

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**



A Member of CapitalLand

Summary of Ascendas Reit Group Results

	Note	01/01/20 to 30/06/20 ('1H FY2020') S\$'000	01/01/19 to 30/06/19 ('1H 2019') S\$'000	Variance %
Gross revenue		521,234	454,732	14.6%
Net property income		388,042	349,076	11.2%
Total amount available for distribution:	(a)	263,185	253,687	3.7%
- Taxable income		213,955	221,800	(3.5%)
- Tax-exempt income	(b)	1,450	-	n.m.
- Distribution from capital	(c)	47,780	31,887	49.8%
Distribution per Unit ("DPU") (cents)				
		FY2020	2019	Variance %
For the period from 1 January to 30 June	(a)	7.270	8.153	(10.8%)
- Taxable income		5.910	7.128	(17.1%)
- Tax-exempt income	(b)	0.040	-	n.m.
- Distribution from capital	(c)	1.320	1.025	28.8%

Footnotes

- (a) Included in 1H 2019 was distribution of rollover adjustments from prior years amounting to S\$7.8 million (DPU impact of 0.250 cents). This arose mainly from tax rulings by the Inland Revenue Authority of Singapore ("IRAS") on the non-tax deductibility of certain finance costs in prior years. Excluding the rollover adjustments in 1H 2019, DPU of 1H FY2020 would have decreased by 8.0%.
- (b) This includes the distribution of one-tier dividend income received from the associate company in Singapore. This distribution is exempt from tax in the hands of Unitholders.
- (c) This relates to the distribution of (i) income repatriated from Australia by way of shareholder loan repayment, (ii) net income attributable to properties in the United Kingdom ("UK") and United States ("US"), (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

Distribution Type	1 January 2020 to 30 June 2020			
	Taxable	Tax-exempt	Capital	Total
Distribution rate (cents per unit)	5.910	0.040	1.320	7.270
Record date	3 August 2020			
Payment date	27 August 2020			

**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.

Since the beginning of the financial year, Ascendas Reit and its subsidiaries (the “Group”) has completed the following divestments of properties:

No.	Property	Amount (mil)	Date
i	Wisma Gulab, 190 Macpherson Road (“Wisma Gulab”)	S\$88.0	23 January 2020
ii	No. 202 Kallang Bahru (“202KB”)	S\$17.0	4 February 2020
iii	No. 25 Changi South Street 1	S\$20.3	6 March 2020

As at 30 June 2020, Ascendas Reit and its subsidiaries (the “Group”) have a diversified portfolio of 96 properties in Singapore, 35 properties in Australia, 38 properties in the UK and 28 properties in the US with a tenant base of more than 1,400 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, a joint venture and an associate company. The commentaries provided are based on the consolidated Group results unless otherwise stated.

Comparative information

As disclosed 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 has changed its financial year end from 31 March to 31 December. Therefore, the current six months is period from 1 January 2020 to 30 June 2020 (“1H FY2020”). The comparative information presented in these financial statements was for the six months ended 30 June 2019 (“1H 2019”). The immediately preceding half year was for the six months period from 1 July 2019 to 31 December 2019 (“2H 2019”).

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.

Prior to the adoption of FRS 116, lease payments made to landowners 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 order to present the comparative information in a consistent manner, the Group has re-presented the net property income, the finance cost on the Statement of Total Return and related items on the Cash Flow Statement for the period from 1 January 2019 to 31 March 2019 by applying the principles of FRS 116 since 1 January 2019. The re-presentation of the comparative period information does not have an impact on the amount available for distribution. The effect of change to the Statement of Total Return and the Cash Flow Statement is presented as follows:

	For the period from 1 January to 31 March 2019	
	As previously reported	Re-presented
	S\$’000	S\$’000
Statement of Total Return:		
Net property income	163,433	171,617
Finance cost	(32,999)	(39,636)
Change in fair value on the right-of-use assets	-	(1,547)
Cash Flow Statement:		
Net cash generated from operating activities	173,741	181,925
Net cash generated from financing activities	(37,692)	(45,876)

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

		Group		
	Note	1H FY2020 S\$'000	1H 2019 S\$'000	Variance %
Gross revenue	(a)	521,234	454,732	14.6%
Property services fees		(16,465)	(16,498)	(0.2%)
Property tax	(b)	(33,776)	(29,640)	14.0%
Other property operating expenses	(b)	(82,951)	(59,518)	39.4%
Property operating expenses	(b)	(133,192)	(105,656)	26.1%
Net property income		388,042	349,076	11.2%
Management fees	(c)	(32,823)	(27,975)	17.3%
Trust and other expenses	(d)	(5,711)	(3,441)	66.0%
Finance income	(g)	1,681	5,521	(69.6%)
Finance costs	(g)	(84,804)	(80,719)	5.1%
Foreign exchange differences	(e)	(31,085)	3,975	n.m.
Gain on disposal of investment properties	(f)	5,390	-	n.m.
Net non property expenses		(147,352)	(102,639)	43.6%
Net income		240,690	246,437	(2.3%)
Net change in fair value of financial derivatives	(h)	52,693	18,032	192.2%
Net change in fair value of investment properties	(i)	-	29,304	(100.0%)
Net change in fair value of right-of-use assets	(j)	(2,285)	(3,094)	(26.1%)
Share of associated company and joint venture's results	(k)	2,640	219	n.m.
Total return for the period before tax		293,738	290,898	1.0%
Tax expense	(l)	(14,694)	(9,108)	61.3%
Total return for the period		279,044	281,790	(1.0%)
Attributable to:				
Unitholders and perpetual securities holders		279,044	281,790	(1.0%)
Total return for the period		279,044	281,790	(1.0%)
<u>Distribution Statement</u>				
Total return for the period attributable to Unitholders and perpetual securities holders		279,044	281,790	(1.0%)
Less: Amount reserved for distribution to perpetual securities holders	(m)	(7,105)	(7,067)	0.5%
Other net non tax deductible expenses/ (taxable income) and other adjustments	(n)	(57,984)	(23,619)	145.5%
Net change in fair value of investment properties		-	(29,304)	100.0%
Income available for distribution		213,955	221,800	(3.5%)
Total amount available for distribution comprising:				
- Taxable income		213,955	221,800	(3.5%)
- Tax-exempt income		1,450	-	n.m.
- Distribution from capital	(o)	47,780	31,887	49.8%
Total amount available for distribution		263,185	253,687	3.7%

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, government grant income and other income (which includes revenue from utilities charges, interest income from finance lease receivable, car park revenue and claims on liquidated damages).

The increase in gross revenue was mainly contributed by the US Portfolio of 28 business park properties ("US Portfolio") and two Singapore business park properties, which were acquired in December 2019, partially offset by the rent rebate provided for eligible tenants to ease the challenges faced as a result of the COVID-19 pandemic, the divestment of Wisma Gulab in January 2020 and lower occupancies of certain properties. There was a total of \$10.3 million of grant income recorded in 1H FY2020, which is pertaining to the property tax rebates received from IRAS as part of the Singapore government's initiatives to help businesses adapt to the challenges, caused by the COVID-19 pandemic.

- (b) Property operating expenses comprise property services fees, property taxes and other expenses such as maintenance and conservancy costs, utilities expenses, marketing fees, government grant expenses related to property tax rebate and other miscellaneous property-related expenses.

Property operating expenses increased mainly due to the newly acquired US Portfolio. The property tax expenses were lower in 1H 2019 due to the retrospective downward revisions in the annual value of certain properties. The Group recorded \$10.3 million of grant expenses in 1H FY2020, representing the property tax rebate passed on to all qualifying tenants in Singapore.

- (c) Management fees is determined based on 0.5% per annum of the deposited property under management excluding derivative assets, investment properties under development and the effects from the adoption of FRS 116. The Manager has elected to receive 20% of the base management fees in Units and the other 80% in cash.

Higher management fees in 1H FY2020 were mainly due to higher deposited property under management attributable to the new acquisitions made in December 2019.

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

The increase in trust and other expenses was mainly attributable to higher trustee fees based on higher deposited property under management as well as professional fees incurred on the US portfolio.

- (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 certain 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.

In 1H FY2020, the Group recorded a foreign exchange loss of S\$31.1 million, which was mainly attributable to the weakening of SGD against JPY and HKD in relation to JPY and HKD denominated Medium Term Notes ("MTN"). In 1H 2019, the Group recorded a foreign exchange gain of S\$4.0 million mainly due to the strengthening of SGD against HKD, JPY and USD in relation to the borrowings denominated in those foreign currencies.

- (f) The gain on disposal of investment properties in 1H 2020 arose from the disposal of three Singapore properties, namely Wisma Gulab, 202 KB and No. 25 Changi South Street 1 during the first quarter of FY2020.

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

		Group		
	Note	1H FY2020 S\$'000	1H 2019 S\$'000	Variance %
Gross revenue				
Gross rental income		451,998	412,104	9.7%
Other income		58,954	42,628	38.3%
Government grant income - property tax rebate	(1)	10,282	-	n.m.
Property operating expenses				
Provision of allowance for impairment loss on doubtful receivables		(1,578)	(29)	n.m.
Government grant expense - property tax rebate	(1)	(10,282)	-	n.m.
Finance income				
Interest income	(2)	1,681	5,521	(69.6%)
Finance costs				
Interest expense	(3)	(68,565)	(65,665)	4.4%
Other borrowing costs		(2,270)	(1,724)	31.7%
Finance costs on lease liabilities		(13,969)	(13,330)	4.8%
		(84,804)	(80,719)	5.1%

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

- The government grant income pertains to the property tax rebates received from IRAS as part of the Singapore government's initiatives to help businesses adapt to the challenges, amid the COVID-19 pandemic. The government grant expense represents the property tax rebates passed on to all qualifying tenants by the Group. eve
 - 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.
- (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		
		1H FY2020 S\$'000	1H 2019 S\$'000	Variance %
Fair value (loss)/gain on:				
- interest rate swaps		(24,170)	(15,397)	57.0%
- cross currency swaps		76,965	33,679	128.5%
- foreign exchange forward contracts		(102)	(250)	(59.2%)
Net change in fair value of financial derivatives		52,693	18,032	192.2%

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

**ASCENDAS REAL ESTATE INVESTMENT TRUST
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- (i) The net change in fair value of investment properties recorded in 1H 2019 was based on the independent valuation performed for the financial year from 1 April 2018 to 31 March 2019, undertaken by (i) CBRE Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte. Ltd., Jones Lang LaSalle Property Consultants Pte. Ltd., Savills Valuation and Professional Services (S) Pte. Ltd., Knight Frank Pte. Ltd. For Singapore properties; (ii) Jones Lang LaSalle Advisory Services Pty Limited for Australian properties; and (iii) Knight Frank LLP for UK properties.
- (j) 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-of-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 amounts and tenors, and with similar security. The land rent payments are now reflected as finance cost on lease liabilities and fair value change of the right-of-use of leasehold land on the Statement of Total Return.
- (k) 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"). Share of an associate company's results relates to the investment in Ascendas Fusion 5 Pte Ltd ("AF5PL"), which owns Galaxis. The Group uses the equity method to account for the results of CCP LLP and AF5PL.
- (l) Tax expense includes income tax expenses of subsidiaries holding properties in the UK, withholding tax paid on the payments of shareholders' loan interests and distributions from Australia as well as deferred tax expense on the undistributed profits and temporary differences arising from the fair value uplift of investment properties of certain overseas subsidiaries.
- (m) 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.
- (n) Net effect of non-tax deductible expenses/(taxable income) and other adjustments comprises:

	Note	1H FY2020 S\$'000	Group 1H 2019 S\$'000	Variance %
Management fees paid/payable in units		6,549	5,585	17.3%
Trustee fee		1,159	1,019	13.7%
Gain on disposal of investment properties		(5,390)	-	n.m.
Net change in fair value of financial derivatives		(52,693)	(18,032)	192.2%
Foreign exchange differences		31,085	(3,975)	n.m.
Other net non tax deductible expenses and other adjustments	A	35,404	27,156	30.4%
Income from subsidiaries and joint venture	B	(74,098)	(43,134)	71.8%
Rollover adjustment from prior years	C	-	7,762	(100.0%)
Other net non tax deductible expenses/ (taxable income) and other adjustments		(57,984)	(23,619)	145.5%

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

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- 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 deferred tax expenses.
 - B. This relates to the net income from the Trust's subsidiaries, joint venture and associate company including the effects of consolidation.
 - C. The distribution of rollover adjustment amounting to S\$7.8 million in 1H 2019 arose mainly from tax rulings by IRAS on the non-tax deductibility of certain finance costs for prior years.
- (o) This relates to the distribution of (i) income repatriated from Australia by way of shareholder loan repayment, (ii) net income attributable to properties in the UK and US, (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	
		30/06/20 S\$'000	31/12/19 S\$'000	30/06/20 S\$'000	31/12/19 S\$'000
Non-current assets					
Investment properties	(a)	12,746,704	12,743,792	9,027,307	9,061,600
Investment properties under development	(b)	271,105	182,057	205,012	147,469
Right-of-use assets	(c)	613,108	617,639	613,108	617,639
Finance lease receivables		46,730	48,331	46,730	48,331
Interest in subsidiaries		-	-	1,605,623	1,596,548
Loans to subsidiaries		-	-	288,323	267,705
Investment in associate company	(d)	108,935	-	107,732	-
Investment in joint venture		-	154	-	-
Derivative assets	(e)	88,054	20,890	84,779	19,508
		13,874,636	13,612,863	11,978,614	11,758,800
Current assets					
Finance lease receivables		3,103	2,932	3,103	2,932
Trade and other receivables	(f)	32,648	36,339	26,143	25,587
Derivative assets	(e)	23,549	17,896	23,549	17,896
Investment properties held for sale	(g)	-	98,400	-	98,400
Loan to a subsidiary		-	-	-	269,559
Cash and fixed deposits		361,309	95,705	237,555	8,967
	(h)	420,609	251,272	290,350	423,341
Total assets		14,295,245	13,864,135	12,268,964	12,182,141
Current liabilities					
Trade and other payables	(i)	218,555	255,836	180,933	206,605
Security deposits		62,130	93,356	61,467	93,157
Derivative liabilities	(e)	10,031	6,279	6,327	384
Short term borrowings	(j)	198,459	215,082	198,589	215,082
Term loans	(j)	257,116	261,829	-	-
Medium term notes	(j)	295,110	99,966	295,110	99,966
Lease liabilities	(c)	37,222	37,509	37,222	37,509
Provision for taxation		9,698	9,109	963	953
	(h)	1,088,321	978,966	780,611	653,656
Net current liabilities	(h)	(667,712)	(727,694)	(490,261)	(230,315)
Non-current liabilities					
Security deposits		105,167	65,210	99,460	59,704
Derivative liabilities	(e)	81,733	67,174	77,449	64,043
Amount due to a subsidiary		-	-	25,158	25,062
Term loans	(j)	2,517,760	2,239,135	944,498	975,053
Medium term notes	(j)	1,632,188	1,795,636	1,632,188	1,795,636
Lease liabilities	(c)	575,886	580,130	575,886	580,130
Other payables		91	87	-	-
Deferred tax liabilities	(k)	37,755	26,559	-	-
		4,950,580	4,773,931	3,354,639	3,499,628
Total liabilities		6,038,901	5,752,897	4,135,250	4,153,284
Net assets		8,256,344	8,111,238	8,133,714	8,028,857
Represented by:					
Unitholders' funds		7,955,516	7,810,370	7,832,886	7,727,989
Perpetual securities holders		300,828	300,868	300,828	300,868
		8,256,344	8,111,238	8,133,714	8,028,857

**ASCENDAS REAL ESTATE INVESTMENT TRUST
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Explanatory notes to the statements of financial position

- (a) The decrease of the Trust's investment properties was because of the divestment of No.25 Changi South Street 1 in March 2020, and the transfer of iQuest to investment property under development from January 2020.
- (b) In addition to the properties under development ("IPUD") as at 31 December 2019, consisting of a built-to-suit development project, Ubix (formerly known as "25 & 27 Ubi Road") in Singapore and 254 Wellington Road in Australia, iQuest in Singapore was transferred to IPUD in January 2020.
- (c) 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-of-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 amounts and tenors, and with similar security.
- (d) Investment in associate company relates to the Group's 25% equity interests in AF5PL, which owns Galaxis. The Trust acquired the investment in associate company on 31 March 2020.
- (e) 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.
- (f) The decrease in trade and other receivables of the Group was mainly due to the collection of arrears in the UK.
- (g) As at 31 December 2019, investment properties held for sale were Wisma Gulab and 202KB in Singapore. The divestments of the two properties were completed on 23 January 2020 and 4 February 2020 respectively.
- (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 decrease in trade and other payables is mainly due to payment of the withholding tax held on behalf of the unitholders and the payment of certain property development related cost.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
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(j) Details of borrowings

Gross borrowings	Group		Trust	
	30/06/20	31/12/19	30/06/20	31/12/19
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable after one year				
- Term loans	258,274	261,829	-	-
Amount repayable within one year				
- Term loans	258,274	261,829	-	-
Total secured borrowings	516,548	523,658	-	-
Unsecured borrowings				
Amount repayable after one year				
- Medium term notes	1,635,045	1,798,917	1,635,045	1,798,917
- Term loans	2,264,436	1,987,525	947,231	978,283
	3,899,481	3,786,442	2,582,276	2,777,200
Amount repayable within one year				
- Short term borrowings	198,589	215,121	198,589	215,121
- Medium term notes	295,175	100,000	295,175	100,000
	493,764	315,121	493,764	315,121
Total unsecured borrowings	4,393,245	4,101,563	3,076,040	3,092,321

As at 30 June 2020, the Group has A\$564.3 million (31 December 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\$1,025.7 million or A\$1,120.6 million as at 30 June 2020 (31 December 2019: S\$1,038.7 million or A\$1,119.4 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 June 2020, 80.9% (31 December 2019: 75.8%) 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 3.1 years (31 December 2019: 3.3 years). The overall weighted average cost of borrowings for the period ended 30 June 2020 was 2.9% (31 December 2019: 2.9%).

- (k) Deferred tax liabilities relate to tax provided on the undistributed profits and temporary differences arising from the fair value uplift of investment properties of certain overseas subsidiaries.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
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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	
		1H FY2020 S\$'000	1H 2019 S\$'000
Cash flows from operating activities			
Total return for the period before tax		293,738	290,898
Adjustments for:			
Provision of allowance for impairment loss on doubtful receivables		1,578	29
Depreciation of plant and equipment		-	-
Derecognition of finance lease receivables		-	-
Finance income		(1,681)	(5,521)
Finance costs		84,804	80,719
Net foreign exchange differences		31,085	(3,975)
Gain from disposal of investment properties		(5,390)	-
Management fees paid/payable in units		6,549	5,585
Net change in fair value of financial derivatives		(52,693)	(18,032)
Net change in fair value of investment properties		-	(29,304)
Net change in fair value of right-of-use assets		2,285	3,094
Share of joint venture and associate company's results		(2,640)	(219)
Operating income before working capital changes		357,635	323,274
Changes in working capital:			
Trade and other receivables		10,223	10,667
Trade and other payables		(39,200)	41,404
Cash generated from operating activities		328,658	375,345
Income tax paid		(2,909)	(3,020)
Net cash generated from operating activities		325,749	372,325
Cash flows from investing activities			
Dividend received from a joint venture company and an associate company		1,588	234
Purchase of investment properties		-	936
Payment for investment properties under development		(64,752)	(97,549)
Payment for capital improvement on investment properties		(11,276)	(31,609)
Proceeds from the divestment of investment property		123,690	-
Acquisition of an associate company		(107,113)	-
Interest received		1,349	12,434
Net cash used in investing activities		(56,514)	(115,554)
Cash flows from financing activities			
Equity issue costs paid		-	(17)
Distributions paid to Unitholders		(126,889)	(253,409)
Distributions paid to perpetual securities holders		(7,145)	(7,105)
Finance costs paid		(71,918)	(69,983)
Payment of lease liabilities		(16,254)	(16,424)
Transaction costs paid in respect of borrowings		-	(1,543)
Proceeds from borrowings		274,721	998,525
Repayment of borrowings		(16,624)	(825,389)
Net cash generated from/(used in) financing activities		35,891	(175,345)
Net increase in cash and cash equivalents		305,126	81,426
Cash and cash equivalents at beginning of the period		54,555	(26,546)
Effect of exchange rate changes on cash balances		1,628	(428)
Cash and cash equivalents at end of the financial period	(a)	361,309	54,452

Footnote

- (a) There was no bank overdraft Included in cash and cash equivalents as at 30 June 2020 (31 December 2019: S\$41.2 million and 30 June 2019: S\$3.8 million).

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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

	Note	Group		Trust	
		1H FY2020 S\$'000	1H 2019 S\$'000	1H FY2020 S\$'000	1H 2019 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		7,810,370	6,502,846	7,727,989	6,480,185
Operations					
Total return for the period attributable to Unitholders and perpetual securities holders		279,044	281,790	232,342	251,705
Less: Amount reserved for distribution to perpetual securities holders		(7,105)	(7,067)	(7,105)	(7,067)
Net increase in net assets from operations		271,939	274,723	225,237	244,638
Movement in foreign currency translation reserve	(a)	(6,453)	(14,228)	-	-
Unitholders' transactions					
Development management fee paid in units	(b)	-	840	-	840
Management fees paid/payable in Units		6,549	5,585	6,549	5,585
Distributions to Unitholders	(c)	(126,889)	(253,409)	(126,889)	(253,409)
Net decrease in net assets from Unitholders' transactions		(120,340)	(246,984)	(120,340)	(246,984)
Balance at end of the financial period		7,955,516	6,516,357	7,832,886	6,477,839
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		300,868	300,868	300,868	300,868
Amount reserved for distribution to perpetual securities holders		7,105	7,067	7,105	7,067
Distributions to Perpetual Securities Holders		(7,145)	(7,105)	(7,145)	(7,105)
Balance at end of the financial period		300,828	300,830	300,828	300,830
Total		8,256,344	6,817,187	8,133,714	6,778,669

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 11 March 2019 at \$2.8126 per Unit for the partial payment of development management fee for a built-to-suit development in Singapore.
- (c) The distribution paid in 1H FY2020 and 1H 2019 comprised of distributions to Unitholders for the period from 1 October 2019 to 31 December 2019 and from 1 October 2018 to 31 March 2019 respectively.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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

	Group and Trust	
	1H FY2020 Units	1H 2019 Units
Issued Units at beginning of the financial period	3,612,693,832	3,110,543,167
Issue of new Units:		
- Management fees paid in Units	2,049,450	1,913,829
- Acquisition fees paid in Units	5,494,086	-
- Development management fees paid in Units	-	298,656
Issued Units at the end of the financial period	3,620,237,368	3,112,755,652
Units to be issued:		
Management fees payable in Units	362,135	305,013
Units issued and issuable at end of the financial period	3,620,599,503	3,113,060,665

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 June 2020 and 31 December 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 Auditors 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.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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 December 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 year beginning 1 January 2020 as follows:

Amendments to FRS 110 Consolidated Financial Statements and FRS 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture

There is an inconsistency between the current requirements in FRS 110 and those in FRS1-28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments clarify that when a parent loses control over a subsidiary to its associate or joint venture, gain/loss is recognised in its entirety when the transferred assets constitutes a business under FRS 103 Business Combinations.

The amendments are to be applied prospectively to transactions occurring in annual periods beginning on or after a date to be determined.

The application of the new accounting standards has no material impact on the Group's financial statements.

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

	Note	Group	
		1H FY2020	1H 2019
Basic and Diluted EPU attributable to Unitholders	(a)		
<u>Basic EPU</u>			
(adjusted to include effects of rights issue)	(b)		
Weighted average number of Units		3,618,098,394	3,179,758,357
Earnings per Unit in cents		7.516	8.640
(as previously reported)			
Weighted average number of Units			3,110,877,687
Earnings per Unit in cents			8.831
<u>DPU</u>			
Number of Units in issue		3,620,237,368	3,112,755,652
(as actually distributed or distributable)			
Distribution per Unit in cents		7.270	8.153
(restated to include effects of rights issue)	(c)		
Distribution per Unit in cents			7.973

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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. The diluted EPU is equivalent to the basic EPU as no dilutive instruments were in issue as at 30 June 2020, 31 December 2019, and 1 January 2019.
- (b) The weighted average number of Units and EPU have been adjusted to reflect the effects of the Rights Units issued on 6 December 2019. This is in accordance with requirements of FRS 33 "Earnings per Share".
- (c) The DPU for 1H 2019 have been restated to reflect the effects of the Rights Units issued on 6 December 2019. This is in accordance with paragraph 46 of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

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

	Note	Group		Trust	
		30/06/20 cents	31/12/19 cents	30/06/20 cents	31/12/19 cents
Net asset value per Unit		220	216	216	214
Adjusted net asset value per Unit	(a)	213	213	210	210

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.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

8. Review of Performance

	1H FY2020 (A) S\$'000	2H 2019 (B) S\$'000	Group Variance (A) vs (B) %	1H 2019 (C) S\$'000	Variance (A) vs (C) %
Gross revenue	521,234	469,383	11.0%	454,732	14.6%
Property operating expenses	(133,192)	(109,164)	22.0%	(105,656)	26.1%
Net property income	388,042	360,219	7.7%	349,076	11.2%
Non property expenses	(38,534)	(34,114)	13.0%	(31,416)	22.7%
Net finance costs	(69,154)	(61,838)	11.8%	(61,868)	11.8%
Finance costs on lease liabilities	(13,969)	(13,235)	5.5%	(13,330)	4.8%
Foreign exchange differences	(31,085)	(982)	n.m.	3,975	n.m.
Gain on disposal of investment properties	5,390	3,220	67.4%	-	n.m.
	(147,352)	(106,949)	37.8%	(102,639)	43.6%
Net income	240,690	253,270	(5.0%)	246,437	(2.3%)
Net change in fair value of financial derivatives	52,693	(30,181)	n.m.	18,032	192.2%
Net change in fair value of investment properties	-	48,059	(100.0%)	29,304	(100.0%)
Change in fair value of right-of-use assets	(2,285)	(3,121)	(26.8%)	(3,094)	(26.1%)
Share of associate company and joint venture's results	2,640	275	n.m.	219	n.m.
Total return for the period before tax	293,738	268,302	9.5%	290,898	1.0%
Tax expense	(14,694)	(18,191)	(19.2%)	(9,108)	61.3%
Total return for the period	279,044	250,111	11.6%	281,790	(1.0%)
Attributable to:					
Unitholders and perpetual securities holders	279,044	250,111	11.6%	281,790	(1.0%)
Total return for the period	279,044	250,111	11.6%	281,790	(1.0%)
Distribution Statement					
Total return for the period attributable to Unitholders and perpetual securities holders	279,044	250,111	11.6%	281,790	(1.0%)
Less: Amount reserved for distribution to perpetual securities holders	(7,105)	(7,183)	(1.1%)	(7,067)	0.5%
Net effect of (taxable income)/ non tax deductible expenses and other adjustments	(57,984)	19,057	n.m.	(23,619)	145.5%
Net change in fair value of investment properties	-	(48,059)	(100.0%)	(29,304)	(100.0%)
Income available for distribution	213,955	213,926	0.0%	221,800	(3.5%)
Total amount available for distribution comprising:					
- Taxable income	213,955	213,926	0.0%	221,800	(3.5%)
- Tax-exempt income	1,450	4,717	(69.3%)	-	n.m.
- Distribution from capital	47,780	32,105	48.8%	31,887	49.8%
Total amount available for distribution	263,185	250,748	5.0%	253,687	3.7%
EPU/DPU					
Earnings per unit (cents)	7.516	7.553	(0.5%)	8.831	(14.9%)
Distribution per unit (cents)	7.270	7.485	(2.9%)	8.153	(10.8%)

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

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

1H FY2020 vs 2H 2019

Gross revenue increased by 11%, mainly due to half year contributions from the US portfolio of 28 business park properties and two Singapore business park properties, which were acquired in December 2019. This is partially offset by the rent rebates provided for the eligible tenants to ease the challenges faced caused by the COVID-19 pandemic, the divestment of Wisma Gulab in January 2020, and lower occupancies at certain properties. In addition, there were liquidated damages received in relation to the pre-termination of certain leases in 2H 2019.

Property operating expenses increased mainly due to the newly acquired properties in December 2019.

Non-property expenses increased by 13.0% mainly due to an increase in management fees, trustee fees and professional fees as a result of the enlarged deposited property under management. Higher net finance costs mainly arose from the higher average debt balances.

In 1H FY2020, the Group recorded a foreign exchange loss of S\$31.1 million, which was mainly attributable to the weakening of SGD against JPY and HKD in relation to JPY and HKD denominated Medium Term Notes ("MTN"). In 2H 2019, the Group recorded a foreign exchange loss of S\$1.0 million mainly due to the weakening of SGD against HKD, JPY and USD in relation to the borrowings denominated in those foreign currencies.

The gain on disposal of investment properties in 1H FY2020 arose from the disposal of three properties in Singapore, namely Wisma Gulab, 202 KB and No. 25 Changi South Street 1, in the first quarter of FY2020.

Gain on disposal of investment property of \$3.2 million in 2H 2019 was related to the divestment of No. 8 Loyang Way 1, in Singapore in September 2019.

The net change in fair value of investment properties recorded in 2H 2019 was based on the independent valuation performed for the financial year from 1 April 2019 to 31 December 2019, undertaken by (i) CBRE Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd for Singapore properties; (ii) Jones Lang LaSalle Advisory Services Pty Ltd for Australian properties; (iii) Knight Frank LLP for UK properties; and (iv) Newmark Knight Frank Valuation & Advisory, LLC for US properties.

Higher tax expenses were recorded in 2H 2019 mainly due to the provision of deferred tax expenses arising from the temporary difference between the accounting and tax base of the investment properties in the US and Australia.

1H FY2020 vs 1H 2019

Gross revenue increased by 14.6%, was mainly contributed by the US Portfolio and two Singapore business park properties, which were acquired in December 2019. This is partially offset by the rent rebates provided for the tenants to ease the challenges faced as a result of the COVID-19 pandemic, the divestment of Wisma Gulab in January 2020 and lower occupancies at certain properties

Property operating expenses increased mainly due to the newly acquired US Portfolio, partially offset by the lower property tax expenses in 1H 2019 due to the retrospective downward revisions in the annual value of certain properties.

Non-property expenses increased by 22.7% mainly due to an increase in management fees, trustee fees and professional fees as a result of the enlarged deposited property under management. Higher net finance costs mainly arose from the higher average debt balances.

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ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

In 1H FY2020, the Group recorded a foreign exchange loss of S\$31.1 million, which was mainly attributable to the weakening of SGD against JPY and HKD in relation to JPY and HKD denominated Medium Term Notes (“MTN”). In 1H 2019, the Group recorded a foreign exchange gain of S\$4.0 million mainly due to the strengthening of SGD against HKD, JPY and USD in relation to the borrowings denominated in those foreign currencies.

The gain on disposal of investment properties in 1H FY2020 arose from the disposal of three properties in Singapore, namely Wisma Gulab, 202 KB and No. 25 Changi South Street 1, in the first quarter of FY2020.

Higher tax expenses were recorded in 1H FY2020 mainly due to the provision of deferred tax expenses arising from the temporary difference between the accounting and tax base of the investment properties in the US and Australia.

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust’s commentary made in the Announcement of Results for The Financial Year Ended 31 December 2019 under Paragraph 10 on page 17 to 18. 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 COVID-19 outbreak and the associated lockdowns all over the world have resulted in an unprecedented global health and economic crisis, with varying knock-on effects on businesses and individuals. In June 2020, the International Monetary Fund (IMF) lowered global growth further for 2020 to -4.9% (from -3% in April 2020) as recent data releases have indicated deeper downturns in various economies (source: IMF).

Singapore

The Singapore economy contracted 12.6% year-on-year (“y-o-y”) in 2Q 2020, a greater contraction than the 0.7% y-o-y decline in 1Q 2020 due to the government’s Circuit Breaker measures over April and May 2020 to curb the spread of COVID-19. In view of the economic impact from the containment measures and weak external demand, Singapore’s Gross Domestic Product (“GDP”) growth forecast was further downgraded to between -7.0% to -4.0% for 2020 (source: Ministry of Trade and Industry).

In Singapore, the occupancy rate for Ascendas Reit’s Singapore properties was 87.9%. In line with the Singapore Government’s guidelines, Ascendas Reit has provided rent waivers to its tenants, amounting approximately S\$20 million year-to-date. The actual amount to be disbursed will depend on the tenants’ eligibility assessment by the authorities. This amount is in addition to the Singapore Government’s property tax rebates and cash grants which will be fully passed through to eligible tenants.

Companies are expected to put their business and expansion plans on hold until there is greater clarity on the COVID-19 situation in Singapore and globally. Coupled with excess supply in some segments of the industrial market, rental growth and demand for industrial space may remain subdued.

Australia

The Australian economy grew by 1.4% y-o-y in 1Q 2020 compared to 2.2% y-o-y a quarter ago. This is the slowest y-o-y growth since September 2009 during the Global Financial Crisis and indicates the initial economic effects of COVID-19 on Australia. Compared to the previous quarter, GDP declined 0.3% (source: Australian Bureau of Statistics).

The Reserve Bank of Australia lowered the cash rate to 0.25% in March 2020 to provide support to employment and economic activity amidst the COVID-19 outbreak. Consensus GDP growth forecast for 2020 is -3.9% y-o-y (source: Bloomberg).

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Rent collection has been suspended from the Australian F&B and retail tenants located at Ascendas Reit's three suburban offices from April 2020 until their reopening. One lease of a leisure/hospitality tenant has been restructured and the tenant was provided with rent rebate. Rent waiver and deferment were offered to two small and medium enterprise (SME) tenants. The overall impact to Ascendas Reit is less than S\$0.6 million.

The Australian portfolio continues to deliver stable performance due to their good locations in the key cities of Sydney, Melbourne and Brisbane, long weighted average lease to expiry ("WALE") of 4.3 years and average rent escalations of approximately 3% per annum.

United Kingdom (UK)

In 1Q 2020, the UK economy contracted by 1.7% y-o-y compared to a 1.1% y-o-y growth in 4Q 2019. On a quarter-on-quarter ("q-o-q") basis, the economy posted a 2.2% decline. The effects of COVID-19 and the UK-wide lockdown in late March 2020 resulted in a fall in household expenditure by 2.9% q-o-q (source: Office for National Statistics). Consensus GDP growth forecast for 2020 is -8.8% y-o-y (source: Bloomberg).

The rental payment frequency for some tenants has been changed from quarterly to monthly in advance and some rents have been deferred to the latter part of the year to provide some cashflow relief to tenants.

The high e-commerce penetration rate in the UK is expected to continue to benefit the logistics sector. Despite a decline in overall retail sales due to the lockdown, the proportion of online sales rose to a record 33% of total retail sales in May 2020 (21% of retail sales as at December 2019) (source: Office for National Statistics). In addition, Ascendas Reit's UK portfolio has a long WALE of 9.2 years, which will help to mitigate the on-going uncertainties.

United States (US)

In 1Q 2020, the US economy recorded a lower growth of 0.3% y-o-y compared to 2.3% y-o-y in 4Q 2019. The "stay-at-home" orders issued across the country in March 2020 led to business closures and sharp declines in consumer spending. GDP contracted by 5.0% q-o-q with a decline in all sectors of the economy led by the private services-producing industries (-5.7%) (source: US Bureau of Economic Analysis).

The Federal Reserve cut US interest rates to between 0% to 0.25% to enable the economy to weather the recent challenges. Consensus GDP growth forecast for 2020 is -5.5% y-o-y (source: Bloomberg).

The economy saw a slight recovery with the unemployment rate declining from a high of 14.7% in April 2020 to 11.1% in June 2020. However, the increase in COVID-19 cases recently across the nation have cast doubts on the sustainability of the recovery.

In the US, US\$10,000 of rent rebates have been provided to date.

Ascendas Reit's business park properties, located in US tech cities (San Diego, Raleigh and Portland), are well-positioned to benefit from the growing technology and healthcare sectors. The strength of the US portfolio is also underpinned by its WALE of 3.8 years and the high proportion of leases with rent escalations of between 2.5% to 4.0% per annum.

Conclusion

The COVID-19 situation remains fluid. The economic outlook will be challenging for some time to come and this could impact the performance of the Group. The Manager will work closely with its tenants through these difficult times. The Manager will also continue to keep a close eye on the changing situation so that it will be able to respond accordingly to protect Unitholders' interests. Ascendas Reit's well-diversified portfolio and tenant base should help it to mitigate the challenges ahead.

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ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 62nd distribution for the period from 1 January 2020 to 30 June 2020

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	5.910	0.040	1.320	7.270

Par value of units: Not applicable

Tax Rate: Taxable income distribution
 Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.
 Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.
 Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.
 Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.
 All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of Ascendas Reit on the income of Ascendas Reit against their Singapore income tax liability.

Capital distribution

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

Record date: 3 August 2020

Payment date: 27 August 2020

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(b) Corresponding financial period of the immediately preceding year

Any distributions declared for
the current financial period: Yes

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

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

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.

Record date: 11 November 2019

Payment date: 3 December 2019

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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 January 2020 to 30 June 2020, 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's policy is to distribute at least 90% of the taxable income to Unitholders, other than gains on the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

15. 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 for the six months ended 30 June 2020, to be false or misleading in any material aspect.

16. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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

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

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support Ascendas Reit’s future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
Ascendas Funds Management (S) Limited
(Company Registration No. 200201987K)
(as Manager of Ascendas Real Estate Investment Trust)

Mary Judith de Souza
Company Secretary
23 July 2020

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

23 July 2020

Dear Sirs

Ascendas Real Estate Investment Trust and its subsidiaries
Review of interim financial information for the six-month period ended 30 June 2020

Introduction

We have reviewed the accompanying interim financial information of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the six-month period ended 30 June 2020 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 30 June 2020;
- Portfolio statement of the Group as at 30 June 2020;
- Statement of total return of the Group for the six-month period ended 30 June 2020;
- Distribution statement of the Group for the six-month period ended 30 June 2020;
- Statements of movements in unitholders' funds of the Group and the Trust for the six-month period ended 30 June 2020;
- Statement of cash flows of the Group for the six-month period ended 30 June 2020; 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.



Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Mailing Address:
Robinson Road
PO Box 384
Singapore 900734

Tel: +65 6535 7777
Fax: +65 6532 7662
ey.com

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

23 July 2020