

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**



Summary of Ascendas Reit Group Results

	Note	12M FY2020 S\$'000	9M FY2019 S\$'000	Variance %
Gross revenue		1,049,460	699,057	50.1%
Net property income		776,246	537,678	44.4%
Total amount available for distribution:		538,428	375,412	43.4%
- Taxable income		430,552	322,724	33.4%
- Tax-exempt income	(a)	6,052	4,717	28.3%
- Distribution from capital	(b)	101,824	47,971	112.3%

Distribution per Unit ("DPU") (cents)		FY2020	FY2019	Variance %
For the period from 1 July to 31 December		7.418	7.485	(0.9%)
- Taxable income		5.849	6.392	(8.5%)
- Tax-exempt income	(a)	0.121	0.130	(6.9%)
- Distribution from capital	(b)	1.448	0.963	50.4%
For the financial year		14.688	11.490	27.8%
- Taxable income		11.759	9.887	18.9%
- Tax-exempt income	(a)	0.161	0.130	23.8%
- Distribution from capital	(b)	2.768	1.473	87.9%

Footnotes

- (a) This includes the distribution of (i) one-tier dividend income received from the associate company in Singapore, (ii) the distribution of income relating to the properties in UK that has been received in Singapore (net of applicable tax and/or withholding tax) following the repatriation of profits to Singapore. As tax has been paid or withheld on these incomes, the distribution is exempt from tax in the hands of Unitholders.
- (b) This relates to the distribution of (i) income repatriated from Australia by way of tax deferred distributions and/or shareholder loan repayment, (ii) net income attributable to properties in the United Kingdom ("UK") 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.

DPU for FY2020 is calculated based on the summation of DPU for each period as follows:

DPU (cents)	1H FY2020	1 July 2020 to 18 November 2020	19 November to 31 December 2020	2H FY2020	FY2020
Taxable income	5.910	4.640	1.209	5.849	11.759
Tax-exempt	0.040	0.070	0.051	0.121	0.161
Distribution from capital	1.320	1.030	0.418	1.448	2.768
Total	7.270	5.740	1.678	7.418	14.688

Distribution Details

	19 November 2020 to 31 December 2020			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Distribution rate (cents per unit)	1.209	0.051	0.418	1.678
Book closure date	10 February 2021			
Payment date	9 March 2021			

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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”) had completed the following acquisitions, development and divestments:

No.	Type	Property	Amount (mil)	Date
i	Divestment	Wisma Gulab, 190 Macpherson Road (“Wisma Gulab”), Singapore	S\$88.0	23 January 2020
ii	Divestment	No. 202 Kallang Bahru (“202KB”), Singapore	S\$17.0	4 February 2020
iii	Divestment	No. 25 Changi South Street 1, Singapore	S\$20.3	6 March 2020
v	Acquisition	505 Brannan, San Francisco, the United States of America (“US”)	S\$269.4	10 November 2020
vi	Acquisition	510 Townsend, San Francisco, the US	S\$498.5	10 November 2020
vii	Development	254 Wellington Road, Melbourne, Australia (“254 Wellington”)	S\$101.9	11 September 2020

As at 31 December 2020, Ascendas Reit and its subsidiaries (the “Group”) have a diversified portfolio of 96 properties in Singapore, 36 properties in Australia, 38 properties in the UK and 30 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 financial year is from 1 January 2020 to 31 December 2020 (“FY2020”). The comparative financial year for FY2019 is a nine months period from 1 April 2019 to 31 December 2019 (“FY2019”). Accordingly, the comparative amounts presented for the statement of total return and distribution statement in relation to the 12 months period in the current financial year are not entirely comparable.

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

	Note	Group					
		01/07/20 to 31/12/20 2H FY2020 S\$'000	01/07/19 to 31/12/19 2H FY2019 S\$'000	Variance %	12M FY2020 S\$'000	9M FY2019 S\$'000	Variance %
Gross revenue	(a)	528,226	469,383	12.5%	1,049,460	699,057	50.1%
Property services fees		(17,046)	(17,175)	(0.8%)	(33,511)	(25,448)	31.7%
Property tax	(b)	(36,473)	(29,551)	23.4%	(70,249)	(44,203)	58.9%
Other property operating expenses	(b)	(86,503)	(62,438)	38.5%	(169,454)	(91,728)	84.7%
Property operating expenses	(b)	(140,022)	(109,164)	28.3%	(273,214)	(161,379)	69.3%
Net property income		388,204	360,219	7.8%	776,246	537,678	44.4%
Management fees	(c)	(34,242)	(29,215)	17.2%	(67,065)	(43,332)	54.8%
Trust and other expenses	(d)	(4,492)	(4,899)	(8.3%)	(10,203)	(6,997)	45.8%
Finance costs	(g)	(76,366)	(75,073)	1.7%	(159,489)	(113,397)	40.6%
Foreign exchange differences	(e)	42,237	(982)	n.m.	11,152	(8,640)	n.m.
Gain on disposal of investment properties	(f)	-	3,220	(100.0%)	5,390	3,220	67.4%
Net non property expenses		(72,863)	(106,949)	(31.9%)	(220,215)	(169,146)	30.2%
Net income		315,341	253,270	24.5%	556,031	368,532	50.9%
Net change in fair value of financial derivatives	(h)	(86,318)	(30,181)	186.0%	(33,625)	(3,784)	n.m.
Net change in fair value of investment properties	(i)	(32,322)	48,059	(167.3%)	(32,322)	48,059	(167.3%)
Net change in fair value of right-of-use assets	(j)	(3,153)	(3,121)	1.0%	(5,438)	(4,668)	16.5%
Share of associated company and joint venture's results	(k)	6,950	275	n.m.	9,590	409	n.m.
Total return for the period before tax		200,498	268,302	(25.3%)	494,236	408,548	21.0%
Tax expense	(l)	(22,464)	(18,191)	23.5%	(37,158)	(20,677)	79.7%
Total return for the period		178,034	250,111	(28.8%)	457,078	387,871	17.8%
Attributable to:							
Unitholders and perpetual securities holders		178,034	250,111	(28.8%)	457,078	387,871	17.8%
Total return for the period		178,034	250,111	(28.8%)	457,078	387,871	17.8%
<u>Distribution Statement</u>							
Total return for the period attributable to Unitholders and perpetual securities holders		178,034	250,111	(28.8%)	457,078	387,871	17.8%
Less: Amount reserved for distribution to perpetual securities holders	(m)	(8,037)	(7,183)	11.9%	(15,142)	(10,736)	0.41
Other net non tax deductible expenses/ (taxable income) and other adjustments	(n)	14,278	19,057	(25.1%)	(43,706)	(6,352)	n.m.
Net change in fair value of investment properties		32,322	(48,059)	167.3%	32,322	(48,059)	167.3%
Income available for distribution		216,597	213,926	1.2%	430,552	322,724	33.4%
Total amount available for distribution comprising:							
- Taxable income		216,597	213,926	1.2%	430,552	322,724	33.4%
- Tax-exempt income		4,602	4,717	(2.4%)	6,052	4,717	28.3%
- Distribution from capital	(o)	54,044	32,105	68.3%	101,824	47,971	112.3%
Total amount available for distribution		275,243	250,748	9.8%	538,428	375,412	43.4%

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. The newly completed suburban office, 254 Wellington Road in Melbourne, Australia, as well as the two properties acquired in San Francisco also contributed to the higher gross revenue. This was partially offset by the rent rebate provided for eligible tenants to ease the challenges faced as a result of the COVID-19 pandemic; as well as a decline in gross revenue for the Singapore portfolio due to divestments and lower occupancies at certain properties. There was a total of \$19.5 million of grant income recorded in 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 US Portfolio that was acquired in December 2019. The Group recorded \$19.5 million of grant expenses in 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 FY2020 were mainly due to higher number of deposited properties under management attributable to the new acquisitions made in December 2019 and during the current financial year.

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

- (e) Foreign exchange differences arose mainly from the revaluation of AUD, GBP, HKD, USD and JPY denominated borrowings. Cross currency swaps were entered into to hedge against the foreign exchange exposure of 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 FY2020, the Group recorded a foreign exchange gain of S\$11.2 million, which was mainly attributable to the appreciation of SGD against JPY, HKD and GBP in relation to JPY and HKD denominated Medium Term Notes ("MTN"), as well as GBP denominated borrowings. In FY2019, the Group recorded a foreign exchange loss of S\$8.6 million which was mainly attributable to the weakening of SGD against JPY in relation to JPY denominated Medium Term Notes ("MTN").

- (f) The gain on disposal of investment properties in FY2020 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. In FY2019, the Trust divested No. 8 Loyang Way 1 in Singapore in September 2019.

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

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	Note	Group					
		01/07/20 to 31/12/20	01/07/19 to 31/12/19	Variance %	12M	9M	Variance %
		2H FY2020 S\$'000	2H FY2019 S\$'000		FY2020 S\$'000	FY2019 S\$'000	
Gross revenue							
Gross rental income		441,632	419,614	5.2%	893,630	626,811	42.6%
Other income		77,381	49,769	55.5%	136,335	72,246	88.7%
Government grant income - property tax rebate	(1)	9,213	-	n.m.	19,495	-	n.m.
Property operating expenses							
Provision of allowance for impairment loss on doubtful receivables		1,578	15	n.m.	-	16	(100.0%)
Government grant expense - property tax rebate	(1)	(9,213)	-	n.m.	(19,495)	-	n.m.
Finance costs							
Interest expense	(2)	(61,162)	(60,303)	1.4%	(128,046)	(91,119)	40.5%
Other borrowing costs		(2,033)	(1,535)	32.4%	(4,303)	(2,350)	83.1%
Finance costs on lease liabilities		(13,171)	(13,235)	(0.5%)	(27,140)	(19,928)	(36.2%)
		(76,366)	(75,073)	1.7%	(159,489)	(113,397)	40.6%

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

1. 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.
 2. Finance costs comprise interest expenses on borrowings, net 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					
	01/07/20 to 31/12/20	01/07/19 to 31/12/19	Variance %	12M	9M	Variance %
	2H FY2020 S\$'000	2H FY2019 S\$'000		FY2020 S\$'000	FY2019 S\$'000	
Fair value (loss)/gain on:						
- interest rate swaps	8,746	1,429	n.m.	(15,424)	(6,248)	146.9%
- cross currency swaps	(95,098)	(31,361)	n.m.	(18,133)	2,779	n.m.
- foreign exchange forward contracts	34	(249)	(114.1%)	(68)	(315)	(78.4%)
Net change in fair value of financial derivatives	(86,318)	(30,181)	186.0%	(33,625)	(3,784)	n.m.

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

- (i) Independent valuations for the investment properties as at 31 December 2020 were 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.
- (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.

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- (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 and the US, 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 "First Perpetual Securities") in 2015. The First 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. Ascendas Reit redeemed the First Perpetual Securities on 14 October 2020.

On 17 September 2020, Ascendas Reit issued S\$300 million subordinated green perpetual securities (the "Series 002 Green Perpetual Securities") at a fixed rate of 3% per annum. The Series 002 Green Perpetual Securities were issued under the S\$7 billion Euro Medium Term Securities Programme (the "EMTN Programme"). Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Series 002 Green Perpetual Securities.

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

	Note	Group					
		01/07/20 to 31/12/20 2H FY2020	01/07/19 to 31/12/19 2H FY2019	Variance %	12M	9M	Variance %
		S\$'000	S\$'000		FY2020 S\$'000	FY2019 S\$'000	
Management fees paid/payable in units		6,743	5,829	15.7%	13,292	8,642	53.8%
Trustee fee		1,169	1,062	10.1%	2,328	1,575	47.8%
Gain on disposal of investment properties		-	(3,220)	(100.0%)	(5,390)	(3,220)	67.4%
Net change in fair value of financial derivatives		86,318	30,181	186.0%	33,625	3,784	n.m.
Foreign exchange differences		(42,237)	982	n.m.	(11,152)	8,640	n.m.
Other net non tax deductible expenses and other adjustments	A	44,125	35,595	24.0%	79,528	47,613	67.0%
Income from subsidiaries and joint venture	B	(81,840)	(51,372)	59.3%	(155,937)	(73,386)	112.5%
Other net non tax deductible expenses/(taxable income) and other adjustments		14,278	19,057	(25.1%)	(43,706)	(6,352)	n.m.

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

- A. Other net non-tax deductible expenses and other adjustments include mainly set-up costs on loan facilities, commitment fees paid on undrawn committed credit facilities, 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.
- (o) This relates to the distribution of (i) income repatriated from Australia by way of tax deferred distributions and/or shareholder loan repayment, (ii) net income attributable to properties in the UK 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	
		31/12/20 S\$'000	31/12/19 S\$'000	31/12/20 S\$'000	31/12/19 S\$'000
Non-current assets					
Investment properties	(a)	13,707,692	12,743,792	9,017,200	9,061,600
Investment properties under development	(b)	259,782	182,057	223,000	147,469
Right-of-use assets	(c)	609,956	617,639	609,956	617,639
Finance lease receivables		45,050	48,331	45,050	48,331
Interest in subsidiaries	(d)	-	-	2,406,805	1,596,548
Loans to subsidiaries		-	-	288,323	267,705
Investment in associate company	(e)	112,240	-	105,532	-
Investment in joint venture		195	154	-	-
Deferred tax asset	(l)	1,484	-	-	-
Derivative assets	(f)	33,893	20,890	33,893	19,508
		14,770,292	13,612,863	12,729,759	11,758,800
Current assets					
Finance lease receivables		3,281	2,932	3,281	2,932
Trade and other receivables	(g)	67,177	36,339	24,657	25,587
Derivative assets	(f)	4,490	17,896	4,490	17,896
Investment properties held for sale	(h)	-	98,400	-	98,400
Loan to a subsidiary		-	-	-	269,559
Cash and fixed deposits		277,979	95,705	189,795	8,967
	(i)	352,927	251,272	222,223	423,341
Total assets		15,123,219	13,864,135	12,951,982	12,182,141
Current liabilities					
Trade and other payables	(j)	297,635	255,836	224,197	206,605
Security deposits		67,758	93,356	66,772	93,157
Derivative liabilities	(f)	7,847	6,279	3,648	384
Short term borrowings	(k)	226,430	215,082	226,556	215,082
Term loans	(k)	-	261,829	-	-
Medium term notes	(k)	194,209	99,966	194,209	99,966
Lease liabilities	(c)	37,222	37,509	37,222	37,509
Provision for taxation		11,965	9,109	990	953
	(i)	843,066	978,966	753,594	653,656
Net current liabilities	(i)	(490,139)	(727,694)	(531,371)	(230,315)
Non-current liabilities					
Security deposits		100,327	65,210	94,614	59,704
Derivative liabilities	(f)	99,187	67,174	94,684	64,043
Amount due to a subsidiary		-	-	25,156	25,062
Term loans	(k)	2,560,701	2,239,135	744,208	975,053
Medium term notes	(k)	1,700,624	1,795,636	1,700,624	1,795,636
Lease liabilities	(c)	572,734	580,130	572,734	580,130
Other payables		86	87	-	-
Deferred tax liabilities	(l)	55,941	26,559	-	-
		5,089,600	4,773,931	3,232,020	3,499,628
Total liabilities		5,932,666	5,752,897	3,985,614	4,153,284
Net assets		9,190,553	8,111,238	8,966,368	8,028,857
Represented by:					
Unitholders' funds		8,891,615	7,810,370	8,667,430	7,727,989
Perpetual securities holders		298,938	300,868	298,938	300,868
		9,190,553	8,111,238	8,966,368	8,028,857

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Explanatory notes to the statements of financial position

- (a) The increase in investment properties is mainly due to the acquisition of two new US business park properties in November 2020, and the completion of 254 Wellington Road in Australia. This was partially offset by the transfer of Ubix (formerly known as “25 & 27 Ubi Road”) in Singapore to investment properties under development (“IPUD”), and the divestment of 8 Loyang Way 1 in Singapore.
- (b) As at 31 December 2020, IPUD relates to a built-to-suit development project, Ubix and iQuest in Singapore; as well as Lot 7, Kiara Crescent and 500 Green Road, Crestmead, in Australia.
- (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) Interest in subsidiaries relates to entities directly or indirectly wholly-owned by Ascendas Reit; and the increase was mainly due to the additional investments in Ascendas Logistics Trust 3 and Ascendas US Holdco Pte. Ltd for the new acquisitions in Australia and the US respectively.
- (e) Investment in associate company relates to the Group’s 25% equity interests in AF5PL, which owns Galaxis. The Trust acquired the associate company on 31 March 2020.
- (f) Derivative assets and derivative liabilities relate to favourable and unfavourable changes in the fair value of certain interest rate swaps, cross currency swaps and foreign currency forward contracts.
- (g) The increase in trade and other receivables of the Group was mainly due to the deposit paid in December 2020 for the acquisition of an Australian property. The acquisition was subsequently completed in January 2021.
- (h) As at 31 December 2019, investment properties held for sale were 202 Kallang Bahru and Wisma Gulab in Singapore.
- (i) 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.
- (j) The increase in trade and other payables is mainly due to higher accrued capital and operating expenses.

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(k) Details of borrowings

Gross borrowings	Group		Trust	
	31/12/20 S\$'000	31/12/19 S\$'000	31/12/20 S\$'000	31/12/19 S\$'000
Secured borrowings				
Amount repayable after one year				
- Term loans	553,072	261,829	-	-
Amount repayable within one year				
- Term loans	-	261,829	-	-
Total secured borrowings	553,072	523,658	-	-
Unsecured borrowings				
Amount repayable after one year				
- Medium term notes	1,704,075	1,798,917	1,704,075	1,798,917
- Term loans	2,018,281	1,987,525	746,301	978,283
	3,722,356	3,786,442	2,450,376	2,777,200
Amount repayable within one year				
- Short term borrowings	226,556	215,121	226,556	215,121
- Medium term notes	194,230	100,000	194,230	100,000
	420,786	315,121	420,786	315,121
Total unsecured borrowings	4,143,142	4,101,563	2,871,162	3,092,321

As at 31 December 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\$1,140.4 million or A\$1,163.7 million as at 31 December 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 31 December 2020, 78.1% (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 3.5 years (31 December 2019: 3.3 years). The overall weighted average cost of borrowings for the year ended 31 December 2020 was 2.7% (31 December 2019: 2.9%).

- (l) Deferred tax assets are recognised for unused tax losses and other tax credits carried forward in UK. 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.

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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			
		01/07/20 to 31/12/20 2H FY2020	01/07/19 to 31/12/19 2H FY2019	12M FY2020	9M FY2019
		S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities					
Total return for the period before tax		200,498	268,302	494,236	408,548
Adjustments for:					
Provision of allowance for impairment loss on doubtful receivables		1,566	15	3,144	16
Finance costs		76,366	80,473	159,489	121,556
Net foreign exchange differences		(42,237)	982	(11,152)	8,640
Gain from disposal of investment properties		-	(3,220)	(5,390)	(3,220)
Management fees paid/payable in units		6,743	5,829	13,292	8,642
Net change in fair value of financial derivatives		86,318	30,181	33,625	3,784
Net change in fair value of investment properties and investment properties under development		32,322	(48,059)	32,322	(48,059)
Net change in fair value of right-of-use assets		3,153	3,121	5,438	4,668
Share of joint venture and associate company's results		(6,950)	(275)	(9,590)	(409)
Operating income before working capital changes		357,779	331,949	715,414	496,007
Changes in working capital:					
Trade and other receivables		(47,482)	4,722	(37,260)	9,949
Trade and other payables		96,930	65,098	57,730	86,759
Cash generated from operating activities		407,227	401,769	735,884	592,715
Income tax paid		(3,495)	(3,062)	(6,404)	(3,609)
Net cash generated from operating activities		403,732	398,707	729,480	589,106
Cash flows from investing activities					
Dividend received from a joint venture company and an associate company		1,250	256	2,839	357
Purchase of investment properties		(767,967)	(1,655,533)	(767,967)	(1,655,533)
Payment for investment properties under development		(106,284)	(42,977)	(171,036)	(49,653)
Payment for capital improvement on investment properties		(63,223)	(54,857)	(74,499)	(67,376)
Proceeds from the divestment of investment property		-	27,000	123,690	27,000
Acquisition of an associate company		-	-	(107,113)	-
Return of capital from an associate company		2,200	-	2,200	-
Interest received		5,149	12,591	6,498	20,545
Net cash used in investing activities		(928,875)	(1,713,520)	(985,388)	(1,724,660)
Cash flows from financing activities					
Proceeds from issuance of perpetual securities		300,000	-	300,000	-
Perpetual securities issue cost paid		(1,635)	-	(1,635)	-
Redemption of perpetual securities		(300,000)	-	(300,000)	-
Proceeds from issue of units		1,196,490	1,309,848	1,196,490	1,309,848
Equity issue costs paid		(14,068)	(12,067)	(14,068)	(12,067)
Distributions paid to Unitholders		(470,994)	(248,491)	(597,883)	(501,900)
Distributions paid to perpetual securities holders		(8,292)	(7,145)	(15,437)	(14,250)
Finance costs paid		(68,978)	(73,785)	(140,896)	(108,239)
Payment of lease liabilities		(16,322)	(16,356)	(32,576)	(24,596)
Transaction costs paid in respect of borrowings		-	(1,751)	-	(2,091)
Proceeds from borrowings		3,135,746	1,261,236	3,410,467	1,858,358
Repayment of borrowings		(3,309,338)	(896,236)	(3,325,962)	(1,319,277)
Net cash generated from financing activities		442,609	1,315,253	478,500	1,185,786
Net (decrease)/increase in cash and cash equivalents		(82,534)	440	222,592	50,232
Cash and cash equivalents at beginning of the period		361,309	54,453	54,555	4,921
Effect of exchange rate changes on cash balances		(796)	(338)	832	(598)
Cash and cash equivalents at end of the financial period	(a)	277,979	54,555	277,979	54,555

Footnote

- (a) Included in cash and cash equivalents was a bank overdraft amounting to approximately S\$41.2 million as at 31 December 2019.

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

	Note	Group		Trust	
		2H FY2020 S\$'000	2H FY2019 S\$'000	2H FY2020 S\$'000	2H FY2019 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		7,955,516	6,516,359	7,832,886	6,477,839
Operations					
Total return for the period attributable to Unitholders and perpetual securities holders		178,034	250,111	124,409	188,111
Less: Amount reserved for distribution to perpetual securities holders		(8,037)	(7,183)	(8,037)	(7,183)
Net increase in net assets from operations		169,997	242,928	116,372	180,928
Movement in foreign currency translation reserve	(a)	47,930	(18,139)	-	-
Unitholders' transactions					
New Units issued	(b)	1,196,490	1,309,848	1,196,490	1,309,848
Equity issue costs	(b)	(14,068)	(14,500)	(14,068)	(14,500)
Acquisition fees paid/payable in Units	(c)	-	16,536	-	16,536
Management fees paid/payable in Units		6,743	5,829	6,743	5,829
Distributions to Unitholders	(d)	(470,993)	(248,491)	(470,993)	(248,491)
Net increase in net assets from Unitholders' transactions		718,172	1,069,222	718,172	1,069,222
Balance at end of the financial period		8,891,615	7,810,370	8,667,430	7,727,989
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		300,828	300,830	300,828	300,830
Redemption of perpetual securities		(300,000)	-	(300,000)	-
Proceeds from the issuance of perpetual securities		300,000	-	300,000	-
Issue costs		(1,635)	-	(1,635)	-
Amount reserved for distribution to perpetual securities holders		8,037	7,183	8,037	7,183
Distributions to Perpetual Securities Holders		(8,292)	(7,145)	(8,292)	(7,145)
Balance at end of the financial period		298,938	300,868	298,938	300,868
Total		9,190,553	8,111,238	8,966,368	8,028,857

Footnotes

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.
- (b) The issuance of new Units in 2H FY2020 consist of (1) new Units issued on 19 November 2020 pursuant to the private placement of 264,376,000 units at an issue price of \$3.026 per Unit and (2) new Preferential Offering Units of 133,948,782 units issued on 8 December 2020 at an issue price of S\$2.960 per Unit (2H FY2019: the issuance of new Units on 6 December 2019 pursuant to the Rights Issue of 498,040,904 Units at an issue price of S\$2.63 per Unit).
- (c) These Units were for payment of acquisition fee in relation to the acquisition of two Singapore properties and the US Portfolio, and were issued at an issue price of S\$3.0098 per Unit on 10 January 2020.
- (d) The distribution paid in 2H FY2020 comprised of distributions to Unitholders for the period from 1 July 2020 to 18 November 2020 (2H FY2019: for the period from 1 April 2019 to 30 September 2019).

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	Note	Group		Trust	
		FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		7,810,370	6,641,611	7,727,989	6,612,622
Operations					
Total return for the period attributable to Unitholders of the Trust		457,078	387,871	356,752	307,477
Less: Amount reserved for distribution to perpetual securities holders		(15,142)	(10,736)	(15,142)	(10,736)
Net increase in net assets from operations		441,936	377,135	341,610	296,741
Movement in foreign currency translation reserve	(a)	41,478	(27,002)	-	-
Unitholders' transactions					
New Units issued	(b)	1,196,490	1,309,848	1,196,490	1,309,848
Equity issue costs	(b)	(14,068)	(14,500)	(14,068)	(14,500)
Acquisition fees paid/payable in units	(c)	-	16,536	-	16,536
Management fees paid/payable in Units		13,292	8,642	13,292	8,642
Distributions to Unitholders	(d)	(597,883)	(501,900)	(597,883)	(501,900)
Net increase in net assets from Unitholders' transactions		597,831	818,626	597,831	818,626
Balance at end of the financial period		8,891,615	7,810,370	8,667,430	7,727,989
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		300,868	304,382	300,868	304,382
Redemption of perpetual securities		(300,000)	-	(300,000)	-
Proceeds from the issuance of perpetual securities		300,000	-	300,000	-
Issue costs		(1,635)	-	(1,635)	-
Amount reserved for distribution to perpetual securities holders		15,142	10,736	15,142	10,736
Distributions to Perpetual Securities Holders		(15,437)	(14,250)	(15,437)	(14,250)
Balance at end of the financial period		298,938	300,868	298,938	300,868
Total		9,190,553	8,111,238	8,966,368	8,028,857

Footnotes

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.
- (b) The issuance of new Units in FY2020 consist of (1) new Units issued on 19 November 2020 pursuant to the private placement of 264,376,000 units at an issue price of \$3.026 per Unit and (2) new Preferential Offering Units of 133,948,782 units issued on 8 December 2020 at an issue price of S\$2.960 per Unit (FY2019: the issuance of new Units on 6 December 2019 pursuant to the Rights Issue of 498,040,904 Units at an issue price of S\$2.63 per Unit).
- (c) These Units were for payment of acquisition fee in relation to the acquisition of two Singapore properties and the US Portfolio, and were issued at an issue price of S\$3.0098 per Unit on 10 January 2020.
- (d) The distribution paid in FY2020 comprised of distributions to Unitholders for the period from 1 October 2019 to 18 November 2020 (FY2019: for the period from 1 October 2018 to 30 September 2019).

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

	01/07/20 to 31/12/20 2H FY2020 Units	Group and Trust		
		01/07/19 to 31/12/19 2H FY2019 Units	12M FY2020 Units	9M FY2019 Units
Issued Units at beginning and end of the financial period	3,620,237,368	3,112,755,652	3,612,693,832	3,110,841,823
Issue of new Units:				
- Management fees paid in Units	2,280,235	1,897,276	4,329,685	3,811,105
- Acquisition fees paid in Units	-	-	5,494,086	-
- Equity fund raising	398,324,782	498,040,904	398,324,782	498,040,904
Issued Units at the end of the financial period	4,020,842,385	3,612,693,832	4,020,842,385	3,612,693,832
Units to be issued:				
Management fees payable in Units	398,290	380,347	398,290	380,347
Acquisition fee payable in Units	-	5,494,086	-	5,494,086
Units issued and issuable at end of the financial period	4,021,240,675	3,618,568,265	4,021,240,675	3,618,568,265

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

There are no treasury Units in issue as at 31 December 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 or reviewed.

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

Not applicable.

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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			
		01/07/20 to 31/12/20 2H FY2020	01/07/19 to 31/12/19 2H FY2019	12M FY2020	9M FY2019
Basic and Diluted EPU attributable to Unitholders	(a)				
(adjusted to include effects of rights issue)	(b)				
Weighted average number of Units		3,713,536,976	3,252,229,571	3,666,077,457	3,228,335,658
Earnings per Unit in cents		4.578	7.470	12.055	11.682
(as previously reported)					
Weighted average number of Units			3,177,893,793		
Earnings per Unit in cents			7.644		
DPU					
Number of Units in issue and issuable (as actually distributed or distributable)	(c)	4,020,842,385	3,618,187,918	4,020,842,385	3,618,187,918
Distribution per Unit in cents		7.418	7.485	14.688	11.490
(restated to include effects of rights issue)	(d)				
Distribution per Unit in cents			7.399		11.317

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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 31 December 2020, 31 December 2019 and 1 April 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) Included 5,494,086 Units of acquisition fees in Units issued on 10 January 2020 as these Units are entitled to receive the distribution for the period from 1 October 2019 to 31 December 2019.
- (d) The DPU for 2H FY2019 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	
		31/12/20 cents	31/12/19 cents	31/12/20 cents	31/12/19 cents
Net asset value per Unit		221	216	216	214
Adjusted net asset value per Unit	(a)	220	213	214	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.

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8. Review of Performance

	Group				
	01/07/20 to 31/12/20	01/01/20 to 30/06/20	Variance (A) vs (B) %	01/07/19 to 31/12/19	Variance (A) vs (C) %
	2H FY2020 (A) S\$'000	1H FY2020 (B) S\$'000		2H FY2019 (C) S\$'000	
Gross revenue	528,226	521,234	1.3%	469,383	12.5%
Property operating expenses	(140,022)	(133,192)	5.1%	(109,164)	28.3%
Net property income	388,204	388,042	0.0%	360,219	7.8%
Non property expenses	(38,734)	(38,534)	0.5%	(34,114)	13.5%
Net finance costs	(63,195)	(69,154)	(8.6%)	(61,838)	2.2%
Finance costs on lease liabilities	(13,171)	(13,969)	(5.7%)	(13,235)	(0.5%)
Foreign exchange differences	42,237	(31,085)	n.m.	(982)	n.m.
Gain on disposal of investment properties	-	5,390	(100.0%)	3,220	(100.0%)
	(72,863)	(147,352)	(50.6%)	(106,949)	(31.9%)
Net income	315,341	240,690	31.0%	253,270	24.5%
Net change in fair value of financial derivatives	(86,318)	52,693	n.m.	(30,181)	186.0%
Net change in fair value of investment properties	(32,322)	-	n.m.	48,059	(167.3%)
Change in fair value of right-of-use assets	(3,153)	(2,285)	38.0%	(3,121)	1.0%
Share of associate company and joint venture's results	6,950	2,640	163.3%	275	n.m.
Total return for the period before tax	200,498	293,738	(31.7%)	268,302	(25.3%)
Tax expense	(22,464)	(14,694)	52.9%	(18,191)	23.5%
Total return for the period	178,034	279,044	(36.2%)	250,111	(28.8%)
Attributable to:					
Unitholders and perpetual securities holders	178,034	279,044	(36.2%)	250,111	(28.8%)
Total return for the period	178,034	279,044	(36.2%)	250,111	(28.8%)
Distribution Statement					
Total return for the period attributable to Unitholders and perpetual securities holders	178,034	279,044	(36.2%)	250,111	(28.8%)
Less: Amount reserved for distribution to perpetual securities holders	(8,037)	(7,105)	13.1%	(7,183)	11.9%
Net effect of (taxable income)/ non tax deductible expenses and other adjustments	14,278	(57,984)	(124.6%)	19,057	(25.1%)
Net change in fair value of investment properties	32,322	-	n.m.	(48,059)	(167.3%)
Income available for distribution	216,597	213,955	1.2%	213,926	1.2%
Total amount available for distribution comprising:					
- Taxable income	216,597	213,955	1.2%	213,926	1.2%
- Tax-exempt income	4,602	1,450	n.m.	4,717	(2.4%)
- Distribution from capital	54,044	47,780	13.1%	32,105	68.3%
Total amount available for distribution	275,243	263,185	4.6%	250,748	9.8%
EPU/DPU					
Earnings per unit (cents)	4.578	7.516	(39.1%)	7.644	(40.1%)
Distribution per unit (cents)	7.418	7.270	2.0%	7.485	(0.9%)

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

2H FY2020 vs 1H FY2020

The decrease in net finance costs was mainly due to the lower average debt balance in 2H FY2020.

In 2H FY2020, the Group recorded a foreign exchange gain of S\$42.2 million, which was due to the appreciation of SGD against JPY, HKD and GBP in relation to JPY, HKD denominated Medium Term Notes ("MTN") as well as GBP denominated borrowings.

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In 1H FY2020, the Group incurred 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 MTN.

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

2H FY2020 recorded higher tax expenses than 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.

2H FY2020 vs 2H FY2019

Gross revenue increased by 12.5%, mainly due to contributions from the US portfolio of 28 business park properties and two Singapore business park properties, which were acquired in December 2019. The newly completed suburban office, 254 Wellington, and the two properties acquired in San Francisco also contributed to the higher gross revenue. This was partially offset by the rent rebate provided for eligible tenants to ease the challenges faced as a result of the COVID-19 pandemic, as well as a decline in gross revenue for the Singapore portfolio due to divestments and lower occupancies at certain properties.

Property operating expenses increased due to the properties acquired in December 2019 and November 2020 as well as the completion of 254 Wellington. Higher accrual of maintenance costs for certain properties in Singapore also contributed to the increase in the property operating expense.

Non-property expenses increased 13.5% mainly due to an increase in management fees and professional fees as a result of the enlarged deposited properties under management.

In 2H FY2020, the Group recorded a foreign exchange gain of S\$42.2 million, which was due to the appreciation of SGD against JPY, HKD and GBP in relation to JPY, HKD denominated MTN as well as GBP denominated borrowings.

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

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 1H FY2020 Financial Results Announcement under Paragraph 10 on page 18 to 19. The Trust has not disclosed any financial forecast to the market.

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

In January 2021, the International Monetary Fund ("IMF") projected a return to global growth of 5.5% in 2021 from an estimated contraction of 3.5% in 2020. However, the recent resurgence of COVID-19 and new strains of the virus in many countries have triggered repeated lockdowns and restrictions. The IMF has cautioned that global economic recovery could be affected even if the distribution of COVID-19 vaccines takes place successfully.

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Singapore

In Singapore, the economy contracted 5.8% year-on-year (“y-o-y”) in 2020 as a result of weak economic activity caused by the COVID-19 pandemic. The Ministry of Trade and Industry (“MTI”) expects a slow and uneven recovery amongst major advanced and developing economies in 2021. However, given the low base in 2020, the Singapore economy is projected to return to growth at between “4.0% to 6.0%” in 2021 (source: MTI).

Despite the difficult environment, the occupancy rate for Ascendas Reit’s Singapore properties remained healthy at 88.4%. During the financial year, Ascendas Reit provided rent waivers to its tenants, amounting to approximately S\$17.2 million (2.3% of FY2020 Singapore gross revenue). This amount is in addition to the Singapore Government’s property tax rebates and cash grants which were fully passed through to eligible tenants.

Demand is expected to remain subdued as companies are likely to stay cautious and continue to put their business and expansion plans on hold on the back of an uncertain economic outlook. Excess supply in some industrial property segments is also expected to curb rental growth.

United States (US)

In 2020, the US economy recorded a contraction of 3.5% y-o-y compared with a growth of 2.2% y-o-y in 2019 (source: US Bureau of Economic Analysis). The spike in COVID-19 infections towards the end of 2020 presents a key risk to economic recovery in 2021.

The Federal Reserve held US interest rates at between 0% to 0.25% to enable the economy to weather the recent challenges. The US GDP is expected to expand by 5.1% y-o-y in 2021 (source: IMF).

In the US, S\$70,000 of rent rebates were provided to tenants affected by COVID-19 in 2020.

On the acquisition front, two office properties located in San Francisco were acquired in November 2020, lifting the US portfolio value by 59% y-o-y to S\$2.1 billion. Ascendas Reit’s US portfolio is located in the US technology cities of San Francisco, San Diego, Raleigh and Portland and is well-positioned to benefit from the growing technology and healthcare sectors. The strength of the US portfolio is also underpinned by its long weighted average lease to expiry (“WALE”) of 5.1 years and the high proportion of leases with rent escalation clauses of between 2.5% to 4.0% per annum.

Australia

Australia exited a technical recession after recording 3.3% quarter-on-quarter (“q-o-q”) GDP growth for 3Q 2020 although this represented a 3.8% contraction y-o-y (source: Australian Bureau of Statistics). The Reserve Bank of Australia expects the positive momentum to continue in 4Q 2020, with the easing of lockdown measures in Melbourne and the significant stimulus measures announced in October 2020 by the Australian Government.

The Reserve Bank lowered the cash interest rate to 0.1% from 0.25% in November 2020 to provide more support to employment and economic activity amidst the COVID-19 outbreak. GDP for 2021 is forecast to expand by 4.5% (source: Australian Government Mid-Year Economic and Fiscal Outlook).

The overall impact of COVID-19 on the Australian portfolio has been mild to-date, amounting to less than S\$0.6 million in FY2020. The portfolio continues to deliver stable performance due to good locations in the key cities of Sydney, Melbourne and Brisbane, WALE of 4.1 years and average rent escalations of approximately 3% per annum.

The Australian portfolio value is expected to grow by 29% to S\$2.4 billion after taking into account recently announced acquisitions. They include (1) two logistics properties under development in Sydney and Brisbane, which will expand Ascendas Reit’s footprint in key distribution markets benefiting from robust e-commerce demand in Australia, and (2) two suburban office properties, located in Macquarie Park, Sydney, which will allow Ascendas Reit to take advantage of decentralisation trends as companies seek office space in affordable satellite hubs.

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United Kingdom (UK)

In 3Q 2020, the UK economy contracted by 8.6% y-o-y, following the record 20.8% y-o-y contraction in 2Q 2020. On a q-o-q basis, the economy grew 16.0% reflecting the easing of lockdown restrictions during the quarter and the base effects from the steep contraction of 8.6% q-o-q in 2Q 2020 (source: Office for National Statistics (ONS)). UK's economy is forecast to deliver a growth of 4.5% y-o-y in 2021 (source: IMF).

Due to the disruptions from COVID-19, rental payment frequency for some tenants were changed from quarterly to monthly in advance and some rents have been deferred to provide cashflow relief to tenants. To-date, all tenants have honoured their rent payments.

On 1 January 2021, the UK formally separated from the European Union (EU). A free trade deal was secured, which avoided the introduction of tariffs or quotas on goods traded between the UK and the EU. Ascendas Reit's UK portfolio has a long WALE of 8.8 years, which will help to mitigate any uncertainties that may arise as businesses adjust to the new regime.

The proportion of internet sales in the UK remained consistently above 26% of total retail sales in the second half of 2020, higher than the previous year's record of 21.6% achieved in November 2019. This strong e-commerce penetration trend is expected to continue benefiting the logistics sector that all of Ascendas Reit's UK properties are in (source: ONS).

Conclusion

Many countries are faced with a surge in coronavirus infection and it may take time to successfully roll out their vaccination programmes.

The pace of business recovery globally is expected to vary across sectors and remain uncertain. The Manager will continue to exercise prudence, maintain a strong balance sheet and proactively manage its portfolio to deliver sustainable returns for its Unitholders.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 63rd distribution for the period from 1 July 2020 to 18 November 2020

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	4.640	0.070	1.030	5.740

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%.

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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.

Books closure date: 18 November 2020

Payment date: 11 December 2020

(ii) Name of distribution: 64th distribution for the period from 19 November 2020 to 31 December 2020

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	1.201	0.051	0.426	1.678

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.

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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.

Books closure date: 10 February 2021

Payment date: 9 March 2021

(b) Corresponding financial period of the immediately preceding year

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 61st distribution for the period from 1 October 2019 to 31 December 2019

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per unit)	2.956	0.130	0.421	3.507

Par value of units: Not applicable

Tax Rate: Taxable income distribution

Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

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

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Capital distribution

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

Record date: 10 February 2020

Payment date: 4 March 2020

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 19 November 2020 to 31 December 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.

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15. Use of proceeds from equity fund raising

Total gross proceeds of S\$800.0 million from the Private Placement in November 2020 and \$396.5 million from the Preferential Offering in December 2020 have disbursed as follows:

Intended use of proceeds	Announced use of proceeds (S\$'million)	Actual use of proceeds (S\$'million)	Balance of proceeds (S\$'million)
To partially fund the acquisition of two office properties in San Francisco and the associated costs	390.0	390.0	-
To partially fund the acquisition of a suburban office property located in Sydney and the associated costs	180.0	180.0	-
To partially fund the acquisition of a portfolio of data centres in Europe and the associated costs	612.5	-	612.5
To pay the fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Equity Fund Raising	14.0	14.0	-
Total	1,196.5	584.0	612.5

16. Directors confirmation pursuant to Rule 705(5) of the Listing Manual

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

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

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

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ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

18. Segmented revenue and results for business or geographical segments

	Note	12M FY2020 S\$'000	Group 9M FY2019 S\$'000	Variance %
Gross revenue	(a)			
Business & Science Park/Suburban Office	(b)	462,038	244,882	88.7%
High-Specifications Industrial Properties		191,182	149,383	28.0%
Light Industrial Properties		84,282	68,415	23.2%
Logistics and Distributions Centres		248,519	189,297	31.3%
Integrated Development, Amenities & Retail		63,439	47,080	34.7%
Total Gross revenue	(c)	1,049,460	699,057	50.1%
Net property income	(a)			
Business & Science Park/Suburban Office	(b)	333,173	180,828	84.2%
High-Specifications Industrial Properties		143,841	116,935	23.0%
Light Industrial Properties		59,732	49,994	19.5%
Logistics and Distributions Centres		193,452	153,352	26.1%
Integrated Development, Amenities & Retail		46,048	36,569	25.9%
Total Net property income	(c)	776,246	537,678	44.4%

Footnotes

- (a) Due to the change of financial year from 31 March to 31 December, the current financial year is 12 months period from 1 January 2020 to 31 December 2020 ("FY2020"). The comparative financial year for FY2019 is a nine months period from 1 April 2019 to 31 December 2019 ("FY2019"). Accordingly, the comparative amounts presented for the gross revenue and net property income by business segments are not entirely comparable.
- (b) The gross revenue and net property income in the Business & Science Park/Suburban Office segment includes the full year contribution from the acquisition of the two Singapore properties and the US Portfolio in December 2019, as well as the newly completed development in Australia in September 2020 and the two US properties acquired in November 2020.
- (c) Please refer to paragraph 1(a)(i)(a) and (b) on page 4 for details.

	Note	12M FY2020 S\$'000	Group 9M FY2019 S\$'000	Variance %
Gross revenue	(a)			
Singapore		764,234	571,032	33.8%
Australia		117,882	88,894	32.6%
United Kingdom		45,188	32,661	38.4%
United States	(b)	122,156	6,470	>100%
Total Gross revenue	(c)	1,049,460	699,057	50.1%
Net property income	(a)			
Singapore		550,810	428,727	28.5%
Australia		93,150	72,667	28.2%
United Kingdom		43,043	31,650	36.0%
United States	(b)	89,243	4,634	>100%
Total Net property income	(c)	776,246	537,678	44.4%

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Footnotes

- (a) Due to the change of financial year from 31 March to 31 December, the current financial year is 12 months period from 1 January 2020 to 31 December 2020 (“FY2020”). The comparative financial year for FY2019 is a nine months period from 1 April 2019 to 31 December 2019 (“FY2019”). Accordingly, the comparative amounts presented for the gross revenue and net property income by geographical segments are not entirely comparable.
- (b) The gross revenue and net property income in the United States includes the full year contribution from the acquisition of the US Portfolio in December 2019 and another two US properties in November 2020.
- (c) Please refer to paragraph 1(a)(i)(a) and (b) on page 4 for details.

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

Please refer to paragraph 8 on pages 16 to 17 for the review of the actual performance.

20. Breakdown of revenue

	Note	Group		
		12M	9M	
		FY2020 S\$'000	FY2019 S\$'000	Variance %
Gross revenue reported for first half year	(a)	521,234	229,674	126.9%
Net income after tax for first half year	(a)	225,996	112,776	100.4%
Gross revenue reported for second half year	(b)	528,226	469,383	12.5%
Net income after tax for second half year	(c)	292,877	235,079	24.6%

Footnotes

- (a) Due to change of the financial year end, 1H FY2020 refers to the six months period from 1 January 2020 to 30 June 2020 while 1H FY2019 refers to the three months period from 1 April 2019 to 30 June 2019. Thus, the comparative amounts presented for first half year are not comparable.
- (b) Gross revenue increased by 12.5% in 2H FY2020, mainly due to full period of contributions from the two Singapore properties and the US Portfolio acquired in December 2019, as well as the newly completed development in Australia in September 2020 and the two US properties acquired in November 2020.
- (c) Net income after tax increased by 26.0% in 2H FY2020 that correspond with the increase in gross revenue, as well the foreign exchange gain of S\$42.2 million, which was due to the appreciation of SGD against JPY, HKD and GBP in relation to JPY, HKD denominated MTN and GBP denominated borrowings.

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21. Breakdown of the total distribution for the financial years ended 31 December 2020 and 31 December 2019

	Group	
	12M	9M
	FY2020 S\$'000	FY2019 S\$'000
19 Nov 20 to 31 Dec 20	67,434	-
1 Jul 20 to 18 Nov 20	207,802	-
1 Jan 20 to 30 Jun 20	263,192	-
1 Oct 19 to 31 Dec 19	-	126,926
1 Jul 19 to 30 Sep 19	-	123,822
1 Apr 19 to 30 Jun 19	-	124,664
Total distribution to unitholders	538,428	375,412

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

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

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

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

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

Mary Judith de Souza
Company Secretary
2 February 2021