgage Backed Securities) granted by a special purpose company, Emerald Assets Limited ("Emerald"), will mature on 14 May 2014. As collateral for the credit facilities granted by Emerald, the Trustee has granted in favour of Emerald the following:

(i) a mortgage over the 38 properties in the A-REIT portfolio;

(ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;

(iii) an assignment of the insurance policies relating to the above mentioned properties; and

(iv) a fixed and floating charge over certain assets of A-REIT relating to the above mentioned properties.

Collateral loan
In March 2010, a collateral loan of S$300 million with final maturity date on 1 February 2017 was granted by a special purpose vehicle, Ruby Assets Pte. Ltd. ("Ruby"). To fund the collateral loan granted to A-REIT, Ruby had issued S$300 million Exchangeable Collateralised Securities ("ECS") which are exchangeable into new units of A-REIT ("Units") at an adjusted conversion price of $2.2167 per unit, subject to certain conditions, at any time on or after 6 May 2010 and have an expected maturity date of 1 February 2017. The Trustee has the option to pay cash in lieu of delivering the Units. There has been no conversion of any of the collateral loan since the date of issue.

As collateral for the loan granted by Ruby, the Trustee has granted in favour of Ruby the following:

(i) a mortgage over the 19 properties in the A-REIT portfolio;

(ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;

(iii) an assignment of the insurance policies relating to the above mentioned properties; and

(iv) a fixed and floating charge over certain assets of A-REIT relating to the above mentioned properties.

Medium Term Notes
A-REIT established a S$1.0 billion Multicurrency Medium Term Note Programme ("MTN2009") in March 2009. $125.0 million MTN2009 Note had been fully repaid upon maturity in July 2013. As at the balance sheet date, S$502.1 million remained outstanding.

In addition, A-REIT has various bilateral banking credit facilities with varying degrees of utilisation as at the balance sheet date.

As at 31 December 2013, 57.1% of A-REIT Group's interest rate exposure was fixed with an overall weighted average tenure of 3.9 years remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings as at 31 December 2013 was 2.69% (including margins charged on the loans and amortised annual costs of the MTN, Transferrable Loan Facilities and Committed Revolving Credit Facilities). The outstanding interest rate swaps have terms from less than 1 year to less than 7 years. The effective hedge portion of changes in the fair value of interest rate swaps is recognised in the Statement of Movement in Unitholders' Funds. The fair value changes of the remaining interest rate swaps, changes in fair value of the collateral loan and cross currency swaps are recognised in the Statement of Total Return in accordance with FRS 39.

(p) Provision for taxation comprises mainly income tax payable from AHTDBC, income tax provided on interest income earned from the investment in convertible bonds, finance lease interest income received from a tenant and incentive payment received as income support for AHTDBC in relation to Z-Link.

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

1 (c)(ii) Cash flow statement (3Q YTD FY13/14 vs 3Q YTD FY12/13)

	Group	
	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000
Cash flows from operating activities		
Net income	333,792	237,856
Adjustments for		
Allowance for impairment loss on doubtful receivables	289	95
Management fees paid/payable in units	5,341	4,982
Depreciation of plant and equipment	521	597
Finance income	(61,734)	(15,803)
Finance costs	50,633	80,042
Foreign exchange gain	(22,695)	(22,163)
Gain on disposal of investment property	(7,205)	-
Operating income before working capital changes	298,942	285,606
Changes in working capital		
Trade and other receivables	(11,200)	(4,666)
Trade and other payables	14,207	771
Cash generated from operating activities	301,949	281,711
Income tax paid	(610)	(341)
Net cash from operating activities	301,339	281,370
Cash flows from investing activities		
Payment for investment properties and other assets under development	(48,392)	(32,582)
Purchase of plant and equipment	(377)	(7)
Payment for capital improvement on investment properties	(76,160)	(41,624)
Acquisiton of subsidiary, net of cash acquired	(11,117)	-
Proceeds from sale of investment property	32,000	-
Investment in debt securities	(47,750)	(20,000)
Interest received	4,764	4,376
Net cash used in investing activities	(147,032)	(89,837)
Cash flows from financing activities		
Equity issue costs paid	(130)	(2,004)
Proceeds from issue of units	-	298,500
Distributions paid to Unitholders	(240,766)	(228,327)
Finance costs paid	(49,394)	(52,356)
Transaction costs paid in respect of borrowings	-	(1,177)
Proceeds from borrowings	557,100	351,066
Repayment of borrowings	(419,429)	(559,306)
Net cash used in financing activities	(152,619)	(193,604)
Net increase/(decrease) in cash and cash equivalents	1,688	(2,071)
Cash and cash equivalents at beginning of the financial period	19,525	19,589
Effect of exchange rate changes on cash balances	300	(298)
Cash and cash equivalents at end of the financial period	21,513	17,220

1 (c)(ii) Cash flow statement (3Q FY13/14 vs 3Q FY12/13)

	Group	
	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000
Cash flows from operating activities		
Net income	122,223	116,726
Adjustments for		
Allowance for/(reversal of allowance) for impairment loss on doubtful receivables, net	214	(104)
Management fees paid/payable in units	1,808	1,676
Depreciation of plant and equipment	176	184
Finance income	(24,265)	(8,624)
Finance costs	16,713	18,294
Foreign exchange gain	(16,602)	(31,159)
Operating income before working capital changes	100,267	96,993
Changes in working capital		
Trade and other receivables	(8,781)	(2,082)
Trade and other payables	2,260	2,429
Cash generated from operating activities	93,746	97,340
Income tax paid	(204)	(72)
Net cash from operating activities	93,542	97,268
Cash flows from investing activities		
Payment for investment properties and other assets under development	(12,237)	(11,204)
Purchase of plant and equipment	(327)	-
Payment for capital improvement on investment properties	(22,559)	(18,233)
Deposits refunded	-	(200)
Investment in debt securities	(6,000)	(10,000)
Interest received	1,024	1,025
Net cash used in investing activities	(40,099)	(38,612)
Cash flows from financing activities		
Equity issue costs paid	-	(45)
Distributions paid to Unitholders	(86,431)	(78,986)
Finance costs paid	(14,802)	(16,096)
Proceeds from borrowings	149,100	63,000
Repayment of borrowings	(106,100)	(27,000)
Net cash used in financing activities	(58,233)	(59,127)
Net decrease in cash and cash equivalents	(4,790)	(471)
Cash and cash equivalents at beginning of the period	26,147	17,710
Effect of exchange rate changes on cash balances	156	(19)
Cash and cash equivalents at end of the financial period	21,513	17,220

1 (d)(i) Statement of movement in unitholders' funds (3Q YTD FY13/14 vs 3Q YTD FY12/13)

	Group		Trust	
	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000	01/04/13 to 31/12/13 S$'000	01/04/12 to 31/12/12 S$'000
Balance at beginning of the financial period	4,661,149	3,917,456	4,652,902	3,917,003
Operations				
Net income (Note a)	333,792	237,856	330,554	235,972
Net change in fair value of financial derivatives	(21,383)	(24,620)	(21,383)	(24,620)
Income tax expense/(credit)	(1,230)	1,187	(901)	1,526
Net increase in net assets resulting from operations	311,179	214,423	308,270	212,878
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note b)	14,675	7,202	14,675	7,202
Changes in fair value of financial derivatives transferred to the Statement of Total Return (Note c)	3,971	-	3,971	-
Net increase in net assets resulting from hedging transactions	18,646	7,202	18,646	7,202
Movement in foreign currency translation reserve (Note d)	2,965	(1,359)	-	-
Unitholders' transactions				
New units issued	-	298,500	-	298,500
Acquisition fees (IPT acquisition) paid in units	-	1,830	-	1,830
Management fees paid/payable in units	5,341	4,982	5,341	4,982
Equity issue costs	-	(2,008)	-	(2,008)
Distributions to Unitholders	(240,766)	(228,327)	(240,766)	(228,327)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(235,425)	74,977	(235,425)	74,977
Balance at end of the financial period	4,758,514	4,212,699	4,744,393	4,212,060

Footnotes

(a) Included in net income is the gain of $7.2 million, arising from the divestment of investment property located at 6 Pioneer Walk which was completed in June 2013.

(b) In 3Q YTD FY13/14, the forward interest rates at the end of the period were higher than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered a favourable change as compared to the beginning of the period.

In 3Q YTD FY12/13, the favourable change in the aggregate fair value of the interest rate swaps was mainly due to some of the interest rate swaps nearing their maturity dates.

(c) This relates to the transfer of fair value loss on interest rate swaps from the hedging reserve to the Statement of Total Return in accordance with FRS39.

(d) This amount was related to the foreign exchange translation differences arising from translation of the financial statements of AHTDBC and ASRC.

Statement of movement in unitholders' funds (3Q FY13/14 vs 3Q FY12/13)

	Group		Trust	
	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000	01/10/13 to 31/12/13 S$'000	01/10/12 to 31/12/12 S$'000
Balance at beginning of financial period	4,733,261	4,208,657	4,723,276	4,208,478
Operations				
Net income	122,223	116,726	119,987	116,045
Net change in fair value of financial derivatives	(16,667)	(38,568)	(16,667)	(38,568)
Income tax expense	(412)	(231)	(322)	(98)
Net increase in net assets resulting from operations	105,144	77,927	102,998	77,379
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note a)	2,742	3,513	2,742	3,513
Net increase in net assets resulting from hedging transactions	2,742	3,513	2,742	3,513
Movement in foreign currency translation reserve (Note b)	1,990	(88)	-	-
Unitholders' transactions				
Management fees paid/payable in units	1,808	1,676	1,808	1,676
Distributions to Unitholders	(86,431)	(78,986)	(86,431)	(78,986)
Net decrease in net assets resulting from Unitholders' transactions	(84,623)	(77,310)	(84,623)	(77,310)
Balance at end of the financial period	4,758,514	4,212,699	4,744,393	4,212,060

Footnotes

(a) In 3Q FY13/14, the forward interest rates at the end of the period were higher than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered a favourable change as compared to the beginning of the period.

In 3Q FY12/13, the favourable change in the aggregate fair value of the interest rate swaps was mainly due to some of the interest rate swaps nearing their maturity dates.

(b) This amount was related to the foreign exchange translation differences arising from translation of the financial statements of AHTDBC and ASRC.

1 (d)(ii) Details of any changes in the units (3Q YTD FY13/14 vs 3Q YTD FY12/13)

	Trust	
	01/04/13 to 31/12/13 Units	01/04/12 to 31/12/12 Units
Units issued:		
At beginning of the financial period	2,398,946,090	2,085,077,194
Issue of new units:		
- Acquisition fees (IPT acquisition) paid in units	462,860	898,247
- Management fees paid in units	3,112,708	2,970,649
- Issued pursuant to equity raising in May 2012	-	150,000,000
At end of the financial period	**2,402,521,658**	**2,238,946,090**
Units to be issued:		
Management fees payable in units	281,383	238,847
Units issued and issuable at end of the financial period	**2,402,803,041**	**2,239,184,937**

Details of any changes in the units (3Q FY13/14 vs 3Q FY12/13)

	Trust	
	01/10/13 to 31/12/13 Units	01/10/12 to 31/12/12 Units
Units issued:		
At beginning of the financial period	2,400,871,877	2,237,552,568
Issue of new units:		
- Management fees paid in units	1,649,781	1,393,522
At end of the financial period	**2,402,521,658**	**2,238,946,090**
Units to be issued:		
Management fees payable in units	281,383	238,847
Units issued and issuable at end of the financial period	**2,402,803,041**	**2,239,184,937**

A collateral loan of S$300 million with maturity date on 1 February 2017 was granted by Ruby Assets Pte. Ltd. Please refer to Note (o) on Page 13 for further details of the collateral loan.

The collateral loan is exchangeable into fully paid units representing undivided interests in A-REIT at any time on or after 6 May 2010 at an adjusted conversion price of $2.2167 per unit, subject to adjustment upon the occurrence of certain events.

There has been no conversion of any of the collateral loan since the date of issue.

Assuming the collateral loan is fully converted based on the adjusted conversion price of $2.2167 per unit, the number of new units to be issued would be 135,336,310 representing 5.6% of the total number of A-REIT Units in issue as at 31 December 2013.

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

On 1 April 2013, the Group adopted the revised Statement of Recommended Accounting Practice 7 (2012) *“Reporting Framework for Units Trusts”* issued by the Institute of Singapore Chartered Accountants which has no significant impact to the financial statements of the Group.

The Group has applied the same accounting policies and method of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 March 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 April 2013.

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

There are no significant changes in the accounting policies and methods of computation.

6. Earnings per Unit ("EPU") and Distribution per Unit ("DPU") for the financial period

	Group		Trust	
6.1 EPU for 3Q FY13/14 compared to 2Q FY13/14	3Q FY13/14 01/10/13 to 31/12/13	2Q FY13/14 01/07/13 to 30/09/13	3Q FY13/14 01/10/13 to 31/12/13	2Q FY13/14 01/07/13 to 30/09/13
Basic EPU (Note a)				
Weighted average number of units	2,401,161,853	2,400,882,914	2,401,161,853	2,400,882,914
Earnings per unit in cents (EPU)	4.38	3.12	4.29	3.13
Dilutive EPU (Note b)				
Weighted average number of units	2,536,498,164	2,400,882,914	2,536,498,164	2,400,882,914
Earnings per unit in cents (Dilutive EPU)	3.69	3.12	3.61	3.13

	Group		Trust	
6.2 EPU for 3Q FY13/14 compared to 3Q FY12/13	3Q FY13/14 01/10/13 to 31/12/13	3Q FY12/13 01/10/12 to 31/12/12	3Q FY13/14 01/10/13 to 31/12/13	3Q FY12/13 01/10/12 to 31/12/12
Basic EPU (Note a)				
Weighted average number of units	2,401,161,853	2,237,782,369	2,401,161,853	2,237,782,369
Earnings per unit in cents (EPU)	4.38	3.48	4.29	3.46
Dilutive EPU (Note b)				
Weighted average number of units	2,536,498,164	2,369,783,953	2,536,498,164	2,369,783,953
Earnings per unit in cents (Dilutive EPU)	3.69	3.12	3.61	3.10

	Group		Trust	
6.3 EPU for 3Q YTD FY13/14 compared to 3Q YTD FY12/13	3Q YTD FY13/14 01/04/13 to 31/12/13	3Q YTD FY12/13 01/04/12 to 31/12/12	3Q YTD FY13/14 01/04/13 to 31/12/13	3Q YTD FY12/13 01/04/12 to 31/12/12
Basic EPU (Note a)				
Weighted average number of units	2,400,522,239	2,213,659,851	2,400,522,239	2,213,659,851
Earnings per unit in cents (EPU)	12.96	9.69	12.84	9.62
Dilutive EPU (Note b)				
Weighted average number of units	2,535,858,550	2,213,659,851	2,535,858,550	2,213,659,851
Earnings per unit in cents (Dilutive EPU)	11.39	9.69	11.28	9.62

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) For 3Q YTD FY13/14, 3Q FY13/14 and 3Q FY12/13, the dilutive EPU were computed on the basis that the collateral loan was converted at the beginning of the period. For 2Q FY13/14 and 3Q YTD FY12/13, the collateral loan was anti-dilutive and was excluded from the calculation of dilutive EPU.

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 for the effects of all potential dilutive units. Potential units shall be treated as dilutive when, and only when, their conversion to A-REIT Units would decrease earnings per unit. The disclosure of dilutive EPU is in relation to the issuance of collateral loan which has a convertible option to convert the loan in A-REIT Units.

For 3Q YTD FY13/14, 3Q FY13/14 and 3Q FY12/13, the dilutive EPU was computed based on the adjusted total return and the adjusted weighted average number of units. The adjusted total return for the period was derived by adding back the interest expense on collateral loan of $3,616,000, $1,210,000 and $1,210,000 respectively and deducting the gain on collateral loan of $25,872,000, $12,657,000 and $5,091,000 respectively from the total return for the period after income tax. The adjusted weighted average number of units took into account the potential dilutive units of 135,336,310 (see para 1(d)(ii) on Page 19).

	Group		Trust	
6.3 DPU for 3Q FY13/14 compared to 2Q FY13/14	3Q FY13/14 01/10/13 to 31/12/13	2Q FY13/14 01/07/13 to 30/09/13	3Q FY13/14 01/10/13 to 31/12/13	2Q FY13/14 01/07/13 to 30/09/13
Number of units in issue	2,402,521,658	2,400,871,877	2,402,521,658	2,400,871,877
Distribution per unit in cents (Note a)	3.54	3.60	3.54	3.60

	Group		Trust	
6.4 DPU for 3Q FY13/14 compared to 3Q FY12/13	3Q FY13/14 01/10/13 to 31/12/13	3Q FY12/13 01/10/12 to 31/12/12	3Q FY13/14 01/10/13 to 31/12/13	3Q FY12/13 01/10/12 to 31/12/12
Number of units in issue	2,402,521,658	2,238,946,090	2,402,521,658	2,238,946,090
Distribution per unit in cents (Note a)	3.54	3.62	3.54	3.62

	Group		Trust	
6.6 DPU for 3Q YTD FY13/14 compared to 3Q YTD FY12/13	3Q YTD FY13/14 01/04/13 to 31/12/13	3Q YTD FY12/13 01/04/12 to 31/12/12	3Q YTD FY13/14 01/04/13 to 31/12/13	3Q YTD FY12/13 01/04/12 to 31/12/12
Number of units in issue	2,402,521,658	2,238,946,090	2,402,521,658	2,238,946,090
Distribution per unit in cents (Note a)	10.69	10.68	10.69	10.68

Footnotes

(a) As at book closure date, none of the S$300 million collateral loan is converted into A-REIT Units.

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

	Group		Trust	
	31/12/13 cents	31/03/13 cents	31/12/13 cents	31/03/13 cents
Net asset value per unit	198.0	194.2	197.5	193.8
Adjusted net asset value per unit (Note a)	194.5	191.3	193.9	191.0

Footnote

(a) The adjusted net asset value per unit excludes the amount to be distributed for the relevant period after the balance sheet date.

8. Review of Performance

Review of Performance 3Q FY13/14 vs 3Q FY12/13

	Group		
	3Q FY13/14 01/10/13 to 31/12/13 S$'000	3Q FY12/13 01/10/12 to 31/12/12 S$'000	Increase / (Decrease) %
Gross revenue	154,436	145,170	6.4%
Property operating expenses	(45,863)	(40,508)	13.2%
Net property income	108,573	104,662	3.7%
Non property expenses	(10,504)	(9,425)	11.4%
Net finance income/(costs)	7,552	(9,670)	(178.1%)
Foreign exchange gain	16,602	31,159	(46.7%)
	13,650	12,064	13.1%
Net income	122,223	116,726	4.7%
Net change in fair value of financial derivatives	(16,667)	(38,568)	(56.8%)
Total return for the period before income tax expense	105,556	78,158	35.1%
Income tax expense	(412)	(231)	78.4%
Total return for the period after income tax expense	105,144	77,927	34.9%
Net effect of non (taxable income)/tax deductible expenses and other adjustments	(20,042)	3,179	nm
Income available for distribution	85,102	81,106	4.9%
Comprising:			
- Taxable income	84,494	81,106	4.2%
- Tax-exempt income (Note a)	608	-	nm
Total amount available for distribution	85,102	81,106	4.9%
Earnings per unit (cents)	4.38	3.48	25.9%
Distribution per unit (cents)	3.54	3.62	(2.2%)

Note: nm denotes “not meaningful

Footnote

(a) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of the Unitholders, save for Unitholders who are holding the units as trading assets.

Gross revenue increased by 6.4% mainly due to the recognition of rental income earned from The Galen, which was acquired at the end of FY12/13, rental income from Nexus@one-north, A-REIT City@Jinqiao and finance lease interest income received from a tenant. Positive rental reversion also contributed to the increase in gross revenue.

The 13.2% increase in property operating expenses was mainly contributed by:

(i) expenses from The Galen, A-REIT City@Jinqiao and Nexus@one-north which were acquired/completed at the end of FY12/13, in July 2013 and in September 2013 respectively;
(ii) changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted had contributed to the higher property operating expenses;
(iii) higher maintenance and conservancy costs at certain properties mainly due to the increase in term contracts costs; and
(iv) higher property tax mainly from upward revision in annual value of 38 Kim Chuan Road and Kim Chuan Telecommunication Complex. In addition, changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted had contributed to the higher property tax in 3Q FY13/14.

Offset by:
(v) lower utilities charges in 3Q FY13/14 primarily in the Hi-Specs Industrial segment due to more efficient use of energy as a result of the completion of chiller upgrading at Corporation Place and lower pre-committed utilities rates in certain properties.

The difference between net finance income/(costs) in 3Q FY13/14 and 3Q FY12/13 was as follows:

(i) higher fair value gain on collateral loan of $12.7 million in 3Q FY13/14 (3Q FY12/13: $5.1 million);
(ii) higher fair value gain on convertible bonds of $8.5 million in 3Q FY13/14 (3Q FY12/13: $1.1 million);
(iii) higher interest income from interest rate swaps and convertible bonds;
(iv) lower interest expenses from lower borrowings and lower interest rates; and
(v) accretion gain of $0.4 million in 3Q FY13/14 on refundable security deposits (3Q FY12/13: loss of $0.2 million).

Foreign exchange (loss)/gain mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange gain in 3Q FY13/14 was mainly due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

Net change in fair value of financial derivatives in 3Q FY13/14 was made up of a $0.6 million fair value loss on interest rates swaps (3Q FY12/13: gain of $0.6 million) and a fair value loss on cross currency swaps of $16.0 million (3Q FY12/13: $39.2 million). Fair value loss on cross currency swaps in 3Q FY13/14 was mainly due to the weakening of the JPY forward exchange rates against SGD.

Income tax expense in 3Q FY13/14 was higher mainly because of higher finance lease interest income and income tax provided on higher interest income earned from investment in convertible bonds in 3Q FY13/14.

The difference between net effect of non (taxable income)/tax deductible expenses and other adjustments in 3Q FY13/14 and 3Q FY12/13 was as follows:

(i) higher fair value gain on collateral loan of $12.7 million in 3Q FY13/14 (3Q FY12/13: $5.1 million);
(ii) higher fair value gain on convertible bonds of $8.5 million in 3Q FY13/14 (3Q FY12/13: $1.1 million); and
(iii) lower net fair value loss on financial derivatives of $16.6 million in 3Q FY13/14 (3Q FY12/13: $38.6 million).

offset by:
(iv) lower foreign exchange gain arose mainly from the translation of the Trust's JPY-denominated MTN of $15.7 million in 3Q FY13/14 (3Q FY12/13: $31.2 million).

Total amount available for distribution was 4.9% higher than 3Q FY12/13 mainly due to higher net property income and tax-exempt income from finance lease interest income received from a tenant.

Review of Performance 3Q FY13/14 vs 2Q FY13/14

	Group		
	3Q FY13/14 01/10/13 to 31/12/13 S$'000	2Q FY13/14 01/07/13 to 30/09/13 S$'000	Increase / (Decrease) %
Gross revenue	154,436	151,692	1.8%
Property operating expenses	(45,863)	(44,570)	2.9%
Net property income	108,573	107,122	1.4%
Non property expenses	(10,504)	(10,205)	2.9%
Net finance income/(costs)	7,552	(15,301)	(149.4%)
Foreign exchange gain/(loss)	16,602	(1,818)	nm
	13,650	(27,324)	(150.0%)
Net income	122,223	79,798	53.2%
Net change in fair value of financial derivatives	(16,667)	(4,367)	nm
Total return for the period before income tax expense	105,556	75,431	39.9%
Income tax expenses	(412)	(490)	(15.9%)
Total return for the period after income tax expense	105,144	74,941	40.3%
Net effect of non (taxable income)/tax deductible expenses and other adjustments	(20,042)	10,174	nm
Income available for distribution	85,102	85,115	(0.0%)
Comprising:			
- Taxable income	84,494	84,403	0.1%
- Tax-exempt income (Note a)	608	712	(14.6%)
Income available for distribution	85,102	85,115	(0.0%)
Tax-exempt income (prior periods) (Note b)	-	622	nm
Distribution from capital (prior periods) (Note c)	-	702	nm
Total amount available for distribution	85,102	86,439	(1.5%)
Earnings per unit (cents)	4.38	3.12	40.4%
Distribution per unit (cents)	3.54	3.60	(1.7%)

Note: nm denotes “not meaningful”

(a) This relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of unitholders, save for Unitholders who are holding the units as trading assets.

(b) This relates to the first distribution of incentive payment (net of Singapore corporate tax) in 2Q FY13/14, received as income support for AHTDBC in relation to Z-Link, for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (c) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been withheld on this income, the distribution is exempt from tax in the hands of unitholders, save for Unitholders who are holding the units as trading assets.

(c) The capital distribution in FY13/14 relates to the first distribution of net income from its subsidiary, AHTDBC, in 2Q FY13/14, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). Income can be distributed after its annual audited financial statements had been filed and corporate taxes paid. The intention is to distribute such net income semi-annually after relevant adjustments such as withholding tax payable. It is deemed to be capital distribution from a tax perspective as this income has yet to be remitted to A-REIT in Singapore as at 31 December 2013. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

Revenue in 3Q FY13/14 was higher than 2Q FY13/14 by 1.8% mainly due to full quarter revenue impact from Nexus@one-north which was completed in September 2013 and higher occupancy rate achieved in 3Q FY13/14 for A-REIT City@Jinqiao.

Property operating expenses was higher in 3Q FY13/14 by 2.9% mainly due to due to full quarter impact from Nexus@one-north and lower property tax in 2Q FY13/14 from downward annual value adjustment for certain properties.

The difference between net finance income/(costs) in 3Q FY13/14 and 2Q FY13/14 was mainly due to a fair value gain on collateral loan of $12.7 million (2Q FY13/14: loss of $10.5 million), accretion gain of $0.4 million on refundable security deposits in 3Q FY13/14 (2Q FY13/14: loss of $0.7 million), offset by lower fair value gain on convertible bonds of $8.5 million in 3Q FY13/14 (2Q FY13/14: $9.2 million).

Foreign exchange (loss)/gain mainly relates to the translation of the Trust's JPY-denominated MTN. Foreign exchange gain in 3Q FY13/14 was due to the weakening of JPY spot exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure.

Net change in fair value of financial derivatives in 3Q FY13/14 was made up of a fair value loss on interest rate swaps of $0.6 million (2Q FY13/14: $4.6 million), and a $16.0 million fair value loss on cross currency swaps (2Q FY13/14: $0.2 million gain). Fair value loss on cross currency swaps was mainly due to the weakening of the JPY forward exchange rates against SGD.

Lower income tax expense for 3Q FY13/14 mainly due to one-off expenditures.

The difference between net non (taxable income)/tax deductible expenses and other adjustments in 3Q FY13/14 and 2Q FY13/14 was as follows:

(i) fair value gain on collateral loan of $12.7 million in 3Q FY13/14 (2Q FY13/14: loss of $10.5 million in 2Q FY13/14);
(ii) foreign exchange gain arose mainly from the translation of the Trust's JPY-denominated MTN of $15.7m in 3Q FY13/14 (2Q FY13/14: loss of $1.2 million); and
(iii) lower net fair value loss on financial derivatives of $16.6 million in 3Q FY13/14 (2Q FY13/14: $4.4 million).

offset by:
(iv) lower fair value gain on convertible bonds of $8.5 million in 3Q FY13/14 (2Q FY13/14: $9.2 million).

9. Variance between forecast and the actual results

A-REIT has not made any forecast.

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

Singapore

According to the Ministry of Trade and Industry's (MTI) advance estimates, the Singapore economy grew by 4.4% on a y-o-y basis in 4Q 2013, compared to 5.9% in the previous quarter. On a q-o-q seasonally-adjusted annualised basis, the economy contracted by 2.7%, a reversal from the 2.2% expansion in the previous quarter. The economy is estimated to have grown by 3.7% for the whole of 2013. The manufacturing sector grew 3.5% y-o-y, lower than the 5.3% growth in the preceding quarter. The moderation in growth was mainly due to a sharper contraction in biomedical manufacturing output and lower growth in transport engineering output.

Singapore's manufacturing sector contracted in December 2013. The Purchasing Manager's Index (PMI) fell to 49.7 from November's 50.8 points. Meanwhile, the electronics PMI remained positive at 50.1, although this is a 1.1 point fall from November 2013. According to the Singapore Institute of Purchasing & Materials Management, PMI fell due to slower growth in new orders and a fall in production output and stockholdings of finished goods and items.

Singapore's non-oil domestic exports (NODX) rose by 6.0% in December 2013 y-o-y, due to an increase in shipments of non-electronic products which outweigh the decline in shipments of electronic products. Electronic exports contracted by 3.1% y-o-y in December 2013 largely due to parts of PCs, disk drives and telecommunication equipment. On a y-o-y basis, non-electronic NODX grew by 10.6% in December 2013 due to expansion in petrochemicals, printed matter and structures of ships & boats. On a y-o-y basis, NODX to all of the top 10 NODX markets, except the EU 27, Japan, South Korea, Thailand and Hong Kong, expanded in December 2013. The top three contributors to the NODX rise in December 2013 were China, the US and Taiwan.

URA industrial property price index increased 2.8% in 3Q 2013, reversing a 0.6% decline in 2Q 2013. Industrial property rental index also increased 4.4% in 3Q 2013, reversing a 0.1% decline in 2Q 2013. According to the CBRE 4Q 2013 Market View, ground floor rental rates for factory space and warehouse space stayed flat at S$1.90 psf per month and S$1.83 psf per month in 4Q 2013 respectively. Median rental rate for business park space in 3Q 2013 stands at S$4.20 psf per month (2Q 2013: S$3.90 psf per month).

The vacancy rate of factory space fell from 7.1% at the end of Q2 2013 to 6.9% at the end of 3Q 2013. Vacancy for warehouse space also fell from 7.2% to 6.7% over the same period. Business park vacancy increased from 19.1% in 2Q 2013 to 19.2% in 3Q 2013.

China

According to the National Bureau of Statistics, the China Purchasing Managers' Index dipped to 51.0 in December 2013 from 51.4 in November 2013. The HSBC China Manufacturing PMI fell to 50.5 in December 2013 from 50.8 in November 2013.

China's December exports rose 4.3% y-o-y while imports rose 8.3%. China's economy expanded by 7.7% for the first nine months of 2013.

China unveiled bold economic and social reform plans last month to put China on a sustainable growth path. One objective of the reform is to aid China's transition to a consumption-driven economy.

Beijing has set a 7.5 per cent growth target for the economy for 2014.

Outlook for the financial year ending 31 March 2014

A-REIT had 21.4% of its revenue due for renewal at the beginning of FY13/14. As a result of its proactive portfolio management, this has been reduced to 5.3% at the end of 3Q FY13/14, thereby increasing the income stability of A-REIT. Furthermore, A-REIT's portfolio weighted average lease to expiry of about 3.9 years will provide sustainable and predictable earnings.

For the balance of the financial year, while there could be transitory occupancy pressure, however, the passing rent of leases due for renewal is still below market spot rent and hence, positive rental reversion can be expected when these leases are renewed. With 10.3% vacancy in the current portfolio, there could also be potential upside in net property income when these spaces are leased out in due course, the speed of which will largely depend on prevailing market conditions.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2014.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	44th distribution for the period from 1 October 2013 to 31 December 2013
Distribution Type:	Taxable income/Tax-exempt income
Distribution Rate:	Taxable income – 3.52 cents per unit Tax-exempt income – 0.02 cents per unit
Par value of units:	Not applicable
Tax Rate:	<u>Taxable income distribution</u> 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 investor 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%. <u>Tax-exempt Income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of A-REIT on the income of A-REIT against their Singapore income tax liability.
Book closure date:	27 January 2014
Date payable:	27 February 2014

11. Distributions

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	39^{th} distribution for the period from 1 October 2012 to 31 December 2012
Distribution Type:	Taxable income
Distribution Rate:	Taxable income – 3.62 cents per unit
Par value of units:	Not applicable
Tax Rate:	<u>Taxable income distribution</u> 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 investor 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%.
Book closure date:	23 January 2013
Payment date:	27 February 2013

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

Not applicable.

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

A-REIT has not obtained a general mandate from unitholders for interested parties transactions.

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

The Manager hereby certifies that in relation to the distribution to the Unitholders of A-REIT for the financial quarter ended 31 December 2013:

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

A-REIT's current distribution policy is to distribute 100% of its distributable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains, and unrealised surplus on revaluation of investment properties and investment properties under development. Distributions are usually made on a quarterly basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

15. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading in any material aspect.

16. USE OF PROCEEDS FROM PRIVATE PLACEMENTS

(i) Gross proceeds of $298.5 million from Private Placement in May 2012

Announced use of proceeds	Announced use of proceeds ($'million)	Actual use of proceeds ($'million)	Balance of proceeds ($'million)
To fund the asset enhancement initiative at 9 Changi South Street 3	14.6	14.6	-
To fund the asset enhancement initiative at Techplace II	42.4	42.4	-
To fund the development of Nexus@one-north	68.0	68.0	-
To fund the development of Unilever Four Acres Singapore	32.3	32.3	-
To fund the forward purchase of A-REIT City@Jinqiao	90.0	90.0	-
To pay issue expenses incurred by A-REIT in relation to the Private Placement	4.7	4.7	-
For general corporate and working capital purposes	46.5	46.5 (Note a)	-
Total	298.5	298.5	-

Footnote

(a) $46.5 million had been used to partly fund capital expenditures at Xilin Districentre Building D, 31 Ubi Road 1, 1 Changi Business Park Avenue1 and 31 International Business Park, Techpoint, 5 Toh Guan East Road, Logistech and Techquest, as well as for working capital.

(ii) **Gross proceeds of $406.4 million from Private Placement in March 2013**

Announced use of proceeds	Announced use of proceeds ($'million)	Actual use of proceeds ($'million)	Balance of proceeds ($'million) (Note a)
To fund acquisition of The Galen	126.0	126.0	-
To partly fund the potential acquisition of an integrated industrial mixed use property (comprising business space and white commercial space) at Kallang Avenue	270.0	-	270.0
To pay issue expenses incurred by A-REIT in relation to the Private Placement	5.8	5.8	-
For general corporate and working capital purposes	4.6	0.6 (Note b)	4.0
Total	$406.4	$132.4	$274.0

Footnote

(a) $274.0 million had been used to repay outstanding borrowings, pending the deployment of such funds for their intended use.
(b) $0.6 million had been used for the transaction costs on acquisition of The Galen.

This release may contain forward-looking statements that involve 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 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

Mary Judith de Souza
Company Secretary
17 January 2014

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The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
61 Science Park Road
#02-18 The Galen
Singapore Science Park II
Singapore 117525

17 January 2014

Dear Sirs

Ascendas Real Estate Investment Trust and its subsidiaries
Review of Interim Financial Information for the 9-month period ended 31 December 2013

Introduction

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the nine-month period ended 31 December 2013. The Interim Financial Information comprises the following:

- Balance sheets of the Trust and the Group as at 31 December 2013;
- Portfolio statement of the Group as at 31 December 2013;
- Statements of total return of the Trust and the Group for the three-month and nine-month periods ended 31 December 2013;
- Distribution statements of the Trust and the Group for the three-month and nine-month periods ended 31 December 2013;
- Statements of movements in unitholders' funds of the Trust and the Group for three-month and nine-month periods ended 31 December 2013;
- Statement of cash flows of the Group for the nine-month period ended 31 December 2013; 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 (2012) *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.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 to meet 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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore