CONQUERING CHALLENGES
ENHANCING COMPETITIVENESS

Ascendas Real Estate Investment Trust Annual Report FY13/14

Through all these years, A-REIT has thrived on its competitive spirit – always staying focused and determined to excel in its mission. This motivating force propelled A-REIT to conquer numerous challenges along the way, and to scale new heights. Never resting on its laurels, A-REIT is continuing to push the boundaries to unveil more opportunities in an ever changing environment.

This is portrayed on the cover illustration with the eagle flying steadily and sustaining its motion in a vibrant environment. The meandering stream represents opportunities, the mountains signify challenges and the trees depict sturdiness, and altogether, they form a picture of vitality, possibilities and stability.

Like an eagle, through strength in stance, a balanced perspective and a sharp focus on the targets, we also enhance our competitiveness, align our products to meet evolving market needs and keep our sights on our goals. In the process, we turn challenges into opportunities, fulfil A-REIT's mission to its Unitholders, and build a sustainable future for A-REIT's stakeholders.

a-reit
ascendas reit

PERFORMANCE AT A GLANCE

NOTES:

(1) Prior to distribution of distributable income

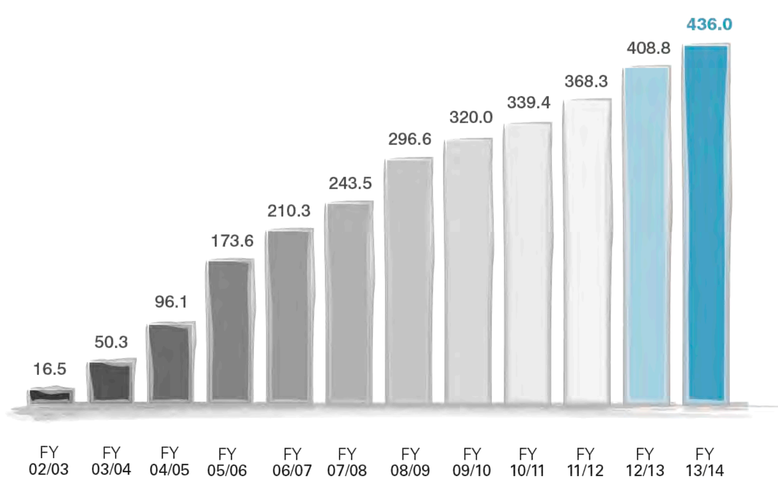
(2) Annualised based on actual distribution per unit ("DPU") of 2.78 cents for the 133 days ended 31 March 2003

(3) Includes total borrowings and deferred payments on acquisition of properties but excludes fair value adjustments of the collateral loan

(4) Excludes fair value changes and amortised costs. Borrowings denominated in foreign currencies are translated at the prevailing exchange rates except for JPY-denominated debt issues, which are translated at the cross-currency swap rates that A-REIT has committed to

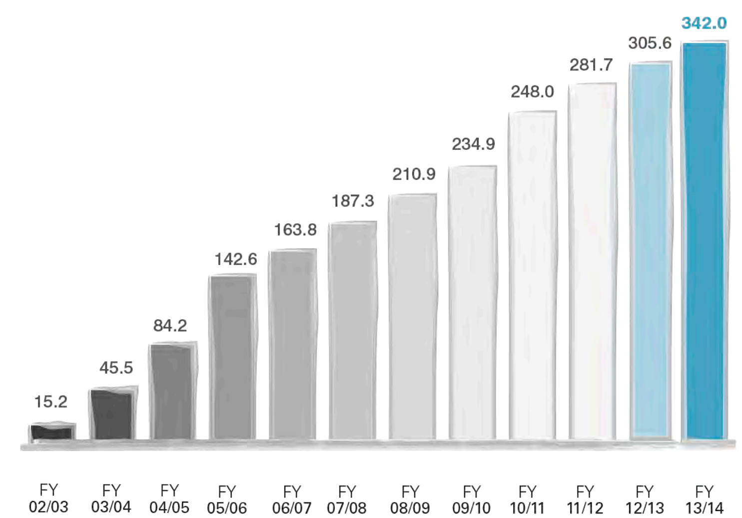
S$436.0M

Net Property Income (S$M)



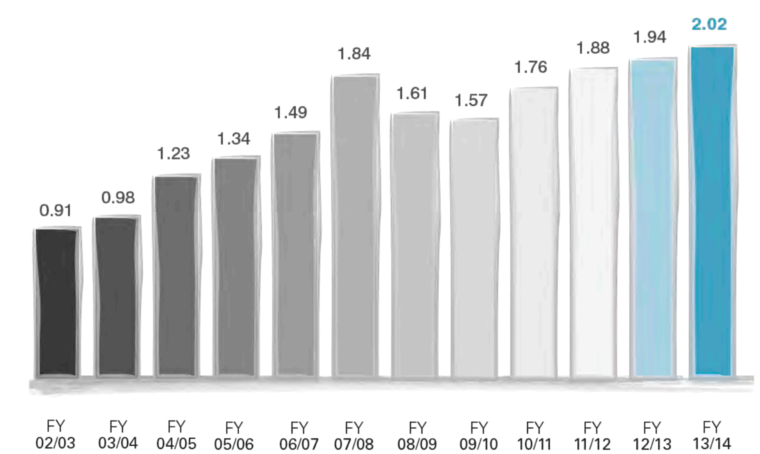
S$342.0M

Total Amount Available for Distribution (S$M)



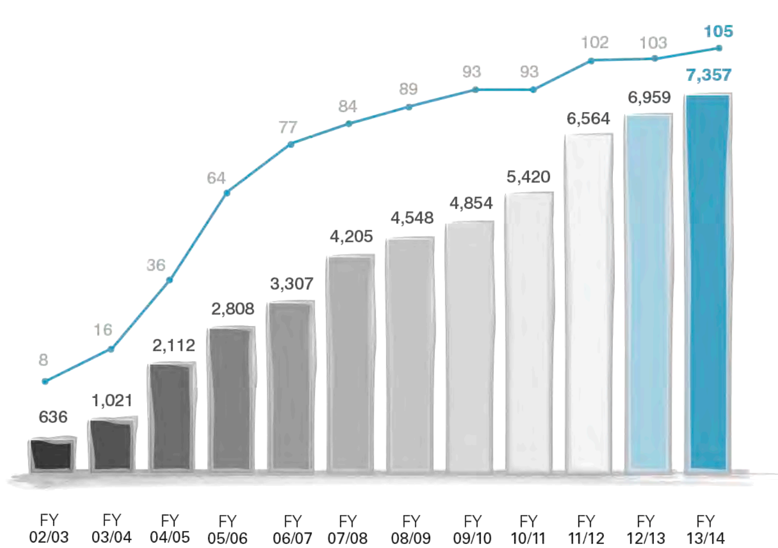
S$2.02

Net Asset Value Per Unit (S$)[1]



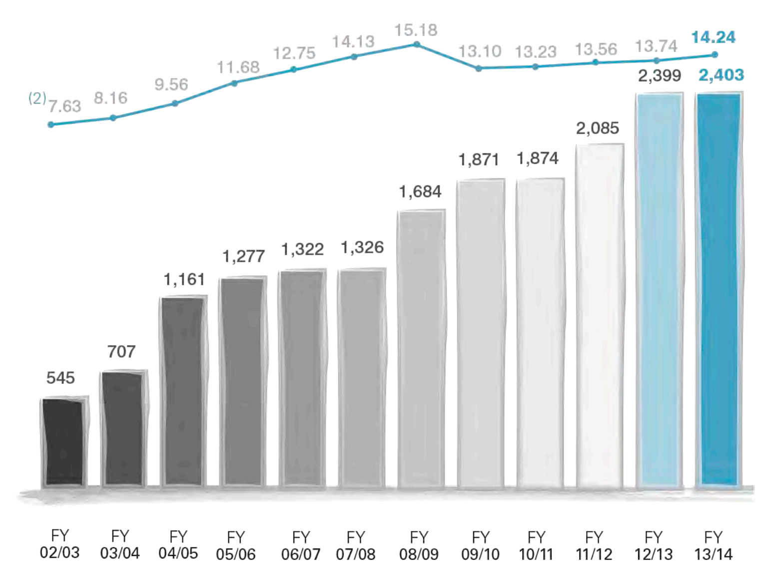
105 Properties

Number of Properties & Total Assets (S$M)



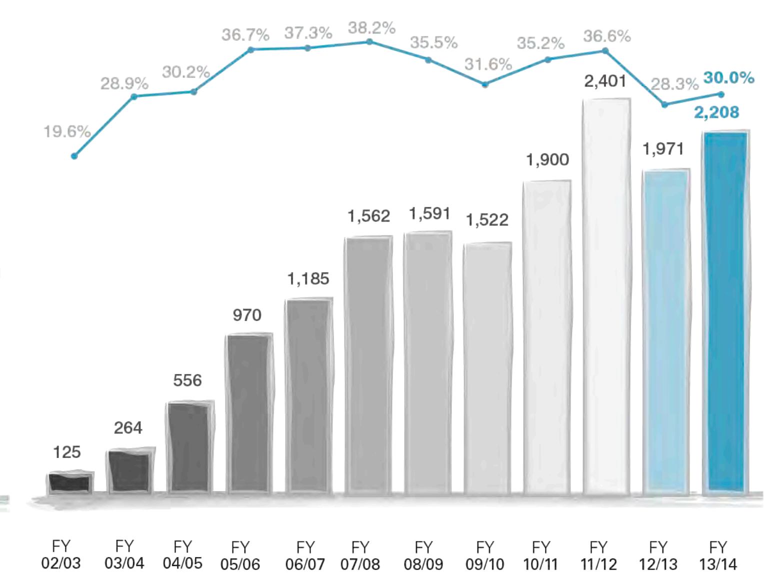
14.24 cents DPU

Units in Issue (M) & Distribution Per Unit (cents)



30% Aggregate Leverage

Aggregate Leverage[3] & Total Gross Borrowings (S$M)[4]



Any discrepancies in the tables and charts between the listed figures and total thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

A-REIT'S MISSION

TO DELIVER PREDICTABLE DISTRIBUTIONS AND ACHIEVE LONG-TERM CAPITAL STABILITY FOR UNITHOLDERS

ABOUT A-REIT

Ascendas Real Estate Investment Trust ("A-REIT") is Singapore's first and largest listed business space and industrial real estate investment trust with a diversified portfolio of 103 properties in Singapore and 2 business park properties in China as at 31 March 2014.

A-REIT'S PORTFOLIO COMPRISES :

BUSINESS & SCIENCE PARK PROPERTIES

Suburban office, backroom support office, corporate headquarters as well as research and development space

HIGH-SPECS INDUSTRIAL PROPERTIES / DATA CENTRES

Vertical corporate campus with high office content combined with high specifications mixed-use industrial space

LIGHT INDUSTRIAL PROPERTIES / FLATTED FACTORIES

Low office content combined with manufacturing space / stacked-up manufacturing space

LOGISTICS & DISTRIBUTION CENTRES

Warehousing and distribution centres

WAREHOUSE RETAIL FACILITIES

Retail frontage with warehousing facility at the back of the property

The China portfolio comprises two business park properties, one of which is located in Beijing and the other in Shanghai. A-REIT's focus in China is to target higher value-added industries such as IT and software companies as well as corporate headquarters of multi-national companies and large local corporations within tier-one cities such as Beijing and Shanghai.

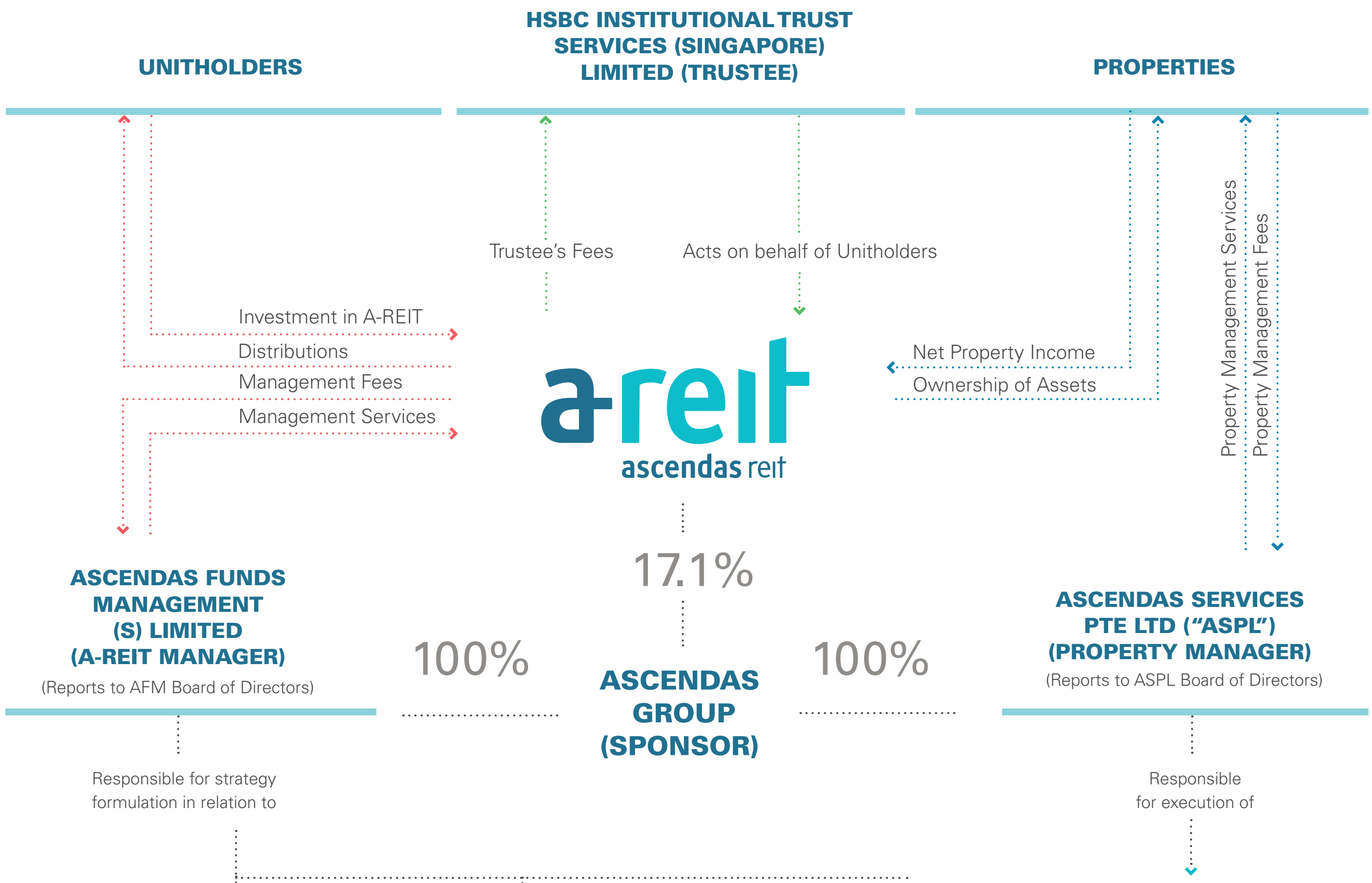
A-REIT hosts a customer base of around 1,300 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room support office in service industries, etc.

Since its initial public offering in November 2002, A-REIT has been paying out 100% of its income available for distribution.

Ascendas Funds Management (S) Limited ("AFM") is the manager of A-REIT (the "Manager"). The Manager is committed to delivering predictable distributions and long-term capital stability to Unitholders through a three-pronged strategy of:

- Value-adding investments comprising development as well as acquisition of income-producing properties with strong underlying real estate fundamentals;
- Organic portfolio growth through proactive portfolio and asset management, including asset enhancements and divestment; and
- Prudent capital and risk management.

A-REIT STRUCTURE



STRATEGIES

CAPITAL & RISK MANAGEMENT

- Equity funding
- Debt funding
- Interest rate risk management
- Foreign exchange risk management
- Optimise capital structure

PORTFOLIO MANAGEMENT

- Portfolio positioning and strategies
- Supervise execution of asset management activities
- Customer retention and statisfaction
- Occupancy improvements
- Rental rates improvements

VALUE-ADDING INVESTMENT

- Yield accretive acquisitions
- Built-to-suit projects
- Developments

MARKETING & LEASING

- Leasing of vacant space
- Prospecting for new tenants

EXPENSE MANAGEMENT

- Efficiency improvements
- Cost management

PROPERTY MANAGEMENT

- Property maintenance service
- Site staff management
- Consistent delivery of quality services
- Contract administration and procurement

Execution of strategies & plans

OUTCOME	STABILITY	GROWTH
TOTAL RETURNS	PREDICTABLE INCOME	CAPITAL STABILITY

A-REIT'S COMPETITIVE EDGE

DIVERSITY AND DEPTH

A-REIT is the largest business space and industrial REIT in Singapore with a portfolio diversified across five major segments of the business space and industrial property market. As a result of its disciplined investment strategy, A-REIT owns a portfolio of well-located properties with specifications that cater to the diverse and intricate real estate needs of its existing and prospective customers.

DEVELOPMENT CAPABILITIES

A-REIT is the first Singapore REIT ("S-REIT") to undertake development projects on its own balance sheet in 2006, enabling Unitholders to enjoy the benefits of potential development upsides. As at 31 March 2014, A-REIT has completed 12 development projects, achieving a total revaluation gain of about S$320.9 million or 32.6% over the total development cost, demonstrating the Manager's ability to achieve value-adding investments for the portfolio through its development capabilities.

STABILITY & SUSTAINABILITY

Our mission is to deliver predictable distributions and achieve long-term capital stability for Unitholders. A-REIT capitalises on its core fundamentals to drive its performance. Through prudent capital and risk management, disciplined value-adding investment and proactive asset management, the Manager seeks to create a competitive edge to differentiate A-REIT and to enhance stability and sustainability within the portfolio.

CUSTOMER FOCUS

We have a track record of customers growing with us and have consistently maintained a high customer retention ratio when leases are due for renewal.

With proactive asset management and leasing strategy, A-REIT is looking forward to serve its tenants in their spatial needs in Singapore and China through the provision of quality business space.

MARKET LEADER

A-REIT is focused on suburban business space and industrial properties. It has a committed sponsor, the Ascendas Group, which has a proven track record of more than 30 years of experience in this industry.

A-REIT has established itself as the market leader in most of the segments that it operates in since its listing in 2002, growing from eight properties valued at around S$600m in 2002 to 105 properties valued at around S$7.0 billion as at 31 March 2014.

SIZE ADVANTAGE

A-REIT accounted for 9.4% of the market capitalisation of the S-REIT sector as at 31 March 2014. In FY13/14, it accounted for about 10.2% of the trading volume for S-REITs on the Singapore Exchange Securities Trading Limited ("SGX-ST"), making it one of the most liquid REITs in the Singapore market. A-REIT will be included as one of the 30 constituents of the Singapore Straits Times Index effective from 4 June 2014. A-REIT is also included in over 30 major indices including MSCI Singapore Index, FTSE ST All-Share Index, S&P Property 40 index as well as WisdomTree Global ex-US Real Estate Index.

OPERATIONS PLATFORM

ASPL, our Property Manager, has a dedicated sales/marketing, leasing and property management team of over 100 people, all of whom possess in-depth understanding of this property sector and customers' needs.

BOARD OF DIRECTORS

Mr Koh Soo Keong | Mr Khiatani Manohar Ramesh | Mr Henry Tan Song Kok

Mr Chia Kim Huat | Mr Teo Eng Cheong | Mr Marc Teo Choon Chye | Mr Tan Ser Ping

BOARD OF DIRECTORS

MR KOH SOO KEONG, 63

Chairman, Independent Director

Date of appointment as Director:
15 September 2009

Date of appointment as Chairman of the Board:
1 August 2011

Length of service as Director:
4 years and 8 months (as at 30 May 2014)

BOARD COMMITTEES SERVED ON:

- Nominating, Human Resource & Remuneration Committee (Chairman)
- Operational Risk Management Committee (Chairman)
- Investment Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Bachelor of Engineering (Honours), University of Singapore
- Master of Business Adminstration, National University of Singapore
- Postgraduate Diploma in Business Law, National University of Singapore

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies

- ECS Holdings Limited
- Noel Gifts International Ltd
- Northern Technologies International Corporation

Others

- ABL Asia Pte Ltd
- EcoSave Pte Ltd
- Zerust Singapore Pte Ltd
- Agape Ace Pte Ltd
- Sino-Singapore (Chengdu) Innovation Park Development Co., Ltd
- Orita Sinclair School of Design, New Media & the Arts Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2014

- Chairman, Agri-Food and Veterinary Authority of Singapore

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

- Medtecs International Corporation Ltd
- KS Energy Services Limited

MR KHIATANI MANOHAR RAMESH, 55

Vice Chairman, Non-Executive Director

Date of appointment as Director:
10 June 2013

Length of service as Director:
1 Year (as at 30 May 2014)

BOARD COMMITTEES SERVED ON (EFFECTIVE 29 JUNE 2013) :

- Investment Committee (Chairman)
- Nominating, Human Resource & Remuneration Committee (Member)
- Operational Risk Management Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Masters Degree (Naval Architecture), the University of Hamburg, Germany
- Advanced Management Program, Harvard Business School

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies

- SIA Engineering Company Limited
- Ascendas Property Fund Trustee Pte. Ltd. (as Trustee-Manager of Ascendas India Trust)
- Ascendas Hospitality Fund Management Pte Ltd (as manager of Ascendas Hospitality REIT)
- Ascendas Hospitality Trust Management Pte Ltd (as trustee-manager of Ascendas Hospitality BT)

Others

- Ascendas Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2014

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

Nil

MR HENRY TAN SONG KOK, 50

Independent Director

Date of appointment as Director:
15 September 2009

Length of service as Director:
4 years and 8 months (as at 30 May 2014)

BOARD COMMITTEES SERVED ON:

- Audit Committee (Chairman)
- Nominating Human Resource & Remuneration Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Bachelor of Accountancy (First Class Honours), National University of Singapore
- Fellow Member of Institute of Chartered Accountants in Australia
- Fellow Member of Institute of Certified Public Accountants in Singapore
- Associate Member of Institute of Internal Auditors
- Fellow Member of Insolvency Practitioners Association of Singapore

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies

- Raffles Education Corporation Limited
- Chosen Holdings Limited
- YHI International Limited
- China New Town Development Co. Ltd

Others

- Nexia TS Group of Companies
- 2T Investment Holdings Pte Ltd
- Medallion Asset Management Pte Ltd
- Alpha Singapore
- The Methodist Church of Singapore

MAJOR APPOINTMENTS AS AT 30 MAY 2014

Managing Director, Nexia TS Public Accounting Corporation

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

Pertama Holdings Limited

OTHERS

2004: Winner of the Spirit of Enterprise Award

MR CHIA KIM HUAT, 47

Independent Director

Date of appointment as Director:
22 April 2008

Length of service as Director:
6 years and 1 month (as at 30 May 2014)

BOARD COMMITTEES SERVED ON:

- Audit Committee (Member)
- Operational Risk Management Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- LLB (Hons), National University of Singapore
- Postgraduate Practical Course in Law, Board of Legal Education
- Advocate & Solicitor, Supreme Court, Singapore

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies

- PEC Ltd

Others

- R&T Corporate Services Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2014

- Partner, Rajah & Tann LLP
- Council Member, Singapore Chinese Chamber of Commerce and Industry
- Management Committee Member, Singapore Chinese Chamber Institute of Business

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

Nil

MR TEO ENG CHEONG, 47

Independent Director

Date of appointment as Director:
10 August 2011

Length of service as Director:
2 years and 9 months (as at 30 May 2014)

BOARD COMMITTEES SERVED ON :

- Audit Committee (Member)
- Investment Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- BSc (Economics), National University of Singapore
- MSc (Economics), London School of Economics & Political Science

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies

Nil

Others

- International Enterprise Singapore Board
- IE Singapore Holdings Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2014

- Board Member, Council for Private Education
- Board Member, Agri-Food & Veterinary Authority
- Member, Air Traffic Rights Committee
- Board Member, ASEAN Infrastructure Fund Limited
- Deputy Chairman, Singapore Cooperation Enterprise

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

Nil

BOARD OF DIRECTORS

MR MARC TEO CHOON CHYE , 53

Independent Director

Date of appointment as Director:
18 September 2012

Length of service as Director:
1 year and 8 months (as at 30 May 2014)

BOARD COMMITTEES SERVED ON :

- Audit Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Bachelor of Arts (Economics and Statistics), National University of Singapore
- Member, ACI Singapore – The Financial Markets Association
- Associate Member, Singapore Institute of Directors

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies
Nil

Others
Nil

MAJOR APPOINTMENTS AS AT 30 MAY 2014

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

Nil

MR TAN SER PING, 55

Executive Director, CEO

Date of appointment as Director:
22 April 2008

Length of service as Director:
6 years and 1 month (as at 30 May 2014)

BOARD COMMITTEES SERVED ON :

- Investment Committee (Member)
- Operational Risk Management Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Bachelor of Accountancy (Hons), National University of Singapore
- Master of Business Administration, University of Leicester, UK

PRESENT DIRECTORSHIPS AS AT 30 MAY 2014

Listed companies
Nil

Others
- Ascendas Investment Pte Ltd
- Ascendas Land International Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2014

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE LAST 3 YEARS

Nil

OTHERS

2013: Shanghai Pudong Economic Persons of the Year (上海浦东经济人物奖)
2012: Brendan Wood/SIAS TopGun CEO Award
2011: No. 1 CEO for property category in Asia – voted by buy side analysts in a survey conducted by Institutional Investor magazine

THE A-REIT TEAM

01. **Tan Ser Ping**
02. **Karen Lee**
03. **Chin Yean Cheng**

01. 02. 03.

04. **Patricia Goh**
05. **Koo Lee Sze**
06. **Chae Meng Kern**

04. 05. 06.

07. **Yeow Kit Peng**
08. **Joseph Tsu**
09. **Vincent Lee**

07. 08. 09.

THE A-REIT TEAM

TAN SER PING

Executive Director
Chief Executive Officer

Ser Ping, Executive Director and CEO of the Manager, is responsible for the overall management and operation of A-REIT. He works closely with the Board of Directors to determine the business strategies and plan for the strategic development of A-REIT and together with the AFM team and the Property Manager, ensure that the operations of A-REIT are aligned with the stated business strategies.

Prior to joining the Manager, he was the Executive Vice President of Real Estate Development & Investment ("REDI") of the Ascendas Group where he was responsible for formulating REDI policies, strategies and plans across all country operations and developing new product offerings and markets for Ascendas. He headed the task force for the establishment of A-REIT prior to its IPO. Before joining Ascendas in 2001, he was Senior General Manager, Residential & Commercial Properties Business Group of China-Singapore Suzhou Industrial Park Development Company Ltd for which he lived and worked in China for about seven years.

Ser Ping holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and a Master of Business Administration degree from the University of Leicester, United Kingdom.

KAREN LEE

Head, Portfolio Management (Science Park & Industrial Sale-&-Leaseback Portfolio)

Karen is the Portfolio Manager for Science Park & Industrial Sale-&-Leaseback ("SLB") portfolio and she is responsible for the strategic planning and execution of asset management initiatives for the properties.

In addition, she oversees the Property Manager, ASPL, in the delivery of customer care and services and has the responsibility of maximising customer retention, loyalty and satisfaction.

Prior to joining the Manager, Karen served as Head of Lease & Operations in JTC Corporation and Vice President in Trust Company Asia in charge of client services. She has over 13 years of experience in the real estate industry covering various areas of industrial lease and property management and marketing in Singapore and Vietnam.

Karen holds a Bachelor of Science (Economics) (Hons) degree and a Masters of Science (Real Estate) from the National University of Singapore.

CHIN YEAN CHENG

General Manager, Portfolio Management (China)

Yean Cheng oversees portfolio management and business development in China. She is responsible for the operational performance of A-REIT's properties in China and for executing its investment strategy in China.

Prior to joining the Manager, she was Vice President, Asset & Investment Management in Ascendas India Trust where she was responsible for the operational performance of the trust's properties, and for executing the trust's investment strategy. Yean Cheng has more than 15 years of real estate experience. Before joining Ascendas, she was with other real estate companies, where she handled asset management, property management, marketing and leasing functions. She has lived and worked in Malaysia and Thailand for over 5 years, as asset manager of prime office properties in Kuala Lumpur and Bangkok.

Yean Cheng holds a Bachelor of Business Administration from the National University of Singapore.

PATRICIA GOH

Head, Business Development, Investment & Leasing

Patricia is responsible for developing and executing A-REIT's business development, investment and leasing strategy in Singapore and development of new markets. The team of business development and investment managers, led by Patricia, generates and evaluates opportunities for acquisition and development, structuring and negotiating investment and major leasing transactions. Patricia also oversees the Property Manager, ASPL, in the marketing and leasing function and has the responsibility to maximise occupancy and gross revenue for A-REIT's properties.

Patricia has over 8 years of experience in business development and evaluation of investments in Singapore, China, Japan and Australia. She holds a Master of Science (Real Estate) and a Bachelor of Arts (Political Science and Sociology) from the National University of Singapore.

KOO LEE SZE

Head, Reporting, Compliance and Corporate Services

As Head, Reporting and Corporate Services, Lee Sze is responsible for financial accounting and reporting, management accounting and analysis, taxation and corporate services.

Prior to joining the Manager, Lee Sze was the Director of Finance at Popular Holdings Limited where she oversees the financial accounting and reporting of various aspects of the businesses including retail and distribution, publishing and e-Learning. She has over 20 years of experience which includes audit, budgeting, financial analysis, cashflow management, taxation, and management and statutory reporting.

Lee Sze holds a Bachelor of Accountancy degree from the National University of Singapore and is a Member of the Institute of Singapore Chartered Accountants.

CHAE MENG KERN

Head, Risk Management

Meng Kern oversees the overall adequacy of the risk management systems and procedures in A-REIT. She is responsible for the performance of the activities under the Enterprise Risk Management programme.

Prior to joining the Manager, Meng Kern was the Senior Finance Manager of Lend Lease Asia Holdings Pte Ltd where she was responsible for the financial reporting and analysis of Bovis Lend Lease (Asia). Meng Kern holds a Bachelor of Accountancy degree from the National University of Singapore and is a Member of the Institute of Singapore Chartered Accountants.

THE A-REIT TEAM

YEOW KIT PENG

Head, Capital Markets & Corporate Development

Kit Peng is responsible for the management of portfolio performance, capital structure, treasury, financial risks, transaction execution, investor relations and corporate development of AFM.

Kit Peng has over 23 years of professional experience that spans across buy-side and sell-side sectors of capital markets, as well as in corporate strategies and development. Her exposure covers Asia Pacific ex-Japan. She was employed by Ascendas and worked in the Corporate Strategies and Development Department of Ascendas from April 2002 till December 2005. Following that, she was employed by Standard and Poor's as Associate Director of Equity Research. Kit Peng's last appointment prior to re-joining Ascendas on 1 October 2013, was with Nomura Asset Management as Asian Property Analyst.

Kit Peng holds a Bachelor of Science Degree in Business Administration (major in Finance), with Honours from West Virginia University, USA.

JOSEPH TSU

Head, Property & Development Services

Joseph is responsible for development management activities of A-REIT's businesses. He also oversees the Property Manager, ASPL, in the delivery of property services and cost management.

Prior to joining the Manager, Joseph was the Vice President in Ascendas India, heading its operations for Pune & Nagpur and later for Gurgaon. He was responsible for the entire spectrum of operations, ranging from development, sales & marketing to leasing, property management as well as HR & finance for the portfolio of properties in the cities.

Joseph has a vast experience of 30 years in the construction industry in various parts of Asia. He was with Keppel Land International and headed its operation in Kolkata before joining Ascendas. Joseph is a Professional Engineer in Singapore and holds a Bachelor of Science (Engineering) Hons from the University College London and a Master of Science from the Imperial College London.

VINCENT LEE

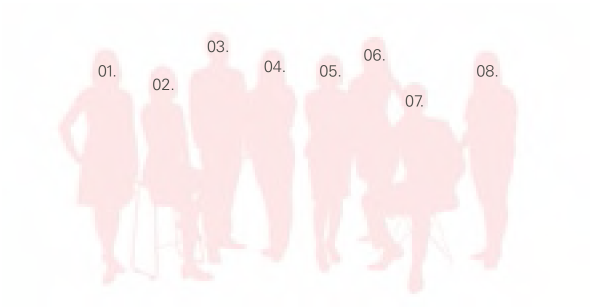
Head, Portfolio Management (High-Specs Industrial Properties Portfolio)

As Portfolio Manager, Vincent oversees the planning and execution of asset management strategies for A-REIT's portfolio of High-Specs Industrial properties and concurrently covers the Integrated Development, Amenities & Retail ("IDAR") properties portfolio.

Vincent has more than 17 years of experience in various aspects of real estate management and operations spanning across the marketing, leasing, research, investment analysis and asset management functions in the commercial office, retail, industrial and residential sectors. He has worked with a major private developer, an international property consultant, as well as global real estate investment managers during this period. He has been with the Manager for more than six years and has also previously covered the light industrial and logistics segments within A-REIT's portfolio.

Vincent holds the postgraduate degrees of Master of Applied Finance from the University of Adelaide and Master of Real Estate from the University of New South Wales in Australia. He first graduated with a Bachelor of Commerce degree in Urban Land Economics from the University of British Columbia, Canada.

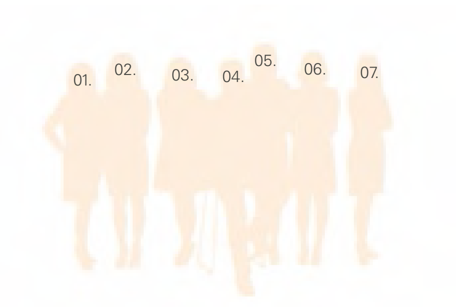
BUSINESS & SCIENCE PARK PORTFOLIO



01. **Corrine Lim** 02. **Ng Wee Ling** 03. **Glen Siah** 04. **Koh Ming Hong** 05. **Karen Lee** 06. **Juirine Tan** 07. **Wayne Tan** 08. **Erina Chan** 09. **Winnie Goh (not in photo)**

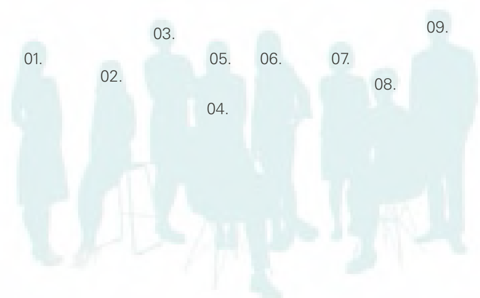
THE A-REIT TEAM

INDUSTRIAL PORTFOLIO 1



01. **Carmen Seetoh** 02. **Er Hun Nie** 03. **Jean Lau** 04. **Vincent Lee** 05. **Cathleen Tan** 06. **Yvonne Lee** 07. **Daphne Koh**

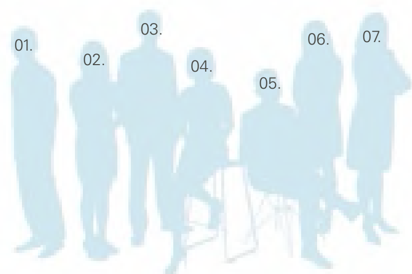
INDUSTRIAL PORTFOLIO 2



01. **Kalyn Lim** 02. **Lee Fei Lan** 03. **Sia Chin Chin** 04. **Leong Sai Keong** 05. **Christel Tan** 06. **Agnes Ong** 07. **Helen Ang** 08. **Jinu Ng** 09. **Harry Yan**

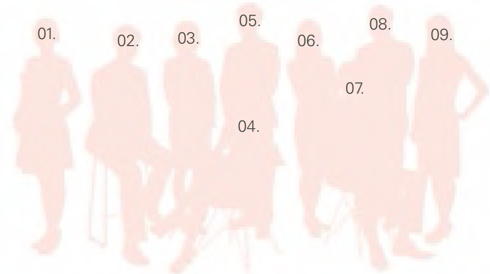
THE A-REIT TEAM

BUSINESS DEVELOPMENT, INVESTMENT & LEASING



01. **George Kang** 02. **Tan Yan Fen** 03. **Goh Liak Khiang** 04. **Patricia Goh** 05. **Joseph Seah** 06. **Rina Ang** 07. **Lee Ping Ping**

CAPITAL MARKETS & CORPORATE DEVELOPMENT



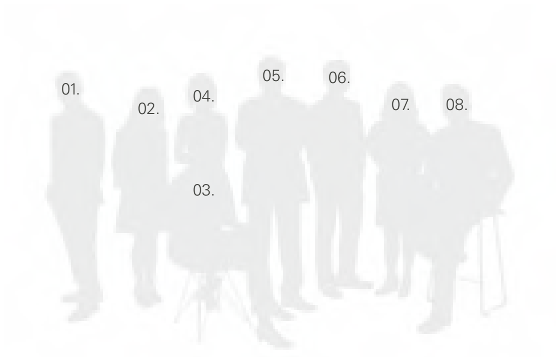
01. **Wang Xi Zhu** 02. **James Kwie** 03. **Teo Mui Lynn** 04. **Yeow Kit Peng** 05. **Yan Lin Tong** 06. **Huang Juan** 07. **Garick Fong** 08. **Tan Yong Hui** 09. **Wylyn Liu**

THE A-REIT TEAM

REPORTING, RISK MANAGEMENT & CORPORATE SERVICES

01. **Carol Ng** 02. **Sharon Seet** 03. **Chae Meng Kern** 04. **Koo Lee Sze** 05. **Tan Chin Seng** 06. **Stefanie Tan** 07. **Jaslyn Lee**

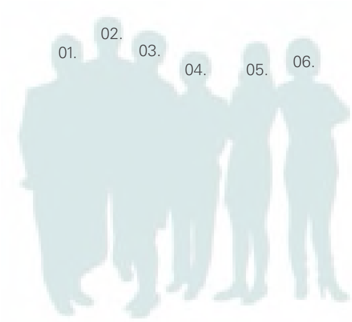
PROPERTY SERVICES, CUSTOMER CARE & DEVELOPMENT MANAGEMENT



01. **Sasidharan Nair** 02**. Hu Siew Fern** 03**. Amelia Tham** 04. **Maggie Png** 05. **Joseph Tsu** 06. **Lim Ke-Vin** 07. **Amy Koh** 08. **Ryan Tan**

THE A-REIT TEAM

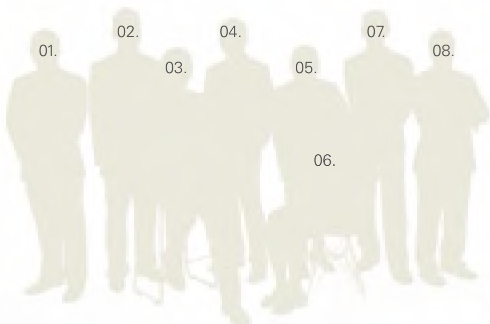
CHINA PORTFOLIO MANAGEMENT



01. **Forrest Wang** 02. **Qian Wei** 03. **Chin Yean Cheng** 04. **Jane Yang Li Juan** 05. **Serena Su** 06. **Li Hai Xia**

THE PROPERTY MANAGER

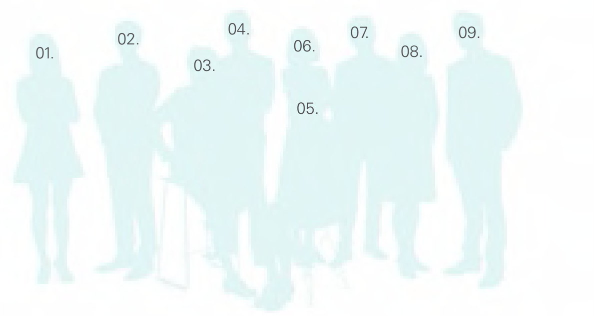
ASCENDAS SERVICES PTE LTD ("ASPL")



01**. Andrew Ng** 02. **Chan Wei Chie** 03**. Jeffrey Chua** 04 **Aylwin Tan** 05**. Karen Tee** 06.**Yvonne Chan** 07. **Donald Tan** 08. **Krishnaraj Subramaniam**

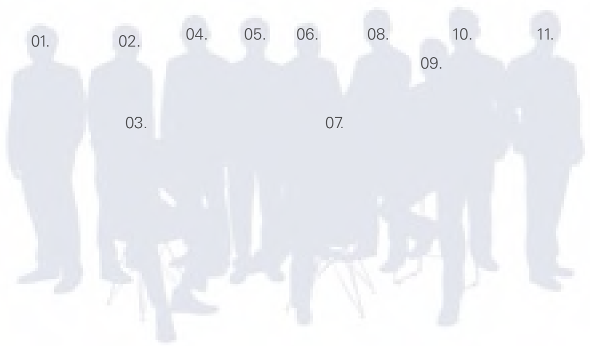
THE PROPERTY MANAGER

CUSTOMER SERVICES & SOLUTIONS



01. **Bok Qiu Ling** 02. **Tan Peng Keong** 03. **Jeannie Wong** 04. **William Quek** 05. **Tan Siew Cheng** 06. **Cheryl Toh** 07. **David Cheong** 08. **Sharon Wong** 09. **Tang Boon Kiat**

PROPERTY MANAGEMENT



01. **Eric Toh** 02. **Edward Wong** 03. **Tan Wei Yap** 04. **Lim Sin Tat** 05. **Jeffrey Lim** 06. **Derrick Lim** 07. **Irene Seah** 08. **Braydon Per** 09. **Shilton John Ree** 10. **George Leu** 11. **Gandam Gajendran**

THE PROPERTY MANAGER

The daily operations of A-REIT's portfolio of properties are undertaken by Ascendas Services Pte Ltd ("ASPL" or the "Property Manager"), a 100% owned subsidiary of Ascendas Land (Singapore) Pte Ltd. The ASPL team has over 100 staff members providing proactive and professional services to A-REIT's tenants, to enhance the market positioning and attractiveness of A-REIT's properties so as to maximise returns to Unitholders.

The Property Manager's scope includes overseeing day-to-day operational matters such as marketing of space, property management and maintenance, coordinating customers' fitting out requirements, supervising the performance of contractors and ensuring building and safety regulations are complied with. ASPL is also responsible for the implementation of customer care programmes as well as the management of operating expenses.

More specifically, ASPL is tasked with the following responsibilities:

- **MARKETING AND CUSTOMER CARE**

  The ASPL team is responsible for the marketing and leasing of vacant space in A-REIT's portfolio of properties. Proactive prospecting for new tenants is conducted to enhance the portfolio occupancy and revenue. In addition, they are also responsible for the implementation of customer care programmes, including bazaars, exhibitions and other tenant-related events.

- **PROPERTY MANAGEMENT AND SERVICES**

  Working hand-in-hand with the Manager's portfolio management team, ASPL ensures that the property specifications and service levels are commensurate with the intended market positioning of each property. The ASPL team is also responsible for managing site staff to ensure that the desired level of service and customer care is implemented at the respective properties.

- **EXPENSE MANAGEMENT**

  The ASPL team adopts a prudent operational strategy in line with the Manager's objective of maximising return without compromising its service standards. They strive to continuously improve operating processes to improve productivity and enhance operational effectiveness so as to optimise operational cost. The ASPL team also conducts energy audits to identify, on a continual basis, buildings with potential for savings on energy consumption either through a more efficient management policy or capital expenditure plan.

- **PROJECT MANAGEMENT**

  In addition, where required, the ASPL team provides expertise in the area of construction and project management for development projects undertaken by A-REIT. They liaise closely with the Manager's Development Managers and external professionals such as architects to ensure each project is carried out in a timely and efficient manner.

The team at ASPL is committed to providing optimal solutions and services to meet the needs of A-REIT's customers as well as to enhance the value of A-REIT's portfolio.

THE PROPERTY MANAGER

MR JEFFREY CHUA

Chief Executive Officer

Mr Jeffrey Chua, the Chief Executive Officer of the Property Manager, is responsible for property management, lease management and project management of A-REIT's Singapore properties. He is concurrently Executive Vice-President of Ascendas' Real Estate Services, overseeing the Ascendas Group's real estate services functions in the area of building best-in-class facilities management operations, driving innovation and technology implementation across the Ascendas Group.

Prior to joining Ascendas, Jeffrey was the Managing Director of CPG Facilities Management (FM) which manages over 1,000 buildings and facilities in Singapore. His career started with the Housing & Development Board and subsequently he spent more than 10 years with EM Services, managing town councils.

Mr Chua holds a Master of Science in Real Estate and an Honours Degree in Civil & Structural Engineering from the National University of Singapore. He is also a member on the Advisory Board of Temasek Polytechnic's Engineering School, Ngee Ann Polytechnic's School of Building & Environment, Singapore Polytechnic's School of Architecture and the Built Environment and also the Building Control Authority ("BCA") Academy.

MR AYLWIN TAN

Chief Customer Solutions Officer

Mr Aylwin Tan, as the Chief Customer Solutions Officer, is responsible for formulating and executing marketing and customer engagement strategies for the Ascendas Group.

Aylwin has extensive marketing and industry cluster development experience in Europe and Asia of more than 15 years, contributing to many successful government-to-government initiatives as well as private sector projects in Singapore and in the region.

Prior to joining Ascendas, Aylwin was with the Economic Development Board ("EDB") for more than 13 years. He was a key member of EDB's team involved in charting Singapore's regionalisation strategies for Indochina that culminated in the creation of Vietnam-Singapore Industrial Park and was also actively involved in the marketing and seeding of industry clusters for the China-Singapore Suzhou Industrial Park. His last position in EDB was as its International Director (Asia Pacific). He has also served as EDB's Executive Director for Communications, Chief Information Officer as well as Head of Electronics in Singapore.

Aylwin holds a Bachelor of Engineering (Mechanical and Production) from the National University of Singapore.

SIGNIFICANT EVENTS

APRIL 2013

15th

Announced results for the financial year ended 31 March 2013: Net property income grew by 11.0% year-on-year ("YoY"). DPU increased by 3.6% to 14.05 cents (before performance fee) despite a 15.1% increase in units base. Achieved revaluation gains amounting to approximately S$72.8 million.

MAY 2013

16th

Nexus @one-north and Four Acres Singapore were both awarded Green Mark (Platinum) Certification by Singapore's Building & Construction Authority

22nd

Named one of the "Top 100 Singapore Brands 2013" by Brand Finance

JUNE 2013

10th

Appointment of Mr Khiatani Manohar Ramesh as Non-Executive Director of the Board

Announcement of the retirement of incumbent Vice Chairman and Non-Executive Director, Ms Chong Siak Ching with effect from 29 June 2013

21st

Completed divestment of 6 Pioneer Walk for S$32 million

28th

A-REIT's Annual General Meeting was held and all resolutions were approved

JULY 2013

15th

Completed acquisition of A-REIT City @Jinqiao, a business park property located in the Pudong New District in Shanghai, China

16th

Announced results for the three months ended 30 June 2013: Net property income grew by 6.8% YoY

SEPTEMBER 2013

4th

Completion of Nexus @one-north, a business park property in Fusionopolis

30th

Ms Low Yen Ling relinquished her role as independent director in view of her appointment as Parliamentary Secretary

OCTOBER 2013

9th

A-REIT was awarded "Best Practices (Honourable Mention)" at the Energy Efficiency National Partnership (EENP) Awards 2013 for its chiller upgrading works at Acer Building

16th

Announced results for the three months ended 30 September 2013: Net property income grew by 4.1% YoY

NOVEMBER 2013

8th

Winner of "Most Transparent Company Award" and Runner-up of the "Singapore Corporate Governance Award" in the REITs and Business Trusts Category at the SIAS Investors' Choice Award 2013

20th

A-REIT won several accolades at the Asia Pacific Real Estate Association ("APREA") Best Practices Awards 2013:

- Highly Commended Award (Mature Markets)
- Merit Award for Market Disclosure (Mature Markets)
- Merit Award for Most Improved in Adoption of Best Practices (Mature Markets)
- Merit Award for Best Country Submission from Singapore

DECEMBER 2013

10th

Winner of Grand Prix for best overall investor relations (small or mid-cap category) at the IR Magazine Awards & Conference – South East Asia 2013

JANUARY 2014

17th

Announced results for the three months ended 31 December 2013: Net property income grew by 3.7% YoY

Revised the basis of computation of the management fees in favour of Unitholders. Distribution frequency will be changed from a quarterly to semi-annual basis to mitigate volatility in quarterly DPU and achieve cost savings.

FEBRUARY 2014

7th

Secured a new S$200 million term loan facility maturing in 2019

MARCH 2014

27th

Issued JPY5 billion 7-year Medium Term Notes due 2021 at a floating interest rate of 3-month JPY-LIBOR +0.50% per annum. The notes were immediately swapped into S$62.3 million upon issuance to eliminate any foreign exchange exposure

31st

Completed divestment of Block 5006 Techplace II for S$38 million

APRIL 2014

21st

Announced results for the financial year ended 31 March 2014: Net property income grew by 6.7% YoY. DPU increased by 3.6% YoY to 14.24 cents from 13.74 cents (after performance fee). Achieved revaluation gains amounting to approximately S$131.1 million.

MAY 2014

9th

Secured a new S$100 million Murabahah facility maturing in 2019

16th

Issued S$75 million 5-year Medium Term Notes due 2019 at a fixed coupon of 2.50% per annum. The notes were subsequently upsized by S$20 million.

21st

Completed divestment of 1 Kallang Place for S$12.6 million

28th

A-REIT will be included as one of the 30 FTSE Straits Times Index constituents effective from 4 June 2014

CHAIRMAN'S MESSAGE

KOH SOO KEONG
Chairman

+3.6%
DPU

A-REIT delivered another year of growth for the financial year ended 31 March 2014 with full year DPU of 14.24 cents, an increase of 3.6% over the previous year (after performance fee).

105
PROPERTIES

As at 31 March 2014, A-REIT has a portfolio of 103 properties in Singapore and two business park properties in China with a tenant base of about 1,300 local and international companies.

Dear Unitholders,

On behalf of the Board of Directors of Ascendas Funds Management (S) Limited, the manager of A-REIT, I am pleased to present A-REIT's 12th Annual Report for the financial year ended 31 March 2014.

A-REIT has a market leadership position with a quality portfolio of business space and industrial properties that is the largest and the most diversified in Singapore. Our experience with all aspects of business and industrial space represents an important strategic advantage.

This strategic advantage complemented by our core strengths of capital allocation, risk management and operating expertise has fuelled our growth. A-REIT delivered another year of growth for the financial year ended 31 March 2014 with full year DPU of 14.24 cents, an increase of 3.6% over the previous year (after performance fee). Net asset value ("NAV") per Unit increased to S$2.02 per Unit as at 31 March 2014 from S$1.94 per Unit a year ago.

A SNAPSHOT IN TIME

	FY13/14	FY12/13	FY02/03*
No. of properties	105	103	8
Total assets	S$7.4 billion	S$7.0 billion	S$636.4 million
Net lettable area	2,376,565 sqm	2,262,081 sqm	245,179 sqm
Tenant base (local and international companies)	1,300	1,200	300
Gross Revenue	S$613.6 million	S$575.8 million	S$22.8 million
Net Property Income ("NPI")	S$436.0 million	S$408.8 million	S$16.5 million
DPU (after performance fee)	14.24 cents	13.74 cents	2.78 cents (Annualized: 7.63 cents)

* Based on A-REIT's Annual Report 2003 for the period from IPO on 19 November 2002 to 31 March 2003, a period of 133 days

A-REIT continues to deliver value to Unitholders. As announced on 17 January 2014, we will adjust the basis of computation of the management fees (base and performance) to better align and improve equity in favour of Unitholders, with effect from FY14/15.

RECENT EVENTS

Following the global financial crisis, central banks around the world injected unprecedented amount of liquidity into the system, keeping interest rates exceptionally low to stimulate economies. With the US Federal Reserve starting to taper its bond-buying program, the market believes this will eventually lead to higher interest rates. As a result of this, unit prices of listed Singapore REITs softened. On the home front, the Singapore government is pushing ahead with the restructuring of the economy with the objective of creating better jobs and wages through raising productivity, and building a more equitable society. In the meantime, the tightening of foreign labour supply and changing social priorities are expected to weigh on growth in some labour-intensive sectors and on the cost base of businesses. The policies that the government enacted pertaining to industrial properties, which include shorter industrial land tenure, payment of upfront land premium and anchor tenant requirements, have resulted in a more challenging leasing and investment landscape. Competition for a limited pool of investible assets has been stiff, exacerbated by cheap money and an increase in the number of listed industrial S-REITs.

CHAIRMAN'S MESSAGE

OVERCOMING CHALLENGES & ENHANCING COMPETITIVENESS

Despite the challenges, A-REIT has achieved strong improvements in its key business metrics and continued to deliver value to our customers and Unitholders. Here are some highlights of our progress:

Optimising our Assets and Improving Utilisation

We completed S$87.6 million and embarked on S$106.5 million worth of asset enhancement projects in FY13/14 to upgrade building specifications, maximise plot ratio, improve operating efficiency of the properties through the use of technology and launch cost-savings initiatives. These works are expected to enhance the value and marketability of the assets.

Recycling Capital

A-REIT divested two properties (6 Pioneer Walk and Block 5006 Techplace II) for a total of S$70 million and realised a gain on disposal of about S$23 million over the original cost of investment.

During the year, we were able to recycle capital into strategic transactions such as Nexus @one-north (Singapore) and A-REIT City @Jinqiao (Shanghai, China). These two investments totalling S$305.9 million have appreciated in capital value and helped grow our customer base.

Prudent Capital Management

Armed with a stringent framework of risk management and an A3 investment grade rating from Moody's, A-REIT has financial flexibility and strong access to capital. A-REIT's aggregate leverage is healthy at 30.0% as at 31 March 2014, with no more than 20% of total debt due for refinancing in any one year. 65.3% of our debt is fixed for an average term of 3.5 years and 62.2% of our assets are unencumbered.

Strengthening our Team

Underlying our success has been the passion and commitment of our people. During the year, we strengthened our team to ensure continuity in our management system. In addition, various initiatives were rolled out to enhance our services and competitiveness. We have the scale to support the activities of our customers in Singapore and China.

THE YEAR AHEAD

In the US, the Federal Reserve is moving from a prolonged period of ultra-loose monetary policy to policy normalisation. The world's second-largest economy, China, is also undergoing significant transition. It is rebalancing its economy to rely more on domestic consumption and services to drive economic activity. Credit conditions have tightened in an attempt to control financial sector risk and resolve overcapacity issues in some sectors.

A-REIT is well-positioned, financially and organisationally, to take advantage of market conditions in 2014 and beyond. While the changing industrial property landscape in Singapore does pose some challenges, we can count on opportunities arising from the Sponsor's portfolio of more than S$1 billion worth of properties in mainly the Science and Business Park segment. At the same time, we will explore opportunities to widen our product offering in Singapore and expand our presence in China. We may also selectively consider opportunities in other markets for growth. We are confident that our diversified portfolio and prudent capital management will withstand any volatility resulting from changes in market conditions.

My sincere thanks to all A-REIT associates, Management and members of the staff, and members of the Board for their dedication and contribution to achieving the outcomes we have set for A-REIT.

I would like to extend my appreciation and heartiest congratulations to Ms Low Yen Ling, who has resigned from the Board with effect from September 2013 as she assumed the appointment of Parliamentary Secretary with the Government of Singapore. I would also like to extend my gratitude to Ms Chong Siak Ching for her invaluable contributions to A-REIT since its listing in 2002. She has particularly set a very high standard of corporate governance for the Ascendas Group which laid a solid foundation for A-REIT to emerge as a leader in the field. Ms Chong stepped down in June 2013 to take up the position of Chief Executive Officer of National Art Gallery Singapore. A-REIT would like to wish both of them every success in their future endeavours.

I would also like to welcome Mr Khiatani Manohar Ramesh as a member and Vice Chairman of the Board. He joined us in June 2013 and brought with him many years of experience working with the Singapore Economic Development Board and JTC Corporation.

Finally, on behalf of A-REIT and the Board, we would like to thank you, our Unitholders. We appreciate your support and will continue to work hard to enhance the value of your investment in A-REIT.

KOH SOO KEONG
Chairman

2 June 2014

董事会主席献词

亲爱的单位持有人，

我谨代表腾飞瑞资的管理人--腾飞基金管理（新加坡）有限公司的董事会呈交截止至2014年3月31日的腾飞瑞资第十二份财政年度报告。

腾飞瑞资是新加坡规模最大， 物业最多元 的商务空间与工业房地产投资信托基金，其市场领导者地位来自高质量的资产组合。我们在商务和工业空间全方位的经验是一项重要的战略优势。

我们在资本管理、风险管理与运营方面的专长构成了我们的核心力量，与我们的战略优势相辅相成，从而驱动我们的增长。腾飞瑞资截止至2014年3月31日的财政年继续实现增长，全年每单位可分派收入（“DPU”）为新币14.24分，比前一年增加3.6%（均为收取业绩费后）。截止至2014年3月31日，每单位的净资产值（“NAV”）从一年前的1.94新元增加到2.02新元。

实时简况

	13/14财政年	12/13财政年	02/03财政年*
物业数量	105	103	8
总价值	新币74亿	新币70亿	新币6.36亿
可租赁面积	2,376,565平方米	2,262,081平方米	245,179平方米
租户数量（本地及国际公司）	1,300	1,200	300
总收入	新币6.14亿	新币5.76亿	新币0.23亿
物业净收入	新币4.36亿	新币4.09亿	新币0.17亿
DPU（收取业绩费后）	新币14.24分	新币13.74分	新币2.78分 （年化：7.63分）

*基于腾飞瑞资2003年度报告，自2002年11月19日上市至2003年3月31日止，共133天。

腾飞瑞资持续为单位持有人创造价值。2014年1月17日管理人宣布我们将从14/15财政年起调整基本管理费和绩效管理费的计算方法，提升收费的公平性，以更好地将管理人和单位持有人的利益保持一致。

最新动态

全球金融危机后，各国央行向金融系统注入了前所未有的流动性，保持超低利率以刺激经济。随着美联储开始逐步减少债券购买计划，市场认为这将最终导致利率升高。因此，新加坡房地产投资信托单位交易价格将有所回落。国内方面，新加坡政府正在推进经济结构调整，目标是通过提高生产力创造更好的就业机会和提高国民薪酬，并建设一个更公平的社会。目前，新加坡政府收紧外国劳工供给与提高国民福利，给某些劳动密集产业的发展以及商务运营成本带来了压力。政府制定的有关工业房地产的政策，包括缩短的工业土地租期、以土地出让金代替土地租金以及对工业地产主力租户提出更加严格的要求，导致了一个更具挑战性的租赁与投资环境。新加坡投资级的物业存量有限，超低的利率与新加坡上市工业房地产投资信托数量增加使竞争更加激烈。

战胜挑战，提升竞争力

虽然挑战重重，腾飞瑞资依然在主要业务指标上取得了强劲提升，并持续为客户和基金持有人创造价值。以下为我们的成绩的一些亮点：

优化资产，提高效率

13/14财政年，我们完成了新币8,760万的资产提升项目并启动了新币1.07亿的同类新项目，通过运用先进科技和启动

成本节约计划，来提高建筑规格，充分用足容积率，提高物业运营效率。这些努力预计可以提升资产价值及物业的市场竞争力。

回收资金

腾飞瑞资出售了两处房地产（6 Pioneer Walk 和 Block 5006 Techplace II）总计回收资金新币7,000万，相比投资成本取得了新币2,300万的资本收益。

本财政年内，我们将回收资金用于投资更具战略意义的项目，如Nexus @one-north（新加坡）和腾飞金桥瑞邑（中国上海）。这两项总计新币3.06亿的投资的资本价值已经得到提升，也为腾飞瑞资带来新的客户资源。

严谨的资本管理

严格的风险管理框架和穆迪投资者服务给予的A3信用评级使腾飞瑞资在融资上有极大的灵活性。腾飞瑞资的总杠杆率在2014年3月31日维持在30.0%的健康水平，任何一年的再融资需求都没有超过总债务的20%。我们债务中65.3%是固定利率，且平均固定利率期限为3.5年。我们资产中62.2%为无抵押物业。

加强团队

我们的成功是基于团队的热忱与承诺。在本财政年中，我们加强了团队以确保管理架构的持续性。除此之外，我们也展开多项活动以提升我们的服务和市场竞争力。我们以自身的规模优势支持新加坡与中国户的经活动。

展望新财政年

美联储正在调整长期极度宽松的货币政策回归常轨。世界第二大经济体中国也在进行重大变革，重新平衡经济，更多依赖国内消费与服务来驱动经济增长，收紧信贷以试图控制金融领域风险并解决某些领域产能过剩的问题。

腾飞瑞资在财务架构上已做好充分准备应对2014及之后的市场风云。不断变化的新加坡工业房地产环境造成了一些挑战，但我们能依靠赞助人腾飞集团持有的价值超过新币10亿、主要位于科学园与商务园的房地产投资组合所创造的机遇。同时，我们将探索在新加坡拓宽产品供应的机遇，并继续在中国拓展业务。我们也将有选择地考虑其他市场的增长机会。我们相信我们多样化的投资组合与严谨的资本管理能使腾飞瑞资在任何市场波动中屹立长存。

我真诚感谢所有腾飞瑞资的商业伙伴、管理团队和员工以及董事会成员，是他们的投入和奉献使我们为腾飞瑞资设立的目标得以实现。

我还想向刘燕玲女士特别表达我的感谢，并送上最诚挚的祝贺，她于2013年9月辞去董事会职务，出任新加坡政府政务次长。我也想向张雪倩女士表达我的感激，她从2002年腾飞瑞资上市起，为腾飞瑞资作出不可估量的贡献。她为腾飞集团设立了非常高的企业治理标准，为腾飞瑞资成为行业翘楚打下了坚实的基础。张雪倩女士于2013年6月离开腾飞集团，转而担任新加坡国家美术馆的首席执行官。腾飞瑞资祝愿两位女士都在接下来的事业中一帆风顺。

我也欢迎曼诺哈•基雅塔尼先生于2013年6月加入董事会并担任副主席。董事会必能从他在新加坡经济发展局和裕廊管理局的多年工作经验中获益。

最后，我谨代表腾飞瑞资和董事会，对所有的单位持有人表示感谢，感谢你们不懈的支持。我们将继续努力工作，提升腾飞瑞资的投资价值。

许思强
主席
2014年6月2日

MANAGER'S REPORT

TAN SER PING
Executive Director, CEO

HIGHLIGHTS OF FY13/14

Financial Performance

GROSS REVENUE

+6.6%

FY13/14: S$613.6m
FY12/13: S$575.8m

Gross revenue improved due to full year income contribution from investments made in FY12/13 e.g. The Galen, and maiden contributions from investments made in FY13/14 e.g. Four Acres Singapore, Nexus @one-north and A-REIT City @Jinqiao

NET PROPERTY INCOME

+6.7%

FY13/14: S$436.0m
FY12/13: S$408.8m

Organic NPI growth of 1.9%, mainly due to positive rental reversion for leases that were renewed during the financial year, also contributed to the overall NPI growth of 6.7%

TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION

+11.9%

FY13/14: S$342.0m
FY12/13: S$305.6m

The Manager continued to pay out 100% of A-REIT's distributable income

DISTRIBUTION PER UNIT

+3.6%

FY13/14: 14.24 cents
FY12/13: 13.74 cents
(after performance fee)

DPU grew 3.6% YoY to 14.24 cents from 13.74 cents (after performance fee) in FY12/13 despite a 7.9% increase in weighted average number of Units outstanding

CAPITALISATION RATE (SINGAPORE PORTFOLIO)

6.57%

FY12/13: 6.6%

Stable valuation capitalisation rate of 6.57% for the Singapore portfolio. Significant revaluation gain of S$72.8 million was achieved for China properties

TOTAL ASSETS

+5.7%

FY13/14: S$7.4b
FY12/13: S$7.0b

As at 31 March 2014, A-REIT remained the largest business space and industrial REIT listed on the SGX-ST with total assets of S$7.4 billion

NET ASSET VALUE (NAV) PER UNIT

+4.1%

FY13/14: S$2.02
FY12/13: S$1.94

NAV per Unit rose to S$2.02 as at 31 March 2014 before 4Q FY13/14 distribution

Proactive Capital Management

- Aggregate leverage remains healthy at 30.0% as at 31 March 2014. This implies a debt headroom of around S$1.2 billion before aggregate leverage reaches 40.0%
- At the beginning of FY13/14, weighted average all-in borrowing cost was at about 3.3% per annum
- S$125 million medium term notes were refinanced in July 2013 with revolving credit facilities, resulting in the fall in weighted average all-in cost of borrowing to about 2.7% per annum
- Secured a new S$200 million term loan facility maturing in 2019, and issued JPY5 billion floating rate notes (fully swapped back to S$62.3 million to eliminate FX risk) due in 2021. Proceeds was utilised in the refinancing of the Euro 197.5 million (S$395 million equivalent) AAA-rated Commercial Mortgage Backed Securities ("CMBS") due for repayment on 14 May 2014. The CMBS is backed and secured by 38 of A-REIT's properties and their cash flow. Following the refinancing of the CMBS, the proportion of unencumbered properties will increase to about 84% from 62.2% as at 31 March 2014, and the weighted average term of debt will be extended

Disciplined Value-Adding Investments & Divestments

- Completed two development properties in the one-north masterplan area:
  - Four Acres Singapore, a global development and training centre for Unilever, at an estimated cost of S$58.7 million (inclusive of S$26.4 million land premium which was paid for by the tenant)
  - Nexus @one-north, a business park and office mixed-use development for S$181.3 million. This is A-REIT's 12th development project
- Completed acquisition of A-REIT City @Jinqiao, a business park property located in Shanghai for S$124.6 million (RMB623 million)
- Divested Block 5006 Techplace II at Ang Mo Kio Avenue 5 for S$38.0 million and 6 Pioneer Walk for S$32.0 million, achieving a total gain on disposal of about S$23.0 million over original cost of investment

Proactive Portfolio Management

- Strategic review of the portfolio resulting in asset enhancement projects amounting to an estimated value of S$106.5 million over seven properties in FY13/14. These projects aim to upgrade the building specifications, enhance marketability of the properties and in some instances, increase lettable area
- Achieved positive rental reversion of 14.8% in FY13/14 as the passing rental rates for most of these leases that were signed previously were below the current market rental rates
- Overall portfolio occupancy and multi-tenanted properties (same store) occupancy stood at 89.6% and 90.6% respectively as at 31 March 2014

Manager's Fee Revised in Favour of Unitholders

- With the support of the Board of Directors of the Manager and the Board of Directors of the Sponsor, the Manager will be revising the basis of computation of the management and performance fees in favour of the Unitholders with effect from FY14/15
- Base Fee will be based on 0.5% per annum of Adjusted Deposited Property, defined as the Deposited Property less such value of the Deposited Property attributable to derivative assets and properties under development instead of Deposited Property, which was defined in the Trust Deed to mean all the assets of A-REIT, including all authorised investments for the time being held or deemed to be held by the Trust
- The stepped performance fee structure, where performance fee is payable when DPU growth exceeds the 2.5% and the 5.0% thresholds, may result in a disproportionate share of the growth accruing to the Manager when the DPU growth is near the threshold level. To avoid such a situation, the Manager is unilaterally waiving part of the performance fee to ensure equitable distribution of the growth in DPU
- When performance fee is payable, the Manager will waive such amount of performance fee payable such that Unitholders would receive at least the same DPU as if the threshold percentage has not been crossed

MANAGER'S REPORT

- Performance fee payable will be capped at 0.1% per annum, or as the case may be, 0.2% per annum of the Adjusted Deposited Property instead of the Deposited Property
- The Manager will from FY14/15 change its distribution frequency to semi-annual to synchronise with the distribution of China earnings, which is made semi-annually. This will mitigate the issue of volatility in quarterly DPU and also achieve savings in cost and administration efforts

Accolades

- A-REIT was the Winner of the "Most Transparent Company Award" in the REITs and business trusts category at the 2013 Securities Investors Association of Singapore ("SIAS") Investors' Choice Awards for the ninth time since the inauguration of the award in 2004
- A-REIT was also the Winner of "Grand Prix for Best Overall Investor Relations" in the small or mid-cap category at the IR Magazine Awards & Conference – South East Asia 2013
- The APREA conferred the following awards on A-REIT at the APREA Best Practice Award 2013:
  - In the Overall Awards, A-REIT received the "Highly Commended" award in the Mature Markets category
  - In the Category Awards, A-REIT received the Merit Award for Market Disclosure in the Mature Markets category
  - A-REIT received the Merit Award for the Most Improved in Adoption of Best Practices in the Mature Markets category
  - A-REIT was also recognised for having the best submission from Singapore
- The Manager is the recipient of the "Best Practices (Honourable Mention)" category at the Energy Efficiency National Partnership ("EENP") Awards 2013, organised by the National Environment Agency, Energy Market Authority and the EDB. This award recognises corporate teams that have implemented energy efficiency projects which have led to improvements in the energy performance of their facilities
- Nexus @one-north and Four Acres Singapore were awarded the Green Mark (Platinum) Certification by Singapore's Building & Construction Authority
- Executive Director and CEO Mr Tan Ser Ping won the 2013 浦东经济人物奖 (Shanghai Pudong Economic Persons of the Year)

In 2013, the Singapore economy grew by 4.1%, higher than the 1.9% growth achieved in 2012. This was mainly due to strong growth in the services producing industries like finance & insurance and wholesale & retail trade sectors. Growth in the manufacturing sector also improved in 2013, on the back of strong growth in the electronics and transport engineering clusters.

The Manager continued on its three-pronged strategy of disciplined investments, proactive portfolio management and prudent capital & risk management while adapting to the ever-changing business environment, to deliver predictable income and capital stability for A-REIT's Unitholders.

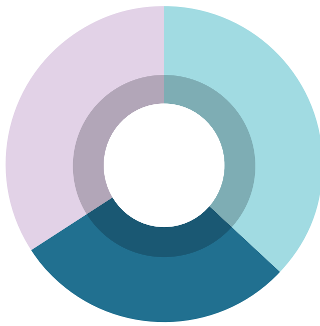
FINANCIAL RESULTS

	FY13/14	FY12/13	FY13/14 vs FY12/13
Gross revenue (S$ m)	613.6	575.8	+6.6%
NPI (S$ m)	436.0	408.8	+6.7%
Total amount available for distribution (S$ m)	342.0	305.6	+11.9%
DPU for the financial year (cents)	14.24	13.74*	+3.6%

* After performance fee; 14.05 cents before performance fee.

Gross revenue increased 6.6% to S$613.6 million, due to full year income contribution from investments made in FY12/13 and maiden contributions from investments made in FY13/14. The portfolio achieved organic NPI growth of 1.9%, which is mainly attributable to the positive rental reversion for leases that were renewed during the financial year. Net property income increased 6.7% from S$408.8 million to S$436.0 million.

CONTRIBUTORS TO NPI GROWTH FOR FY13/14



Organic growth (rental growth, asset enhancement)	29%
Investment completed in FY12/13	34%
Investment completed in FY13/14	37%

Total amount available for distribution grew 11.9% to S$342.0 million. DPU grew 3.6% to 14.24 cents for the financial year ended 31 March 2014 compared with 13.74 cents after performance fee was deducted in FY12/13. When compared with the DPU of 14.05 cents before performance fee in FY12/13, DPU grew 1.4% in FY13/14. The Manager continued to pay out 100% of A-REIT's distributable income.

As at 31 March 2014, A-REIT remained the largest business space and industrial REIT listed on the SGX-ST with total assets and market capitalisation of S$7.4 billion and S$5.4 billion respectively.

INVESTMENT MANAGEMENT HIGHLIGHTS

During the financial year, the Manager continued to focus on all its committed projects and asset enhancement initiatives to keep A-REIT's portfolio relevant and competitive in the marketplace. Out of the S$561.1 million committed investments in FY13/14, the Manager completed S$425.8 million worth of investments. The completed investments include the acquisition of A-REIT City @Jinqiao in Shanghai, China, development of Nexus @one-north, and six out of seven asset enhancement initiatives started in the previous financial years. The Manager commenced seven new asset enhancement projects with an estimated value of S$106.5 million for the financial year ended 31 March 2014. Including two projects (DBS Hub Asia Phase 2 and 5 Toh Guan Road East) which were committed in the previous financial year, the value of all on-going projects amount to S$135.3 million.

COMPLETED INVESTMENTS

	Value (S$m)	Completed
DEVELOPMENT	213.6	
Nexus @one-north	181.3	Sep-13
Four Acres Singapore	32.3*	Apr-13
ACQUISITION	124.6	
A-REIT City @Jinqiao, Shanghai	124.6	Jul-13
ASSET ENHANCEMENTS	87.6	
31 International Business Park	13.2	Feb-14
Techpoint	7.0	Jan-14
Block 5008 Techplace II	42.4	Dec-13
1 Changi Business Park Ave 1	12.0	Oct-13
Xilin Districentre Building D	6.0	Aug-13
31 Ubi Road 1	7.0	Jul-13
TOTAL	**425.8**	

*Excludes land premium of S$26.4 million

MANAGER'S REPORT

ON-GOING PROJECTS

	Value (S$m)	Estimated Completion
DEVELOPMENT	21.8	
DBS Hub Asia Phase 2	21.8	2Q 2015
ASSET ENHANCEMENTS	113.5	
C&P Logistics Hub	35.7	4Q 2015
Techlink and Techview	26.2	4Q 2015
The Alpha	11.1	4Q 2014
Techquest	4.3	3Q 2014
Corporation Place	14.5	3Q 2014
Logis Tech	6.6	3Q 2014
1 Changi Business Park Crescent	8.1	2Q 2014
5 Toh Guan Road East	7.0	2Q 2014
TOTAL	**135.3**	

Since A-REIT embarked on its first development project in 2006, it has completed 12 development projects and achieved total cumulative unrealised development gains of S$320.9 million (32.6% over cost of development).

DEVELOPMENT PROJECTS

	Development	Sector	Development Cost (S$m)	Revaluation as at 31 Mar 2014 (S$'m)	Completion
1	Courts Megastore	Warehouse Retail Facility	46.0	65.9	Nov 2006
2	Giant Hypermart	Warehouse Retail Facility	65.4	87.3	Feb 2007
3	HansaPoint @ CBP	Business Park	26.1	86.1	Feb 2008
4	15 Changi North Way	Logistics	36.2	48.4	Jul 2008
5	Pioneer Hub	Logistics	79.3	115.0	Aug 2008
6	1,3 and 5 Changi Business Park Crescent	Business Park	200.9	316.7	Feb 2009, Sep 2009, Dec 2010
7	71 Alps Avenue	Logistics	25.6	30.5	Sep 2009
8	38A Kim Chuan Road	High-Specs Industrial (Data Centres)	170.0	184.7	Dec 2009
9	90 Alps Avenue	Logistics	37.9	49.7	Jan 2012
10	FoodAxis @ Senoko*	Light Industrial	57.8	78.1	Feb 2012
11	Four Acres Singapore	Science Park	58.7#	57.3	Apr 2013
12	Nexus @one-north	Business Park	181.3	186.4	Sep 2013
TOTAL			**985.2**	**1,306.1**	

* FoodAxis @Senoko (previously known as 1 Senoko Avenue) was first acquired on 15 May 2007. It was subsequently redeveloped to maximise the allowable plot ratio

Includes S$26.4 million land premium paid upfront and net development cost of S$32.3 million

DEVELOPMENT PROJECTS

Four Acres Singapore

In April 2013, the Manager completed the development of Four Acres Singapore, a global development & training centre for Unilever, at an estimated total development cost of S$58.7 million (inclusive of S$26.4 million land premium paid upfront). The facility is Unilever's second global leadership development centre in the world and its first in Asia. The Manager is pleased to report that the facility has been accorded the Green Mark (Platinum) award, the highest accolade in the design and construction of green, sustainable buildings.

Nexus @one-north

The development of Nexus @one-north, a premium business space in Fusionopolis, was completed in September 2013 at a total development cost of S$181.3 million. Fusionopolis at one-north is dedicated to research and development in the Infocomm Technology, Media, Physical Science & Engineering industries. This facility is made up of two blocks of six-storey business and office space, a landscaped skybridge and a central landscape plaza. The facility has been accorded the Green Mark (Platinum) Award. Nexus @one-north is A-REIT's third property in the one-north region.

DBS Asia Hub Phase 2 (Development in progress)

An extension of the existing DBS Asia Hub, DBS Asia Hub Phase 2, caters to DBS Bank's increasing business space requirement within the Changi Business Park. The development of Phase 2 will create a new six-storey business park annex building with an estimated gross floor area of 7,081 sqm. The development is scheduled to complete in 2Q 2015. Upon completion, DBS Bank has committed to lease the entire block until July 2020 to coincide with the lease expiry of the DBS Asia Hub. DBS has the option to renew the leases for both buildings for another three terms of three years each.

MANAGER'S REPORT

ACQUISITION COMPLETED

A-REIT City @Jinqiao, Shanghai, China

The Manager completed the forward purchase of a business park property, A-REIT City @Jinqiao, in Shanghai, China for a total purchase consideration of approximately S$124.6 million in July 2013. This is A-REIT's second property in China and its first in Shanghai. The property aims to cater to the spatial needs of multi-national companies as well as local Chinese enterprises looking to set up research & development, technology support facilities and/or corporate headquarters within one location.

ASSET ENHANCEMENT INITIATIVES - COMPLETED

31 International Business Park

31 International Business Park is one of six A-REIT properties that is strategically located within the International Business Park and within the Jurong Lake District. The asset enhancement works comprise conversion of the building from a single-tenanted to a multi-tenanted property and upgrading of the building specifications to meet contemporary expectations, so as to enhance competitiveness and marketability of the property. The upgrading work was completed in February 2014.

Techpoint

Techpoint is situated along Ang Mo Kio Street 65. The asset enhancement works were completed in January 2014, and involved the upgrading of the building's specifications and finishings to enhance Techpoint's competitiveness as a state-of-the-art high-specs industrial building.

Block 5008 Techplace II

Techplace II comprises a total of six blocks of flatted factory buildings and a canteen block. The Manager developed a new factory block with ancillary food and beverage ("F&B") space totaling about 24,016 square metres ("sqm") through the maximisation of plot ratio from existing 2.05 times to 2.5 times. Works included the enhancement of the external façade of all buildings in the estate to improve the corporate image of the property. The project was completed in December 2013 at a cost of around S$42.4 million.

1 Changi Business Park Ave 1

One of A-REIT's six buildings within Changi Business Park, the property was acquired in October 2003 and leased to a single-user. Building specifications such as toilets, lifts and building façades have been upgraded to raise the positioning of the building, ensuring that it is comparable in quality with the newer properties within the vicinity. Net lettable area ("NLA") of around 9,052 sqm has been re-commissioned for 1 Changi Business Park Avenue 1.

Xilin Districentre D

Situated within Changi International LogisPark (South), the asset enhancement works on Xilin Districentre D involved the conversion of ancillary office space to warehouse space to cater to the tight supply of warehouse space in the eastern part of Singapore. The asset enhancement work was completed in August 2013.

31 Ubi Road 1

Following the expiry of the lease with a single tenant, 31 Ubi Road 1 was converted into a multi-tenanted building. The Manager upgraded the building specifications and enhanced the building façade and interiors to reposition the property from light industrial to high-specs. The property is strategically located in close proximity to the MacPherson MRT Station, making it highly accessible and suitable for higher value-added services. The asset enhancement was completed in July 2013 and average rental rate is currently about twice the previous passing rental.

MANAGER'S REPORT

ASSET ENHANCEMENT INITIATIVES - ON-GOING PROJECTS

C&P Logistics Hub

The C&P Logistics Hub was acquired from C&P Holdings Pte Ltd on a sale-and-leaseback basis in 2004. The enhancement work involves building a new four-storey warehouse block with a gross floor area ("GFA") of 24,111 sqm over the existing vacant open container yard. This new block will be connected to the existing 40 feet vehicular ramp and driveways, greatly improving the utilisation of the premises. The asset enhancement works are expected to complete by 4Q 2015.

Techlink and Techview

Techlink and Techview are multi-tenanted high-specs industrial properties located within the Kaki Bukit Industrial Estate. GFA at Techlink will be increased by 1,820 sqm, creating prime space for showrooms on level 1 and more business space on level 2 and 3. Techview, which is well-located next to the upcoming Kaki Bukit MRT station, will be upgraded with amenities such as a walkway to the new MRT station, new food court, childcare centre and upgraded lifts and toilets. The completion date of the asset enhancement works is estimated to be in 4Q 2015.

The Alpha

The Alpha is a four-storey building that is situated within Science Park 2. The asset enhancement works comprise upgrading the building's specifications and positioning through improving the connectivity between the bus stop and the building, converting the air-conditioned lobby to a naturally ventilated area, upgrading of lifts and toilets, and converting underutilised area to create new leasable area. This asset enhancement initiative is expected to complete in 4Q 2014.

Techquest

Techquest is one of six A-REIT properties in International Business Park. The asset enhancement works comprise improving building efficiency and specifications through reconfiguration of floor layout and upgrading of façade, restrooms, lobbies, etc. to improve marketability. The asset enhancement work is expected to complete in 3Q 2014.


Artist impression of upgraded lobby


Asset enhancement in progress

Corporation Place

At Corporation Place, the Manager will upgrade all lifts and toilets, create extended lobbies and improve physical connectivity between all lobbies. The upgrade is expected to improve marketability of the building and be completed in 3Q 2014.

LogisTech

The Manager is building a new two-storey air-conditioned warehouse annex block of 3,370 sqm at LogisTech to capitalise on the strong demand for such space in the eastern part of Singapore. This will maximise plot ratio from existing 1.16 times to 1.25 times. The work is scheduled for completion in 3Q 2014.

1 Changi Business Park Crescent

The asset enhancement work at Changi Business Park Crescent (Plaza 8) involves converting the second level amenity space to business park space to improve the marketability of the property, and is expected to complete in 2Q 2014.

5 Toh Guan Road East

5 Toh Guan Road East was converted to a multi-tenanted property in January 2013. The asset enhancement involves upgrading of lifts, loading area and subdivision of units to enhance marketability as a logistics property. The asset enhancement is expected to complete in 2Q 2014.

MANAGER'S REPORT

CAPITAL & RISK MANAGEMENT

As at 31 March 2014, A-REIT's balance sheet remained strong with its aggregate leverage at 30.0%, and this implies debt headroom of around S$1.2 billion before the aggregate leverage reaches 40.0%. After funding all of A-REIT's ongoing projects via debt, the aggregate leverage is expected to increase to about 31.2%. This puts A-REIT in good stead to capitalise on any investment opportunities.

The strong balance sheet is the result of the Manager's prudent capital management in FY12/13, when a total of S$704.9 million was raised in two private placements, S$298.5 million in May 2012 and S$406.4 million in March 2013, to fund investment opportunities.

The Manager has fully deployed the proceeds of S$298.5 million from the private placement in May 2012 towards the forward purchase of A-REIT City @Jinqiao, the construction costs for the development of Nexus @one-north, Four Acres Singapore, and various asset enhancement initiatives and working capital in FY13/14.

USE OF GROSS PROCEEDS OF S$298.5 MILLION FROM PRIVATE PLACEMENT IN MAY 2012

As at 31 March 2014	Announced use of proceeds (S$m)	Actual use of proceeds (S$m)	Balance of proceeds (S$m)
To fund the asset enhancement initiative at 9 Changi South Street 3	14.6	14.6	-
To fund the asset enhancement initiative at Techplace II	42.4	42.4	-
To fund the development of Nexus @one-north	68.0	68.0	-
To fund the development of Unilever Four Acres Singapore	32.3	32.3	-
To fund the forward purchase of A-REIT City @Jinqiao	90.0	90.0	-
For general corporate and working capital purposes	46.5	46.5*	-
To pay issue expenses incurred by A-REIT in relation to the Private Placement	4.7	4.7	-
TOTAL	**298.5**	**298.5**	**-**

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

Part of the proceeds from the March 2013 private placement had been deployed for the acquisition of The Galen last financial year, and the balance of the proceeds had been used to repay outstanding borrowings, pending the deployment of the funds towards the acquisition of an integrated industrial mixed-use property at Kallang Avenue in mid-2014. Aggregate leverage is expected to increase to about 34% post-acquisition of the property at Kallang Avenue.

USE OF GROSS PROCEEDS OF S$406.4 MILLION FROM PRIVATE PLACEMENT IN MARCH 2013

As at 31 March 2014	Announced use of proceeds (S$m)	Actual use of proceeds (S$m)	Balance of proceeds# (S$m)
Acquisition of The Galen	126.0	126.0	-
Funds to acquire an integrated industrial mixed-use property at Kallang Avenue	270.0	-	270.0
General corporate and working capital purposes	4.6	0.6@	4.0
Issue expenses	5.8	5.8	-
TOTAL	**406.4**	**132.4**	**274.0**

Balance of proceeds had been used to repay outstanding borrowings, pending the deployment of such funds for their intended use
@ S$0.6 million had been used for the transaction costs on acquisition of The Galen

A-REIT's weighted average term of debt is 3.3 years as at 31 March 2014 with a weighted average all-in borrowing cost of 2.7%. Interest rate swaps are used to manage or hedge the interest rate exposure of its debts. About 65.3% of A-REIT's interest rate exposure is hedged with a weighted average duration of 3.5 years remaining.

In FY13/14, A-REIT refinanced 5% S$125 million medium term notes in July 2013 using its revolving credit facilities, lowering A-REIT's weighted average all-in borrowing costs. In the current financial year, A-REIT will be refinancing its Euro 197.5 million (S$395 million equivalent) AAA-rated CMBS. The Manager has secured a S$200 million term loan facility, which will mature in 2019 and issued JPY 5 billion (fully swapped back into S$62.3 million) floating rate notes due 2021 under the S$1 billion Multicurrency Medium Term Note Programme established on 20 March 2009, to refinance part of the CMBS. The balance of the CMBS may be refinanced through additional debt issues or A-REIT's credit facilities of S$1.2 billion, which is currently only about 35% utilised. Following the refinancing of the CMBS in May 2014, around 84% of A-REIT's total investment properties will become unencumbered, further enhancing its financial flexibility.

To minimise any refinancing risk, the Manager intends to keep its current well-spread debt maturity profile where not more than 20% of its debt will be due for refinancing in any one calendar year.

DEBT MATURITY PROFILE AND SOURCES OF DEBT (AS AT 31 MARCH 2014)

Key Debt Funding Indicators	As at 31 March 2014	As at 31 March 2013
Aggregate leverage	30.0%	28.3%
Total debt (S$m)	2,208	1,971
Fixed debt as a % of total debt	65.3%	74.8%
Weighted average all-in borrowing cost^	2.7%	3.3%
Weighted average tenure of debt outstanding (years)	3.3	3.9
Weighted average tenure of fixed debt outstanding (years)	3.5	3.9
Interest cover ratio	6.0x	4.9x
Total debt/ EBITDA	5.6x	5.4x
Unencumbered properties as % of total investment properties#	62.2%	60.7%

^ Including annual maintenance costs and amortisation of establishment cost of debts
# Total investment properties exclude properties reported as finance lease receivable

MANAGER'S REPORT

CUSTOMER CREDIT & CONCENTRATION RISK MANAGEMENT

To minimise tenant credit risk, a credit evaluation process has been established to assess the creditworthiness of A-REIT's customers. Based on standard industry practice, one-month's worth of gross rental is usually held as security deposit for each year's lease. However, for long-term leases in single-tenanted properties, a larger sum of security deposit may be held. This is dependent on the length of the lease, the credit risks of such tenants and commercial negotiation. Security deposits for A-REIT's single-tenanted properties range from six months to 14 months of rental income equivalent. The average security deposit for the portfolio is approximately six months of rental income.

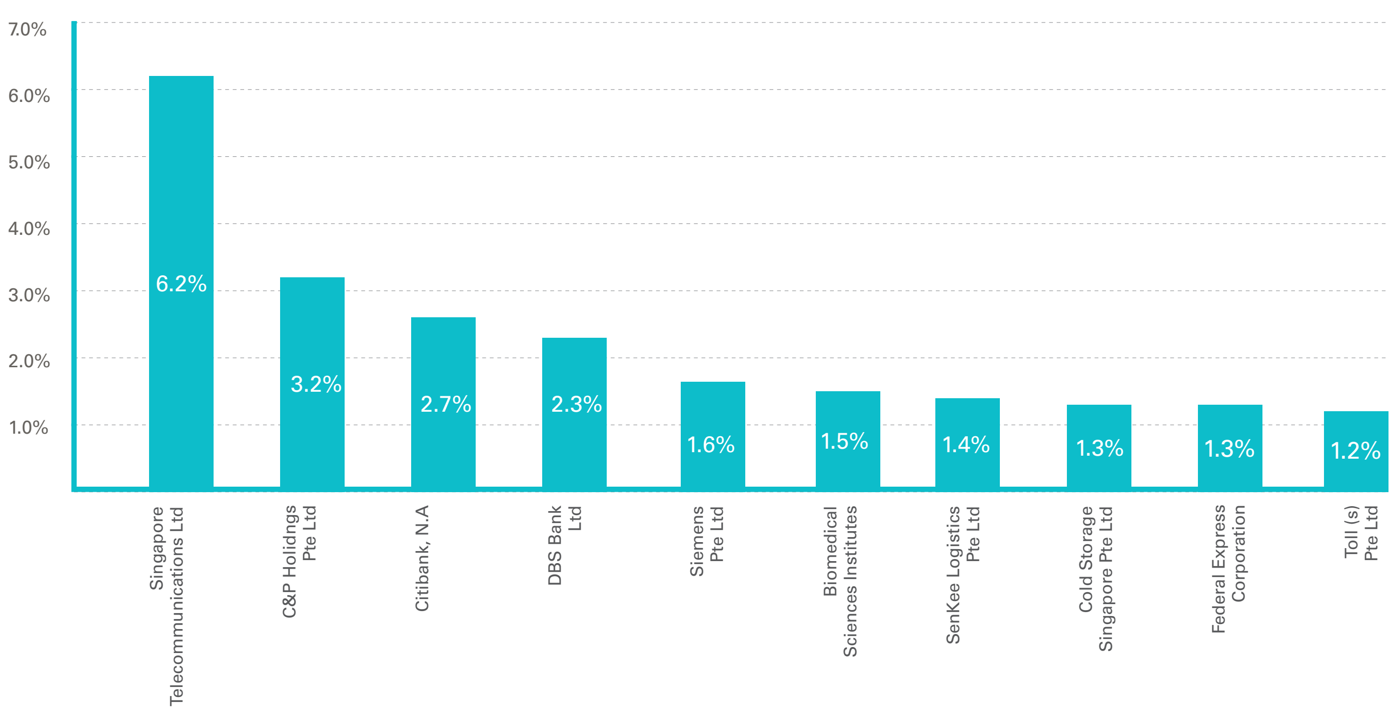
As at 31 March 2014	No. of single-tenanted properties	Weighted average security deposit* (no. of months)
Business & Science Park	3	14
High-Specs Industrial	8	6
Light Industrial	19	11
Logistics & Distribution Centres	11	10
Warehouse Retail Facilities	2	10
	43	**10**

* Excluding cases where rental is paid upfront

With a tenant base of around 1,300 local and international companies, rigorous and conscientious effort has been put in to manage accounts receivables. About 88.7% of rental receipts are collected via interbank GIRO services. This enables us to react efficiently and appropriately towards any delinquency in payment.

Top ten tenants accounted for not more than 22.8% of A-REIT's gross rental income and the majority of these tenants are either multi-national or listed companies. Furthermore, no single property accounts for more than 4.3% of A-REIT's monthly gross revenue, offering income diversity within the portfolio.

TOP 10 TENANTS OF A-REIT BY GROSS RENTAL INCOME (AS AT 31 MARCH 2014)

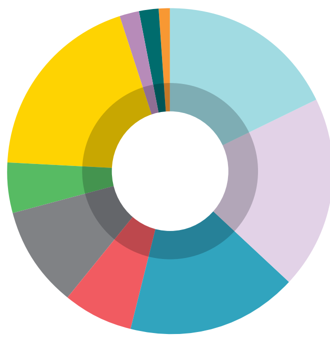


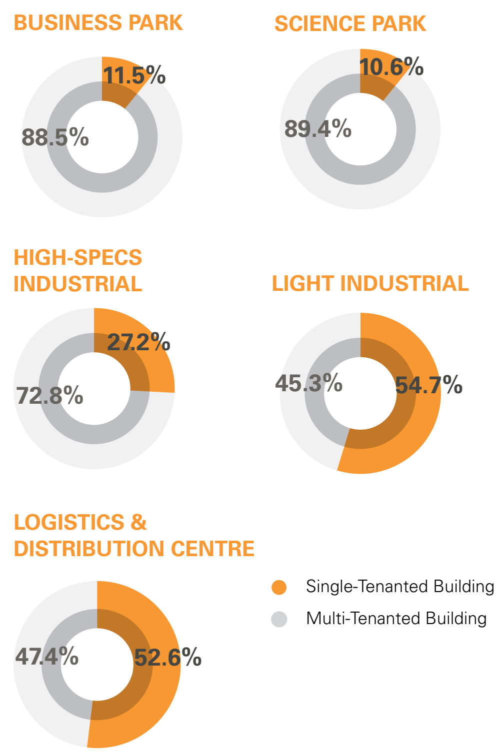
PORTFOLIO MANAGEMENT & PERFORMANCE

A-REIT continues to own a spectrum of business space and industrial assets, comprising Business & Science Park properties, High-Specifications Industrial properties & Data Centres, Light Industrial properties & Flatted Factories, Logistics & Distribution Centres and Warehouse Retail Facilities.

WELL DIVERSIFIED PORTFOLIO BY ASSET VALUE (AS AT 31 MARCH 2014)

Business Park	18%
Science Park	19%
High-Specs Industrial	17%
High-Specs Industrial (Data Centres)	7%
Light Industrial	10%
Flatted Factories	5%
Logistics & Distribution Centres	19%
Warehouse Retail Facilities	2%
A-REIT Shanghai	2%
A-REIT Beijing	1%



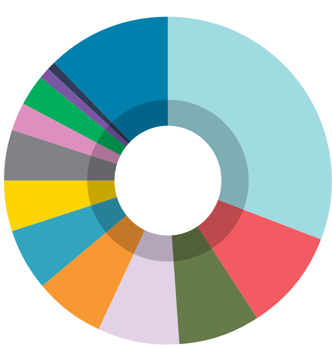


Notes:

- A-REIT has three data centres of which, two are single-tenanted. Warehouse Retail Facilities are single-tenanted properties while Flatted Factories are all multi-tenanted properties

As at 31 March 2014, A-REIT has 103 properties in Singapore and two business park properties in China. These properties serve the spatial requirements of various segments of the economy. In FY13/14, sources of new demand continued to be broad based ranging from conventional space requirements of transport and storage, structural engineering and information technology, to higher value and knowledge intensive industries such as biomedical, life sciences as well as financial services.

SOURCES OF NEW DEMAND IN FY13/14 BY NET LETTABLE AREA



Transport and Storage	31%
Precision Engineering	10%
Structural Engineering	8%
Financial Service	8%
Food Products & Beverages	7%
IT	6%
Biomedical	5%
Telecommunication & Data Centre	5%
General Manufacturing	3%
Lifestyle and Services	3%
Electronics	1%
R&D	1%
Others	12%

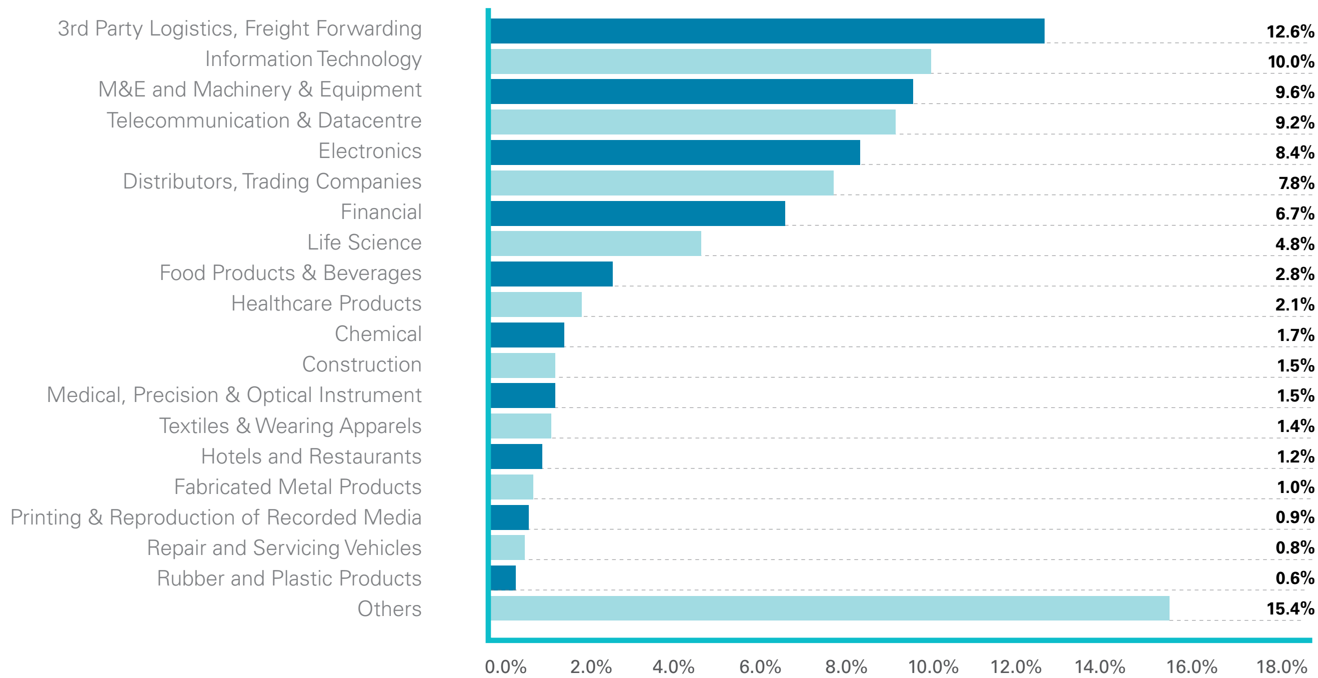
LOW EXPOSURE TO CONVENTIONAL MANUFACTURING BY NET LETTABLE AREA (AS AT 31 MARCH 2014)

Non-Manufacturing Area	17%
Manufacturing Area	83%

MANAGER'S REPORT

Only about 17.0% of A-REIT's lettable area is involved in conventional manufacturing activities. The remaining space caters to non-manufacturing activities such as research and development, backroom offices, telecommunications & data centres, software and media consultancy services as well as transport & storage.

TENANTS' INDUSTRY DIVERSIFICATION (BY GROSS RENTAL INCOME)



POSITIVE RENTAL REVERSION

For FY13/14, A-REIT's portfolio achieved positive rental reversions of between 8.3% and 17.2% across the various property segments, with a weighted average rental reversion of 14.8% for the leases renewed in the year.

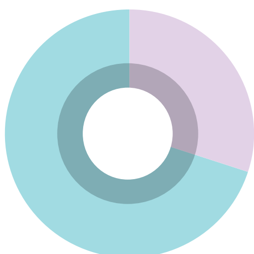
Multi-tenanted properties (1)	Net lettable area (sqm)	Vacant space (sqm)	FY13/14 increase in renewal rates(2)
	As at 31 Mar 2014		
Business & Science Park	434,113	76,828	9.8%
High-Specs Industrial	296,882	49,870	8.3%
Light Industrial	327,989	38,488	8.5%
Logistics & Distribution Centres	346,432	22,594	17.2%(3)
Weighted Average			**14.8%(3)**

Notes:
(1) A-REIT's Singapore portfolio only.
(2) Increase in renewal rental rates for leases renewed in FY13/14 versus previous contracted rates
(3) Normalised rate for Logistics & Distribution Centres in FY13/14 is 11.0%. Applying the normalised rate, the weighted average rental reversion rate for space renewed in the multi-tenanted properties in FY13/14 will be 9.9%

LEASE STRUCTURE AND PROFILE

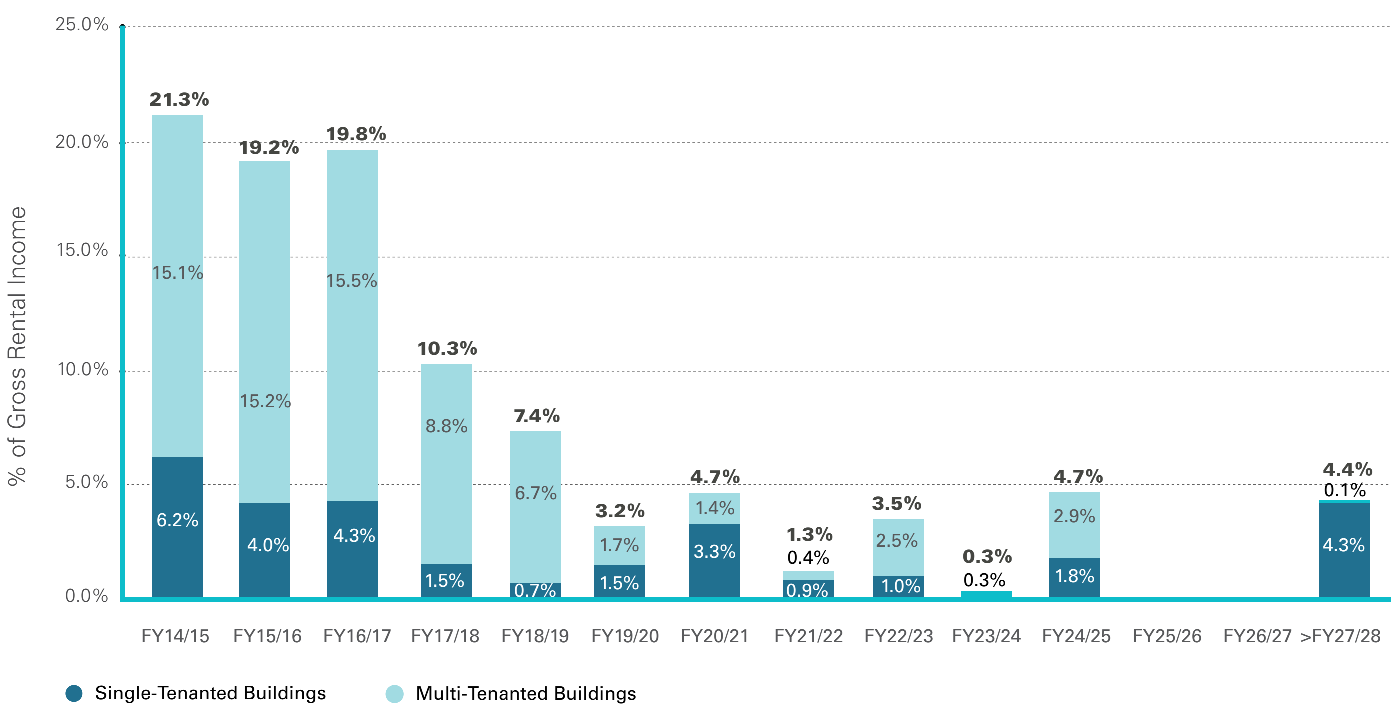
About 30% of A-REIT's portfolio comprises long-term leases in single-tenanted properties as a result of sale-and-leaseback or built-to-suit transactions. These leases provide stability in earnings growth as 28.8% of such leases have rental escalation pegged to the Consumer Price Index with a fixed rate floor while the rest has varying quantums of periodic escalation. The other 70% comprises multi-tenanted buildings with typically three-year leases without any rental adjustments during their tenure. The rental rates for such leases are marked-to-market upon renewal and provide an opportunity for increase in earnings in an upmarket. The weighted average lease to expiry for the portfolio is 3.9 years as at 31 March 2014.

SPILT OF SINGLE-TENANTED BUILDINGS AND MULTI-TENANTED BUILDINGS (BY ASSET VALUE) (AS AT 31 MARCH 2014)



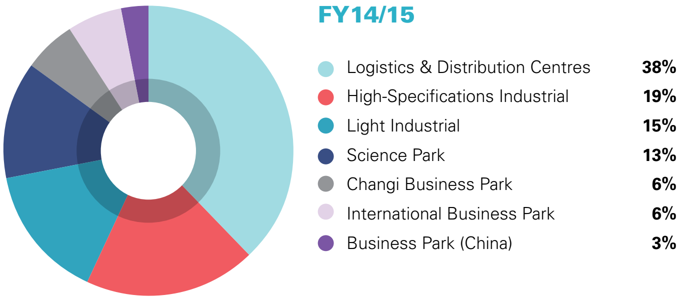
In FY14/15, about 21.3% of A-REIT's gross revenue is due for renewal, of which 6.2% comes from tenancies of single-tenanted buildings and 15.1% comes from tenancies of multi-tenanted buildings. The Manager has already commenced renewal negotiation for some of these tenancies.

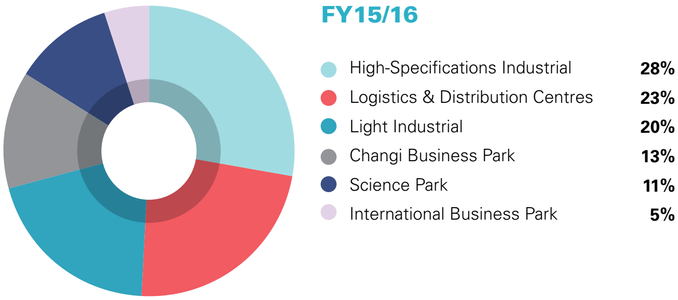
A-REIT'S PORTFOLIO LEASE EXPIRY PROFILE (AS AT 31 MARCH 2014)



MANAGER'S REPORT

BREAKDOWN OF EXPIRING LEASES FOR FY14/15 AND FY15/16 (BY GROSS INCOME RENTAL) (AS AT 31 MARCH 2014)





OCCUPANCY TREND

As at	31 Mar 14	31 Mar 13	Percentage change
Total Portfolio NLA (sqm)	2,376,561	2,262,081	+5.1%
Portfolio occupancy (same-store)(2)	93.9%(3)	94.2%	-0.3%
MTB(1) occupancy (same-store)(2)	90.6%	88.9%	+1.7%
Portfolio occupancy	89.6%	94.0%	-4.4%
MTB(1) occupancy	83.6%	89.6%	-6.0%

(1) MTB = multi-tenanted buildings account for 69.9% of A-REIT's portfolio by asset value as at 31 March 2014
(2) Same-store occupancy rates for 31 March 2013 and for 31 March 2014 are computed with the same list of properties, i.e. account for changes in space due to new investments completed in the last 12 months and changes in classification of certain buildings from single-tenanted buildings ("STB") to MTB
(3) Same-store portfolio occupancy declined marginally from 94.4% to 93.9% due to a non-renewal of a tenant in a single-tenanted building. Excluding this, same-store portfolio occupancy would have been 94.4%.

As at 31 March 2014, the occupancy rate for A-REIT's multi-tenanted buildings stands at 83.6% while the portfolio occupancy rate is at 89.6%. Year-on-year, the portfolio occupancy fell 4.4% on the back of a 5.1% increase in portfolio NLA, which was a result of the completion of various investments, developments and asset enhancement initiatives. On a same-store basis, A-REIT's occupancy for multi-tenanted buildings improved to 90.6% from 88.9% YoY. We will continue to exploit our leasing capabilities to improve occupancy within the portfolio to achieve organic growth for the portfolio.

ANNUAL REVALUATION

It is a mandatory requirement to revalue the portfolio once a year. On 31 March 2014, the portfolio recorded a net appreciation of S$131.1 million over the latest book value on revaluation of its investment properties. The weighted average capitalisation rate remained stable at 6.57% for A-REIT's Singapore portfolio.

Weighted average land lease to expiry for the portfolio of properties (excluding freehold properties) is 46.1 years. 53 properties worth about S$2.9 billion are on a land rent basis. These properties on land rent will only have a nominal land value component in their book values.

Land Tenure Expiry as at 31 Mar 2014	Business & Science Park		High-Specs Industrial		Light Industrial		Logistics & Distribution Centres		Warehouse Retail Facilities		Total	
	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m
< 30 years left (2014 to 2044)	1	57	-	-	4	56	1	115	2	153	8	381
< 40 years left (2045 to 2054)	1	182	5	486	11	585	6	539	-	-	23	1,792
< 50 years left (2055 to 2064)	12	1,100	9	524	17	313	13	549	-	-	51	2,487
< 60 years left (2065 to 2074)	11	1,260	2	92	1	38	3	129	-	-	17	1,519
>60 years left (Beyond 2075)	2	208	3	528	-	-	-	-	-	-	5	735
FreeHold	-	-	1	77	-	-	-	-	-	-	1	77
Total	**27**	**2,807**	**20**	**1,707**	**33**	**992**	**23**	**1,332**	**2**	**153**	**105**	**6,991**

SUSTAINABILITY REPORT

As the Manager of A-REIT, we are committed to deliver value to all the stakeholders of A-REIT through the adoption and implementation of sustainable policies, strategies and practices in our corporate activities. As we forge ahead, we remain committed towards building a more sustainable future by continuously improving our buildings' performance, providing greater transparency over our operations and committing to high standards of corporate governance.

To achieve this end, we will continue to:

- Maximise the performance and efficiency of our properties so that they function at optimal levels
- Provide timely, clear and consistent disclosures, and engage with our key stakeholders regularly
- Commit to high standards of corporate governance by upholding best practices in the areas of board management and risk governance

This is the second year that we incorporated a sustainability report. The journey towards sustainability is a continuous one. We are committed to walking this journey with all our stakeholders so as to ensure the sustainability of A-REIT's performance. We will continue to improve our business operations and position ourselves to positively impact the environment and the lives of the people around us. In doing so, we trust we will achieve the goal of safeguarding Unitholders' interests and maximising long-term Unitholders' value.

OUTLOOK

The global economic outlook is expected to improve in 2014, with much of the growth coming from advanced economies. Monetary conditions remain highly accommodative in the advanced economies, although there is uncertainty about the pace of the US Federal Reserve tapering its bond purchases. The expectation of an increase in interest rates in the US could also weigh on financial markets and business sentiments.

In the emerging markets, growth is expected to be driven by stronger demand from advanced economies, but tighter financial conditions and policy adjustments could dampen growth. China, for instance, could experience extended economic softness as the authorities seek to rein in credit and advance reforms to rebalance growth away from investment toward consumption.

On the home front, the Singapore government continues to focus on "restructuring for quality growth", and is projecting that the Singapore economy will grow at between 2.0% and 4.0%.

In the next few years, while the supply of industrial space in Singapore is expected to increase, demand outlook for business and industrial space is likely to remain healthy on the back of a tentative global recovery and Singapore remains an attractive business gateway to Asia. The average passing rental rates of leases in our portfolio due for renewal are still below the market spot rental rates; hence, positive rental reversion can be expected when leases are renewed.

However, government regulations and actions may have impact on cost of operations. Operating costs could increase given the tight labour market, although measures are taken to mitigate the impact. With about 10.4% vacancy in the portfolio, there could be potential upside in net property income when these spaces are leased out in due course, the speed of which will largely depend on prevailing market conditions.

INTERVIEW WITH THE MANAGER'S CEO

Artist impression of Aperia, an integrated business space and retail property

Q: What are some of the plans in your "Top of your agenda" list in the year ahead?

A: In the immediate term, our focus will be on growing organically through proactive portfolio management supplemented by selective quality investment.

Our priority is to lease out as much of the 10.4% vacant space in our portfolio as soon as possible. Most of these vacancies are in newly completed projects such as Nexus @one-north, the new block in Techplace II and A-REIT City @Jinqiao as well as vacancies created by sale-and-leaseback buildings ("SLBs") converting to MTBs. Given their attractive location, quality building specifications and value proposition, we are confident that they will be leased out in due course, the speed of which will depend on the strengths of the economies we operate in.

We have already commenced renewal negotiation for most of the leases that are expiring in FY14/15 which account for about 21.3% of gross revenue.

The average passing rental rates of leases due for renewal are still below the market spot rental rates; hence, positive rental reversion can be expected when these leases are renewed.

Q: What are some of the headwinds that you are facing in the Singapore industrial property business?

A: One prevalent issue is escalating operating costs. Costs of labour intensive activities such as cleaning, landscaping & security have increased in tandem with the government's restructuring efforts. Cleaning costs have increased by up to 40% and refuse removal services increased nearly two-fold. We have put in place cost management measures to mitigate these increases. Other initiatives include the conversion of air-conditioned areas to naturally ventilated areas, upgrading of cooling towers, pumps and air-conditioning systems to improve energy efficiency, and improving the specifications and façades of our buildings to improve marketability, etc.

Aside from keeping costs in check, we need to cope with government regulations and changing policies that may impact A-REIT.

Another potential matter is the impending supply of 5.3 million sqm (approximately 13% of existing stock) industrial space from now till 2017. The impact is expected to be manageable as the demand outlook for business and industrial space is likely to remain healthy on the back of a tentative global recovery. It is observed that a signification portion of the new supply has already been pre-committed. Also, the industrial property market is currently well occupied at about 91% and is within the 10-year historical range of 88% to 93%.

Singapore remains an attractive business gateway to Asia and with the government's plans to attract higher value-added businesses in areas such as information and communication technologies, biomedical sciences and media, we believe that demand for business and science park spaces will continue to be sustainable.

Nexus @one-north, a newly completed business park and office development in the up-and-coming one-north area in Buona Vista, was quickly filled within a few months from obtaining Temporary Occupation Permit. This demonstrates a high level of customer demand for A-REIT's quality development product.

Q: Currently, A-REIT has 103 properties in Singapore and only two in China. Do you face problems growing within Singapore? Do you intend to increase A-REIT's overseas exposure?

A: We have built A-REIT to have a total assets size of S$7.4b over 12 years. A-REIT is the largest and most diversified industrial REIT in Singapore, and the third largest REIT in Asia (ex-Japan) by market capitalisation. While the changing industrial property landscape in Singapore does pose some challenges, we can count on opportunities arising from the Sponsor's portfolio of more than S$1 billion worth of properties in mainly the Science and Business Park segment. At the same time, we will explore opportunities to widen our product offering in Singapore and expand our presence in China. We may also selectively consider opportunities in other markets for growth.

A-REIT continues to maintain its market leadership position in Singapore as evidenced by the 5.1% expansion in portfolio NLA in FY13/14. More high-grade properties will be acquired. We are expecting to acquire Aperia, our first integrated business space and retail property with about 87,000 sqm in GFA. The Green Mark Platinum development at Kallang Avenue, is well-located at the city fringe and fitted out with state-of-the-art facilities and lifestyle amenities.

Q: China's Gross Domestic Product ("GDP") growth is decelerating. Would it have any impact on your expansion plans in China?

A: China is indeed slowing after three decades of double-digit GDP growth. It has to, at some point in time. Some economists are anticipating 2014 GDP to stand still at around 7.5%, following last year's GDP growth of 7.7%. China is at a cross-road: it faces a dilemma, to adopt a new sustainable growth model vs the immediate need to maintain a certain rate of growth in order to generate sufficient employment to maintain social stability.

It will take time for China's efforts in deepening reform to show results. If successful, it will become a better balanced economy and future economic growth will be more sustainable. We believe this will in turn support property returns and valuations.

Taking a longer-term perspective, China remains an opportunity of a lifetime – its state of development and potential offer great market opportunities. There are relatively fewer players in the business and industrial space segment. Considering that China is the second-largest economy, there is clearly significant room for growth.

The current economic softness and tight credit condition may offer A-REIT access to some attractive investment opportunities. The flagging market could work in our favour as sellers may become more rational about their asking prices. We continue to look out for attractive investment opportunities to make further inroads into target Tier 1 cities.

Q: There's much talk about rising interest rates going forward. How will higher interest rates impact A-REIT?

A: The impact is expected to be manageable primarily because A-REIT has a low aggregate leverage of 30%. Our financial metrics are in good shape. The A3 credit rating enables us to secure debt funding at exceptionally attractive pricing from a wide-range of funding sources.

We continue to be prudent with our capital management. In recent months, we have been locking in five-year and seven-year debts to lengthen debt maturity profile and to ensure that not more than 20% of debt is due for refinancing in any single year. About 65% of interest rate exposure is hedged for the next 3.5 years to mitigate interest rate volatility. Every 1.0% increase in interest rate is expected to result in a 2.2% decrease in DPU based on the profile of A-REIT as at 31 March 2014.

Q: What is your DPU growth expectation for FY14/15?

A: At the macro level, the Singapore Government is guiding for stable GDP growth of between 2% to 4%. We can expect revenue to be lifted by improving the portfolio occupancy rate from 89.6% as at 31 March 2014, positive rental reversion from the renewal of expiring leases at market rates, and higher contributions from new investments as they stabilise. However, the increase in revenue may be partially offset by the interim loss of income due to the non-renewal of some SLB leases when they expire and when the properties are converted into MTBs. Operating costs are also expected to increase given the tight labour market, although measures are taken to mitigate the impact.

In China, we will continue to look for opportunities in the target product segments and cities to grow our portfolio there, but we will remain prudent in our approach.

The overall aim is to achieve stable and predictable returns and long-term capital growth for Unitholders.

Barring any unforeseen event and any weakening of the economic environment, we expect A-REIT to maintain a stable performance for the financial year ending 31 March 2015.

A-REIT'S PORTFOLIO

Varied space propositions

A-REIT'S SINGAPORE PORTFOLIO (AS AT 31 MARCH 2014)

BUSINESS & SCIENCE PARK

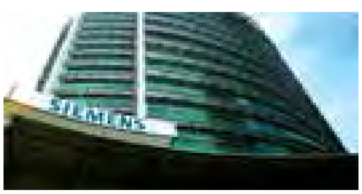
Characteristics

Suburban office, corporate headquarters ("HQ") buildings and research and development ("R&D") space. Zones specified by the government. Manufacturing activities are not allowed.

Typical Customers

Regional corporate HQs of industrial companies and multinational corporations ("MNCs"); backroom support office of financial institutions; IT firms, R&D companies in various fields including life sciences, food & flavouring, chemicals, data analytics, electronics, etc.

HIGH-SPECIFICATIONS INDUSTRIAL / DATA CENTRES



Characteristics

Vertical corporate campus with high office content combined with high specifications mixed-use industrial space. Also include data centres.

Typical Customers

Multi-national industrial companies that intend to co-locate their manufacturing activities with their HQ functions.

LIGHT INDUSTRIAL

Characteristics

Low office content combined with manufacturing space.

Typical Customers

Companies which house their light manufacturing activities and HQ operations within a single facility. Higher manufacturing content compared to high-specs Industrial buildings.

FLATTED FACTORIES

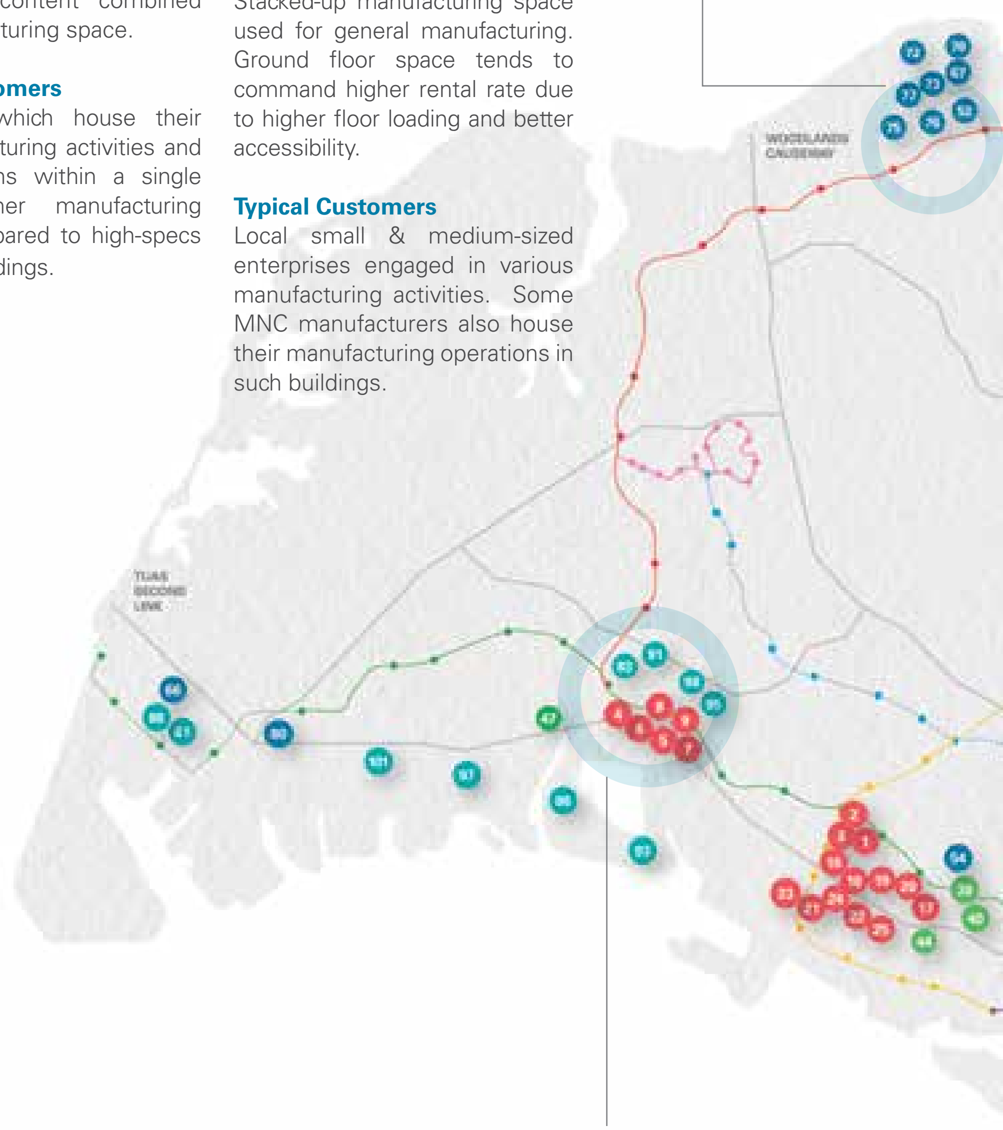
Characteristics

Stacked-up manufacturing space used for general manufacturing. Ground floor space tends to command higher rental rate due to higher floor loading and better accessibility.

Typical Customers

Local small & medium-sized enterprises engaged in various manufacturing activities. Some MNC manufacturers also house their manufacturing operations in such buildings.

WOODLANDS REGIONAL CENTRE MASTER PLAN AREA



JURONG LAKE DISTRICT REGIONAL CENTRE

Properties in International Business Park

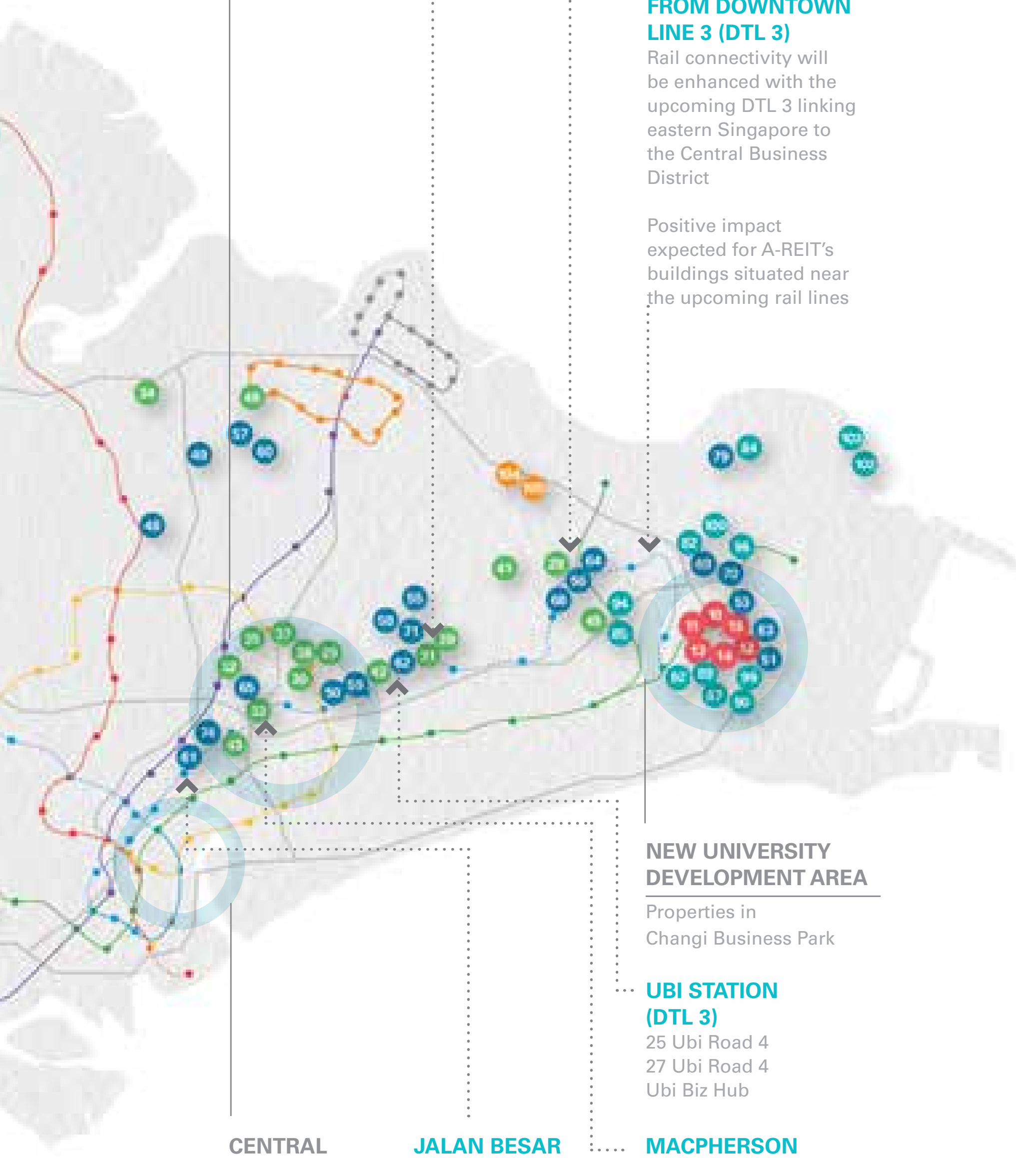
PAYA LEBAR REGIONAL CENTRE MASTER PLAN AREA

KAKI BUKIT STATION (DTL3)
Techview
Techlink

TAMPINES WEST STATION (DTL 3)
Tampines Biz-Hub

POSITIVE IMPACT FROM DOWNTOWN LINE 3 (DTL 3)
Rail connectivity will be enhanced with the upcoming DTL 3 linking eastern Singapore to the Central Business District

Positive impact expected for A-REIT's buildings situated near the upcoming rail lines



NEW UNIVERSITY DEVELOPMENT AREA
Properties in Changi Business Park

UBI STATION (DTL 3)
25 Ubi Road 4
27 Ubi Road 4
Ubi Biz Hub

CENTRAL BUSINESS DISTRICT

JALAN BESAR STATION (DTL3)
Hyflux Building
50 Kallang Avenue

MACPHERSON STATION (DTL3)
31 Ubi Road 1
Osim Headquarters

LOGISTICS & DISTRIBUTION CENTRES

Characteristics
Warehouses and distribution centres. About 58% of A-REIT's logistics & distribution centres are single storey or multi-storey facilities with vehicular ramp access.

Typical Customers
Third party logistics providers, manufacturers, distributors and trading companies.

WAREHOUSE RETAIL FACILITIES

Characteristics
Retail frontage with warehousing facility at the back of the property. A-REIT has two out of three of such properties in Singapore.

Typical Customers
Single tenant who houses their retail, warehousing and operations within one location.

A-REIT'S PORTFOLIO

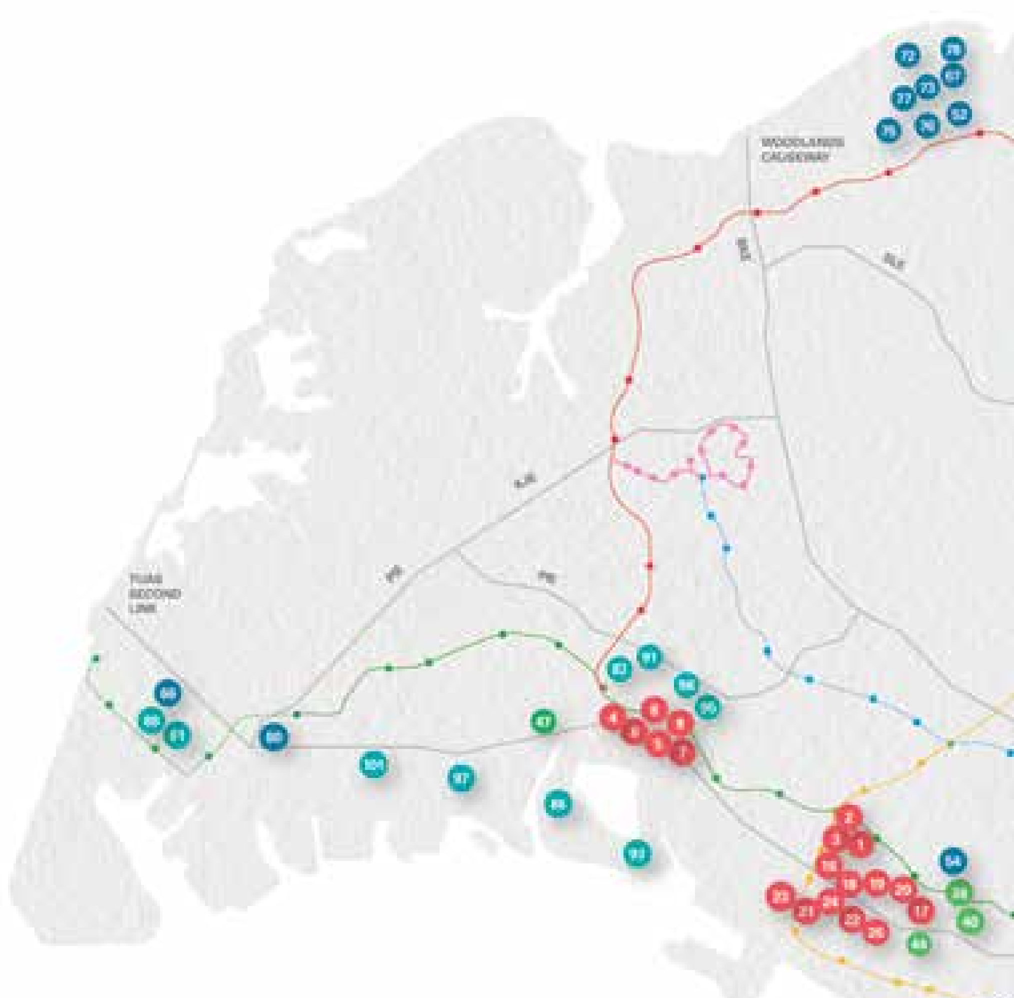
BUSINESS & SCIENCE PARK

1. Neuros & Immunos
2. Four Acres Singapore
3. Nexus @one-north
4. Techquest
5. 13 International Business Park
6. iQuest @ IBP
7. Acer Building
8. 31 International Business Park
9. Nordic European Centre
10. Honeywell Building
11. 1 Changi Business Park Ave 1
12. Hansapoint @ CBP
13. 1, 3 & 5 Changi Business Park Crescent
14. DBS Asia Hub
15. AkzoNobel House
16. PSB Science Park Building
17. The Rutherford & Science Hub
18. Cintech I
19. Cintech II
20. Cintech III & IV
21. The Alpha
22. The Aries
23. The Capricorn
24. The Gemini
25. The Galen
26. Ascendas Z-link
27. A-REIT City @Jinqiao

HIGH-SPECIFICATIONS INDUSTRIAL / DATA CENTRES

28. Telepark
29. Kim Chuan Telecommunications Complex
30. 38A Kim Chuan Road
31. Techlink
32. Siemens Center
33. Infineon Building
34. Techpoint
35. Wisma Gulab
36. KA Centre
37. KA Place
38. Pacific Tech Centre
39. Techview
40. 1 Jalan Kilang
41. 30 Tampines Industrial Avenue 3
42. 31 Ubi Road 1
43. 50 Kallang Avenue
44. 138 Depot Road
45. 2 Changi South Lane
46. CGG Veritas Hub
47. Corporation Place

A-REIT'S PORTFOLIO (AS AT 31 MARCH 2014)



- North South MRT Line
- North South MRT Line (Under Construction)
- East West MRT Line
- East West MRT Line (Under Construction)
- North East MRT Line
- Circle MRT Line
- Downtown Line
- Downtown Line Stage 2 & 3 (Under Construction)
- Bukit Panjang LRT
- Sengkang LRT
- Punggol LRT
- Punggol LRT (Under Construction)
- SLE Seletar Expressway
- PIE Pan Island Expressway
- CTE Central Expressway
- KPE Kallang-Paya Lebar Expressway
- AYE Ayer Rajah Expressway
- BKE Bukit Timah Expressway
- TPE Tampines Expressway
- KJE Kranji Expressway
- ECP East Coast Parkway

LIGHT INDUSTRIAL / FLATTED FACTORIES

48. Techplace I
49. Techplace II
50. Osim Headquarters
51. 41 Changi South Ave 2
52. Progen Building
53. SB Building
54. 247 Alexandra Road
55. 5 Tai Seng Drive
56. Volex Building
57. 53 Serangoon North Ave 4
58. 3 Tai Seng Drive
59. 27 Ubi Road 4
60. 52 Serangoon North Ave 4
61. Hyflux Building
62. 25 Ubi Road 4
63. BBR Building
64. Tampines Biz-Hub
65. 84 Genting Lane
66. Hoya Building
67. NNB Industrial Building
68. 37A Tampines Street 92
69. Hamilton Sundstrand Building
70. Thales Building (I & II)
71. Ubi Biz-Hub
72. 26 Senoko Way
73. 2 Senoko South Road
74. 1 Kallang Place (divested on 21 May 2014)
75. 18 Woodlands Loop
76. 9 Woodlands Terrace
77. 11 Woodlands Terrace
78. FoodAxis @ Senoko
79. 8 Loyang Way 1
80. 31 Joo Koon Circle

LOGISTICS & DISTRIBUTION CENTRES

81. IDS Logistics Corporate HQ
82. LogisTech
83. 10 Toh Guan Road
84. Changi Logistics Centre
85. Nan Wah Building
86. C&P Logistics Hub
87. Xilin Districentre Building A&B
88. MacDermid Building
89. Xilin Districentre Building D
90. 9 Changi South Street 3
91. 5 Toh Guan Rd East
92. Xilin Districentre Building C
93. Senkee Logistics Hub (Phase I & II)
94. 1 Changi South Lane
95. LogisHub @ Clementi
96. GSH Centre
97. 21 Jalan Buroh
98. Sembawang Kimtrans Logistics Centre
99. Sim Siang Choon Building
100. 15 Changi North Way
101. Pioneer Hub
102. 71 Alps Avenue
103. 90 Alps Avenue

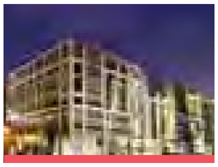
WAREHOUSE RETAIL FACILITIES

104. Courts Megastore
105. Giant Hypermart

A-REIT'S PORTFOLIO

BUSINESS & SCIENCE PARK

Suburban office, Corporate HQ buildings and R&D space



1. Neuros & Immunos

2. Four Acres Singapore

3. Nexus @one-north

4. Techquest

5. 13 International Business Park

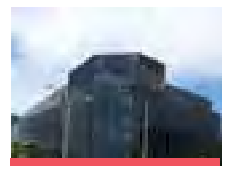
6. iQuest @ IBP

7. Acer Building

8. 31 International Business Park

9. Nordic European Centre

10. Honeywell Building



11. 1 Changi Business Park Ave 1

12. Hansapoint @ CBP

13. 1, 3 & 5 Changi Business Park Crescent

14. DBS Asia Hub

15. AkzoNobel House

16. PSB Science Park Building

17. The Rutherford & Science Hub

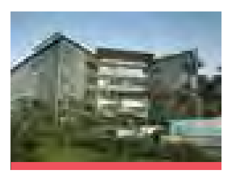
18. Cintech I

19. Cintech II

20. Cintech III & IV

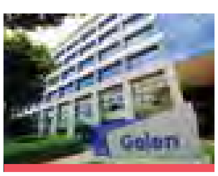
21. The Alpha

22. The Aries



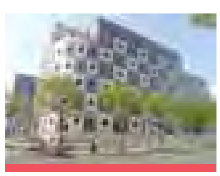
23. The Capricorn

24. The Gemini



25. The Galen

26. Ascendas Z-link

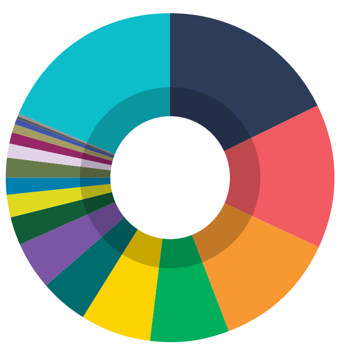


27. A-REIT City @Jinqiao

Business & Science Park	Multi-tenanted Buildings	Single-tenanted Buildings	Total
No. of Properties	24	3	27
No. of Customers	409	3	412
GFA (sqm)	682,088	79,957	762,045
Gross Income (S$m)	197.6	18.0	215.6*
Book Value / Valuation as at 31 March 2014 (S$m)	2,527.0	280.0	2,807.0

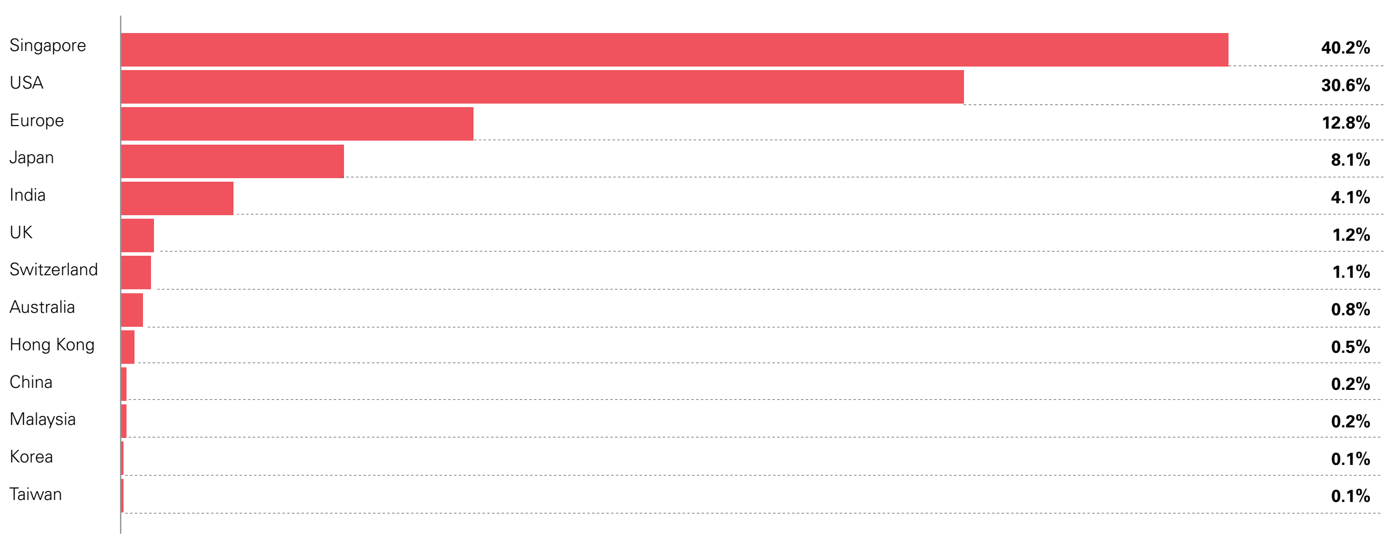
* Gross income for Business & Science Park properties excludes incentive payments for Ascendas Z-link and A-REIT City @Jinqiao, amounting to S$3.9 million

TENANT'S INDUSTRY MIX AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



Financial	**17.7%**
Life Science	**14.0%**
Information Technology	**12.3%**
Distributors, trading company	**7.7%**
M&E and Machinery & Equipment	**7.0%**
Chemical	**4.8%**
Electronics	**4.6%**
Healthcare Products	**2.8%**
Telecommunication & Datacentre	**2.1%**
Hotels and restaurants	**1.9%**
Food Products & Beverages	**1.7%**
Printing & Reproduction of Recorded Media	**1.4%**
Construction	**1.2%**
3rd Party Logistics, Freight Forwarding	**0.8%**
Textile & Wearing Apparels	**0.7%**
Fabricated Metal Products	**0.3%**
Medical, Precision & Optical Instruments, Clocks	**0.1%**
Others	**18.9%**

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



A-REIT'S PORTFOLIO

BUSINESS & SCIENCE PARK

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Book Value / Valuation as at 31 March 2014 (S$m)
	one-north			
1	Neuros & Immunos#	31 Mar 11	125.6	130.4
2	Four Acres Singapore	23 Apr 13	30.7	57.3
3	Nexus @one-north	04 Sep 13	181.3	186.4
	Total (one-north Properties)		**337.6**	**374.1**
	International Business Park			
4	Techquest#	05 Oct 05	7.5	23.6
5	13 International Business Park	10 Oct 06	20.0	27.7
6	iQuest @ IBP	12 Jan 07	18.6	37.1
7	Acer Building	19 Mar 08	75.0	83.4
8	31 International Business Park	26 Jun 08	246.8	215.2
9	Nordic European Centre	08 Jul 11	121.6	116.0
	Total (International Business Park Properties)		**489.5**	**503.0**
	Changi Business Park			
10	Honeywell Building#	19 Nov 02	32.8	70.3
11	1 Changi Business Park Ave 1	30 Oct 03	18.0	51.2
12	Hansapoint @ CBP	22 Jan 08	26.1	86.1
13	1, 3 & 5 Changi Business Park Crescent	16 Feb 09 25 Sep 09 31 Dec 10	200.9	316.7
14	DBS Asia Hub#	31 Mar 10	116.0	143.3
15	AkzoNobel House	08 Dec 11	80.0	71.6
	Total (Changi Business Park Properties)		**473.8**	**739.2**
	Science Park I			
16	PSB Science Park Building	18 Nov 05	35.0	79.4
17	The Rutherford & Science Hub#	26 Mar 08	51.5	81.7
18	Cintech I#	29 Mar 12	47.1	51.0
19	Cintech II#	29 Mar 12	35.3	42.6
20	Cintech III & IV#	29 Mar 12	100.7	110.6
	Total (Science Park I Properties)		**269.6**	**365.3**
	Science Park II			
21	The Alpha#	19 Nov 02	52.3	110.6
22	The Aries#	19 Nov 02	39.4	66.2
23	The Capricorn#	19 Nov 02	71.8	120.5
24	The Gemini#	19 Nov 02	72.9	128.4
25	The Galen#	25 Mar 13	126.0	128.2
	Total (Science Park II Properties)		**362.4**	**553.9**
	Business Park (China)			
26	Ascendas Z-link#	03 Oct 11	61.8	89.5
27	A-REIT City @Jinqiao	12 Jul 13	122.3	182.0
	Total (Business Park China)		**184.1**	**271.5**
	Total (Business & Science Park Properties)		**2,117.0**	**2,807.0**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis
Acquired from Ascendas Group
* Purchase price excludes transaction costs
** The total gross income for Business & Science Park properties excludes incentive payments for Ascendas Z-link and A-REIT City @Jinqiao, amounting to S$3.9 million.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY13/14 (S$m)	Occupancy Rate as at 31 March 2014 (%)
36,931	26,035	8/8A Biomedical Grove	18.9	88.2%
9,170	9,170	6 & 9 to 18 Nepal Park	3.8	100.0%
25,511	20,669	1 & 3 Fusionopolis Link	4.1	83.5%
71,612	**55,874**		**26.8**	**88.4%**
9,079	5,620	7 International Business Park	2.2	93.0%
10,116	6,956	13 International Business Park	1.4	52.0%
12,143	9,123	27 International Business Park	3.2	75.7%
29,185	22,027	29 International Business Park	8.6	74.9%
61,720	49,480	31 International Business Park	15.7	67.8%
28,378	22,351	3 International Business Park	11.0	92.7%
150,621	**115,557**		**42.1**	**74.9%**
18,123	14,475	17 Changi Business Park Central 1	6.9	91.2%
11,555	9,330	1 Changi Business Park Ave 1	0.4	3.0%
19,448	16,657	10 Changi Business Park Central 2	7.4	39.0%
74,660	62,678	1, 3 & 5 Changi Business Park Crescent	26.7	97.1%
38,774	32,104	2 Changi Business Park Crescent	10.3	100.0%
18,388	15,288	3 Changi Business Park Vista	5.8	76.4%
180,948	**150,532**		**57.5**	**82.8%**
32,013	21,689	1 Science Park Drive	3.9	100.0%
26,283	18,230	87 & 89 Science Park Drive	6.7	86.8%
14,943	10,531	73 Science Park Drive	5.1	80.5%
13,552	7,915	75 Science Park Drive	3.9	94.4%
25,622	18,593	77 & 79 Science Park Drive	11.1	94.0%
112,413	**76,958**		**30.7**	**92.2%**
28,533	21,236	10 Science Park Road	10.6	82.0%
14,695	11,681	51 Science Park Road	5.2	88.8%
28,602	20,560	1 Science Park Road	10.7	87.7%
32,629	22,853	41 Science Park Road	11.7	96.5%
30,685	21,826	61 Science Park Road	12.4	96.0%
135,144	**98,156**		**50.6**	**90.5%**
31,427	26,722	Builidng No.17, Zhongguancun Software Park, No.8 West Dongbeiwang Road, Haidian District, Beijing	5.8	100.0%
79,880	81,615	No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District, Shanghai, China	2.1	26.1%
111,307	**108,337**		**7.9**	**44.3%**
762,045	**605,414**		**215.6****	**77.3%**

A-REIT'S PORTFOLIO

HIGH-SPECS INDUSTRIAL PROPERTIES / DATA CENTRES

Vertical corporate campus with high office content combined with high-specifications mixed-use industrial space

28.
Telepark

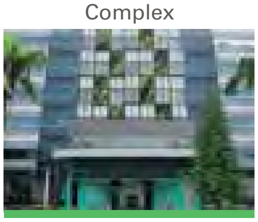
29.
Kim Chuan Telecommunications Complex

30.
38A Kim Chuan Road

31.
Techlink

32.
Siemens Centre

33.
Infineon Building



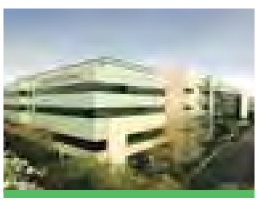
34
Techpoint

35.
Wisma Gulab

36.
KA Centre

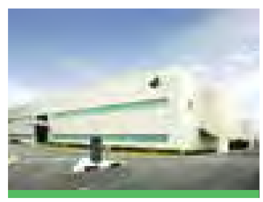
37.
KA Place

38.
Pacific Tech Centre



39.
Techview

40.
1 Jalan Kilang



41.
30 Tampines Industrial Ave 3

42.
31 Ubi Road 1

43.
50 Kallang Avenue

44
138 Depot Road

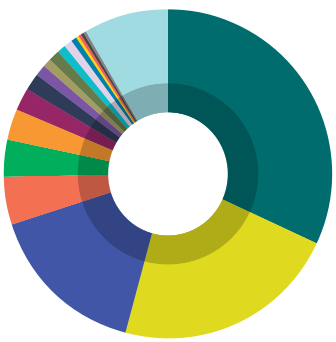
45.
2 Changi South Lane

46.
CGG Veritas Hub

47.
Corporation Place

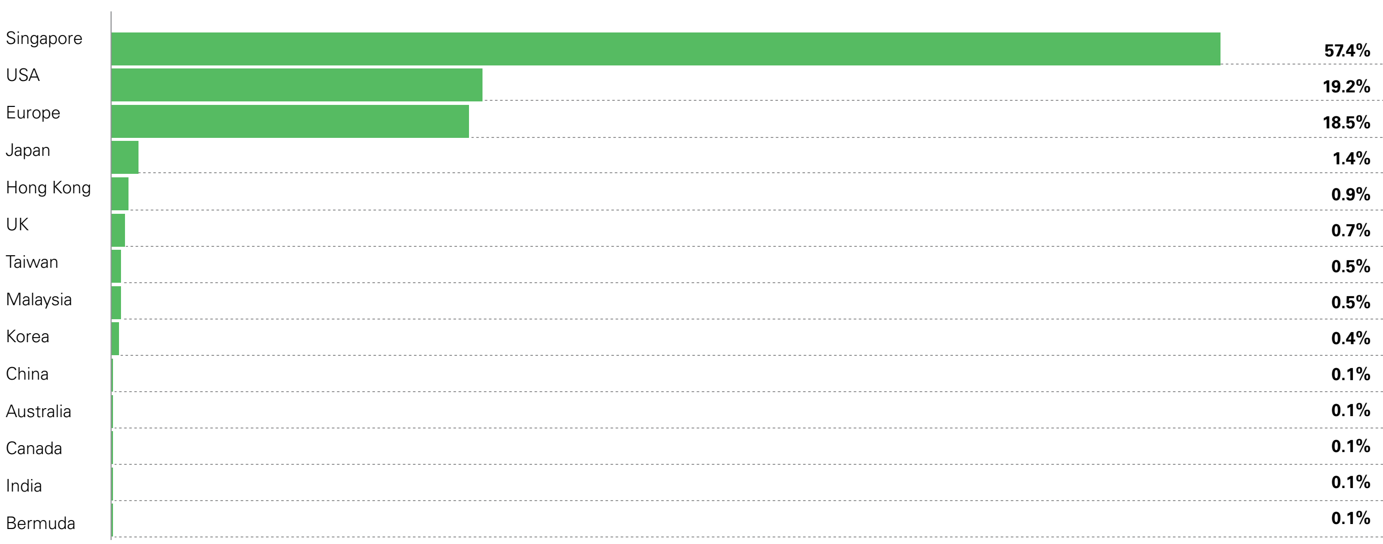
High-Specs Industrial Properties / Data Centres	Multi-tenanted Buildings	Single-tenanted Buildings	Total
No. of Properties	12	8	20
No. of Customers	262	8	270
GFA (sqm)	405,563	187,337	592,900
Gross Income (S$m)	111.6	47.7	159.3
Book Value / Valuation as at 31 March 2014 (S$m)	1,123.9	582.8	1,706.7

TENANT'S INDUSTRY MIX AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



Telecommunication & Datecentre	**31.9%**
Electronics	**22.2%**
M&E and Machinery & Equipment	**15.8%**
Information Technology	**4.7%**
Textiles & Wearing Apparels	**3.5%**
Medical, Precision & Optical Instruments, Clocks	**3.1%**
Distributors, trading company	**2.2%**
Financial	**1.7%**
Life Science	**1.1%**
Chemical	**1.0%**
Fabricated Metal Products	**0.9%**
Hotel and restaurants	**0.9%**
Construction	**0.8%**
Printing & Reproduction of Recorded Media	**0.6%**
3rd Party Logistics, Freight Forwarding	**0.4%**
Food Products & Beverages	**0.3%**
Rubber and Plastic Products	**0.2%**
Healthcare Products	**0.1%**
Others	**8.6%**

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



A-REIT'S PORTFOLIO

HIGH-SPECS INDUSTRIAL PROPERTIES / DATA CENTRES

	Property	Acquisition/ Completion Date	Purchase Price/ Development Cost (S$m)	Book Value / Valuation as at 31 March 2014 (S$m)
	Data Centres			
28	Telepark	02 Mar 05	186.0	265.7
29	Kim Chuan Telecommunications Complex	02 Mar 05	100.0	139.4
30	38A Kim Chuan Road*	11 Dec 09	100.0	122.7
	Total (Data Centres)		**386.0**	**527.8**
	High-Specs Industrial			
31	Techlink#	19 Nov 02	69.8	112.2
32	Siemens Center	12 Mar 04	65.8	102.4
33	Infineon Building#	01 Dec 04	50.9	81.0
34	Techpoint#	01 Dec 04	75.0	148.7
35	Wisma Gulab	01 Dec 04	55.7	77.0
36	KA Centre	02 Mar 05	19.2	43.3
37	KA Place	02 Mar 05	11.1	19.2
38	Pacific Tech Centre	01 Jul 05	62.0	90.0
39	Techview#	05 Oct 05	76.0	128.0
40	1 Jalan Kilang	27 Oct 05	18.7	28.2
41	30 Tampines Industrial Avenue 3	15 Nov 05	22.0	34.7
42	31 Ubi Road 1	21 Feb 06	23.0	34.1
43	50 Kallang Avenue	27 Feb 06	28.6	42.1
44	138 Depot Road#	15 Mar 06	42.3	69.3
45	2 Changi South Lane	01 Feb 07	30.0	36.5
46	CGG Veritas Hub#	25 Mar 08	18.3	22.3
47	Corporation Place	08 Dec 11	99.0	110.0
	Total (High-Specs Industrial Properties/Data Centres)		**1,153.4**	**1,706.7**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis
Acquired from Ascendas Group
* Property was valued by independent valuer at S$184.7 million. A-REIT has recorded the property at S$184.7 million comprising S$122.7 million in land and building and S$62.0 million in M & E equipment

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY13/14 (S$m)	Occupancy Rate as at 31 March 2014 (%)
40,555	24,596	5 Tampines Central 6	18.9	99.1%
35,456	25,129	38 Kim Chuan Road	10.3	100.0%
33,745	32,885	38A Kim Chuan Road	11.3	100.0%
109,756	**82,610**		**40.5**	**99.7%**
48,007	34,542	31 Kaki Bukit Road 3	14.3	95.4%
36,529	27,781	60 MacPherson Road	10.5	97.1%
27,278	27,278	8 Kallang Sector	7.0	100.0%
56,107	41,576	10 Ang Mo Kio Street 65	16.2	88.9%
15,557	11,821	190 MacPherson Road	4.7	100.0%
19,638	13,555	150 Kampong Ampat	5.3	100.0%
10,163	6,652	159 Kampong Ampat	2.4	100.0%
25,718	19,621	No. 1 Jalan Kilang Timor	7.7	91.0%
50,985	37,853	1 Kaki Bukit View	14.2	73.1%
7,158	6,026	1 Jalan Kilang	2.3	100.0%
9,593	9,593	30 Tampines Industrial Ave 3	2.4	100.0%
15,934	12,952	31 Ubi Road 1	2.2	57.3%
18,584	14,208	50 Kallang Avenue	4.1	59.3%
29,626	26,485	138 Depot Road	7.2	100.0%
26,300	20,939	2 Changi South Lane	2.2	100.0%
9,782	8,671	9 Serangoon North Ave 5	2.6	100.0%
76,185	57,522	2 Corporation Road	13.5	66.3%
592,900	**459,685**		**159.3**	**89.2%**

A-REIT'S PORTFOLIO

LIGHT INDUSTRIAL PROPERTIES / FLATTED FACTORIES

Low office content combined with manufactuing space / stacked-up manufacturing space

48. Techplace I

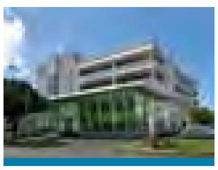
49. Techplace II

50. Osim Headquarters

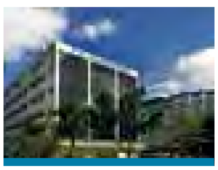
51. 41 Changi South Ave 2

52. Progen Building

53. SB Building



54. 247 Alexandra Road



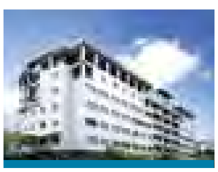
55. 5 Tai Seng Drive

56. Volex Building

57. 53 Serangoon North Ave 4

58. 3 Tai Seng Drive

59. 27 Ubi Road 4



60. 52 Serangoon North Ave 4

61. Hyflux Building

62. 25 Ubi Road 4

63. BBR Building

64. Tampines Biz-Hub

65. 84 Genting Lane

66. Hoya Building

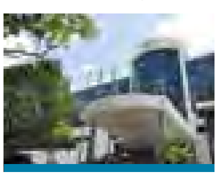
67. NNB Industrial Building

68. 37A Tampines Street 92

69. Hamilton Sundstrand Building

70. Thales Building (I & II)

71. Ubi Biz-Hub



72. 26 Senoko Way

73. 2 Senoko South Road

74. 1 Kallang Place (divested on 21 May 2014)

75. 18 Woodlands Loop

76. 9 Woodlands Terrace

77. 11 Woodlands Terrace

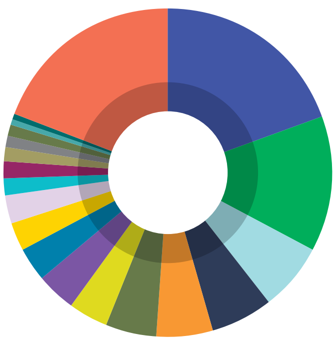
78. FoodAxis @ Senoko

79. 8 Loyang Way I

80. 31 Joo Koon Circle

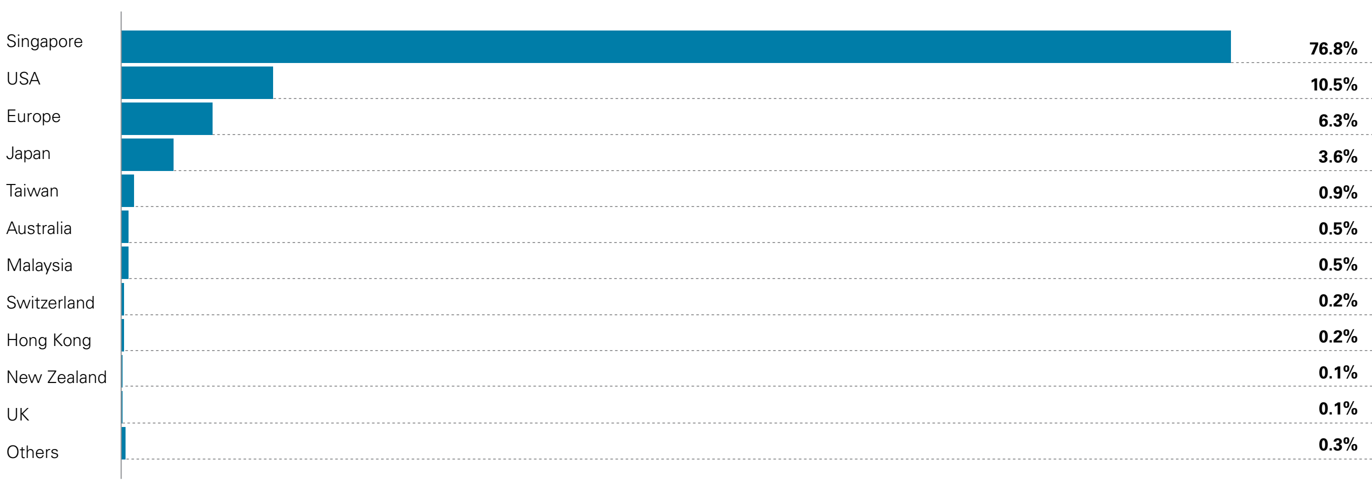
Light Industrial Properties / Flatted Factories	Multi-tenanted Buildings	Single-tenanted Buildings	Total
No. of Properties	16	17	33
No. of Customers	413	17	430
GFA (sqm)	411,113	215,489	626,602
Gross Income (S$m)	61.3	32.6	93.9
Book Value / Valuation as at 31 March 2014 (S$m)	624.3	367.4	991.7

TENANT'S INDUSTRY MIX AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



M&E and Machinery & Equipment	**19.4%**
Food Products & Beverages	**13.2%**
Electronics	**6.8%**
Construction	**5.9%**
Healthcare Products	**5.5%**
Repair and Servicing of vehicles	**5.1%**
Information Technology	**4.0%**
Fabricated Metal Products	**3.9%**
Rubber and Plastic Products	**3.2%**
Distributors, trading company	**2.8%**
Medical, Precision & Optical Instruments, Clocks	**2.7%**
Hotels and restaurants	**1.8%**
Textiles & Wearing Apparels	**1.6%**
Printing & Reproduction of Recorded Media	**1.5%**
Financial	**1.0%**
Life Science	**1.0%**
Telecommunication & Datacentre	**0.6%**
3rd Party Logistics, Freight Forwarding	**0.5%**
Others	**19.5%**

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



A-REIT'S PORTFOLIO

LIGHT INDUSTRIAL PROPERTIES / FLATTED FACTORIES

	Property	Acquisition/ Completion Date	Purchase Price/ Development Cost (S$m)	Book Value / Valuation as at 31 March 2014 (S$m)
	Flatted Factories			
48	Techplace I#	19 Nov 02	105.3	136.3
49	Techplace II#	19 Nov 02	128.9	184.3
	Total (Flatted Factories)		**234.2**	**320.6**
	Light Industrial			
50	Osim Headquarters	20 Jun 03	35.0	41.0
51	41 Changi South Ave 2	13 Oct 03	13.5	12.2
52	Progen Building	29 Jul 04	24.8	26.7
53	SB Building	26 Nov 04	17.8	23.8
54	247 Alexandra Road	01 Dec 04	44.8	64.8
55	5 Tai Seng Drive	01 Dec 04	15.3	19.0
56	Volex Building	01 Dec 04	9.4	13.0
57	53 Serangoon North Ave 4	27 Dec 04	14.0	13.2
58	3 Tai Seng Drive	01 Apr 05	19.5	19.3
59	27 Ubi Road 4	01 Apr 05	12.6	12.2
60	52 Serangoon North Ave 4	04 Apr 05	14.0	22.5
61	Hyflux Building	04 Apr 05	19.0	22.5
62	25 Ubi Road 4	16 May 05	9.0	11.8
63	BBR Building	21 Jun 05	6.8	10.1
64	Tampines Biz-Hub	05 Oct 05	16.8	19.9
65	84 Genting Lane	05 Oct 05	10.0	14.7
66	Hoya Building#	05 Oct 05	5.3	7.9
67	NNB Industrial Building	05 Oct 05	12.0	16.6
68	37A Tampines Street 92	01 Dec 05	12.3	16.9
69	Hamilton Sundstrand Building#	09 Dec 05	31.0	38.5
70	Thales Building (I & II)#	03 Jan 06 & 20 Mar 08	5.8	9.4
71	Ubi Biz-Hub	27 Mar 06	13.2	17.0
72	26 Senoko Way	08 Jan 07	15.5	16.5
73	2 Senoko South Road	08 Jan 07	33.5	36.5
74	1 Kallang Place^	01 Feb 07	12.0	10.5
75	18 Woodlands Loop	01 Feb 07	17.2	26.2
76	9 Woodlands Terrace	01 Feb 07	1.9	3.1
77	11 Woodlands Terrace	01 Feb 07	1.9	3.9
78	FoodAxis @ Senoko**	15 May 07 16 Feb 12	57.8*	78.1
79	8 Loyang Way 1	05 May 08	25.0	24.3
80	31 Joo Koon Circle	30 Mar 10	15.0	18.9
	Total (Light Industrial Properties / Flatted Factories)		**775.9**	**991.7**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis
Acquired from Ascendas Group
^ 1 Kallang Place was transferred to property held for sale as at 31 March 2014. The divestment has since been completed on 21 May 2014
* Gross floor area and net lettable area of Techplace II excludes Block 5006, which was divested to Venture Corporation Limited in March 2014 and includes new Block 5008, which obtained TOP in December 2013.
** FoodAxis @ Senoko (previously known as 1 Senoko Avenue) was first acquired on 15 May 2007 for S$11.2 million and was subsequently redeveloped to maximise the allowable plot ratio. The redevelopment was completed on 16 February 2012.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY13/14 (S$m)	Occupancy Rate as at 31 March 2014 (%)
81,981	59,664	Blk 4008 - 4012 Ang Mo Kio Ave 10	13.1	99.1%
115,162*	84,853*	Blk 5000 - 5004, 5008 - 5014 Ang Mo Kio Ave 5	15.7	77.1%
197,143	**144,517**		**28.8**	**86.1%**
17,683	15,068	65 Ubi Ave 1	3.3	100.0%
9,158	6,101	41 Changi South Ave 2	1.5	71.0%
19,887	16,609	12 Woodlands Loop	2.8	100.0%
13,998	11,895	25 Changi South Street 1	2.6	100.0%
13,699	12,803	247 Alexandra Road	4.9	100.0%
12,930	11,410	5 Tai Seng Drive	2.2	100.0%
8,931	8,000	35 Tampines Street 92	1.4	100.0%
10,589	7,810	53 Serangoon North Ave 4	1.7	100.0%
14,929	11,845	3 Tai Seng Drive	2.2	100.0%
9,087	7,227	27 Ubi Road 4	1.2	94.8%
14,767	11,799	52 Serangoon North Ave 4	2.4	100.0%
20,465	16,980	202 Kallang Bahru	1.8	100.0%
7,998	6,266	25 Ubi Road 4	1.3	74.1%
6,501	5,421	50 Changi South Street 1	1.1	100.0%
18,086	14,445	11 Tampines Street 92	2.7	91.4%
11,917	9,683	84 Genting Lane	2.1	91.8%
6,505	6,282	455A Jalan Ahmad Ibrahim	0.9	100.0%
11,537	9,794	10 Woodlands Link	1.9	100.0%
12,011	10,134	37A Tampines Street 92	1.3	100.0%
17,737	16,774	11 Changi North Rise	3.2	100.0%
7,772	7,772	21 Changi North Rise	1.4	100.0%
12,978	10,725	150 Ubi Avenue 4	2.3	100.0%
12,616	10,723	26 Senoko Way	1.0	0.0%
23,457	18,079	2 Senoko South Road	2.9	100.0%
15,490	12,265	1 Kallang Place	1.1	100.0%
18,422	16,056	18 Woodlands Loop	2.1	87.9%
2,774	2,341	9 Woodlands Terrace	0.3	100.0%
2,810	2,919	11 Woodlands Terrace	0.2	100.0%
43,362	44,439	1 Senoko Avenue	8.2	100.0%
13,725	13,725	8 Loyang Way 1	1.8	100.0%
17,638	15,421	31 Joo Koon Circle	1.4	100.0%
626,602	**515,328**		**93.9**	**92.5%**

A-REIT'S PORTFOLIO

LOGISTICS & DISTRIBUTION CENTRES

Warehousing and distribution centres

81.
IDS Logistics Corporate HQ

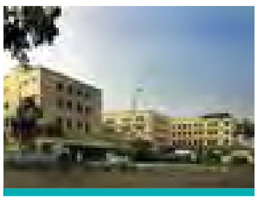
82.
LogisTech

83.
10 Toh Guan Road

84.
Changi Logistics Centre

85.
Nan Wah Building

86.
C&P Logistics Hub



87.
Xilin Districentre Building A&B

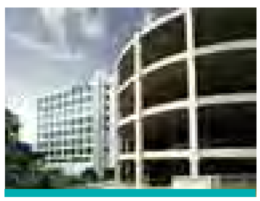
88.
MacDermid Building

89.
Xilin Districentre Building D

90.
9 Changi South Street 3

91.
5 Toh Guan Road East

92.
Xilin Districentre Building C



93.
Senkee Logistic Hub (Phase I & II)

94.
1 Changi South Lane

95.
LogisHub @ Clementi

96.
GSH Centre

97.
21 Jalan Buroh

98.
Sembawang Kimtrans Logistics Centre

99.
Sim Siang Choon Building

100.
15 Changi North Way

101.
Pioneer Hub

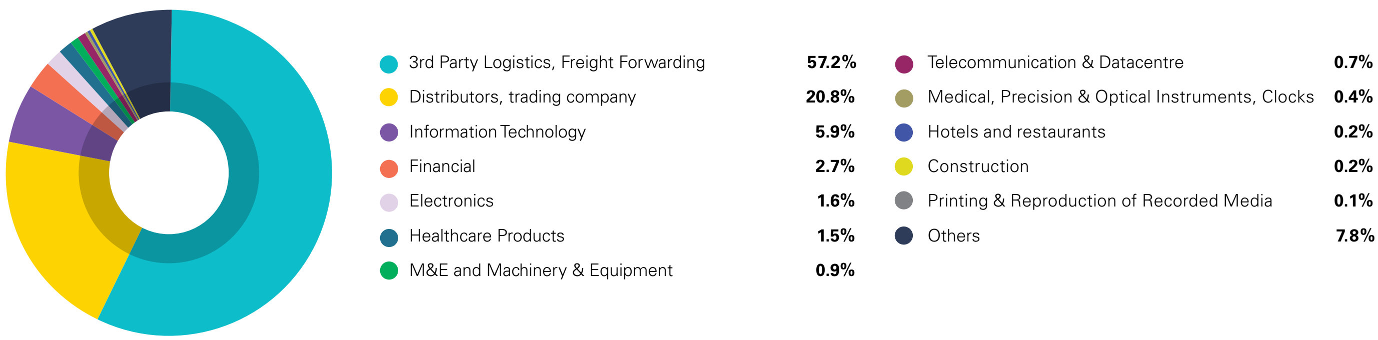
102.
71 Alps Avenue

103.
90 Alps Avenue

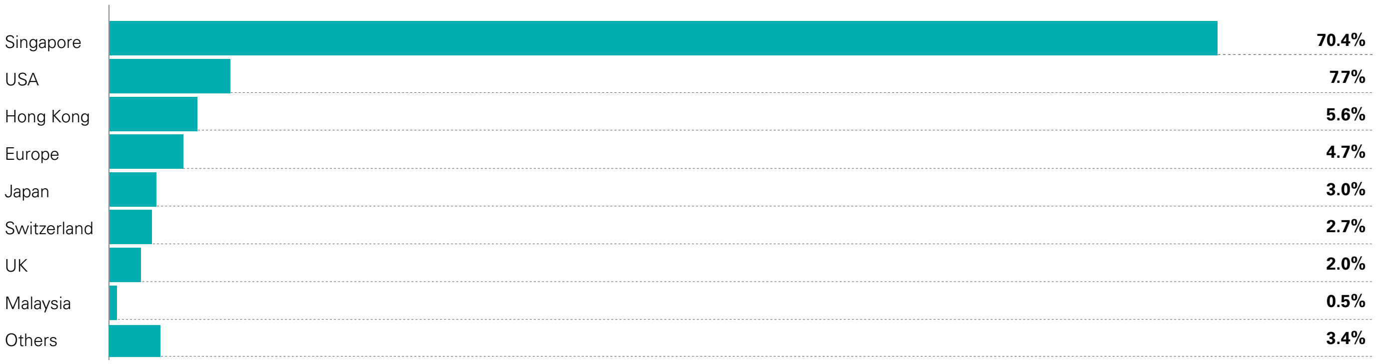
Logistics & Distribution Centres	Multi-tenanted Buildings	Single-tenanted Buildings	Total
No. of Properties	12	11	23
No. of Customers	170	11	181
GFA (sqm)	416.165	413,612	829,777
Gross Income (S$m)	70.6	55.3	125.9*
Book Value / Valuation as at 31 March 2014 (S$m)	631.8	700.4	1,332.2

* Gross income for Logistics & Distribution Centres excludes gross income of S$0.1 million from 6 Pioneer Walk, which was divested in May 2013

TENANT'S INDUSTRY MIX AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2014 (BY GROSS RENTAL INCOME)



A-REIT'S PORTFOLIO

LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price/ Development Cost (S$m)	Book Value / Valuation as at 31 March 2014 (S$m)
	Logistics & Distribution Centres			
81	IDS Logistics Corporate HQ	19 Feb 04	50.0	41.1
82	LogisTech	04 Mar 04	32.0	46.9
83	10 Toh Guan Road	05 Mar 04	92.0	122.6
84	Changi Logistics Centre	09 Mar 04	45.6	80.6
85	Nan Wah Building	31 May 04	23.3	30.9
86	C&P Logistics Hub	21 Jul 04	225.0	265.7
87	Xilin Districentre Building A&B	02 Dec 04	31.1	35.5
88	MacDermid Building	02 Dec 04	5.5	7.3
89	Xilin Districentre Building D	09 Dec 04	33.5	25.5
90	9 Changi South Street 3	28 Dec 04	32.0	40.9
91	5 Toh Guan Road East	28 Dec 04	36.4	32.1
92	Xilin Districentre Building C	05 May 05	30.6	26.0
93	Senkee Logistics Hub (Phase I & II)	23 Sep 05 & 01 Feb 08	105.2	121.3
94	1 Changi South Lane	05 Oct 05	34.8	43.7
95	LogisHub @ Clementi#	05 Oct 05	18.1	32.3
96	GSH Centre	18 Nov 05	11.0	16.6
97	21 Jalan Buroh	14 Jun 06	58.4	66.7
98	Sembawang Kimtrans Logistics Centre	14 Jun 06	19.6	24.1
99	Sim Siang Choon Building	19 Mar 08	31.9	29.0
100	15 Changi North Way	29 Jul 08	36.2	48.4
101	Pioneer Hub	12 Aug 08	79.3	115.0
102	71 Alps Avenue	02 Sep 09	25.6	30.5
103	90 Alps Avenue	20 Jan 12	37.9	49.7
	Total (Logistics & Distribution Centres)		**1,095.0**	**1,332.2**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis
Acquired from Ascendas Group
* The total gross income for Logistics & Distribution Centres excludes gross income of S$0.1 million from 6 Pioneer Walk which was divested in May 2013

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY13/14 (S$m)	Occupancy Rate as at 31 March 2014 (%)
23,751	21,883	279 Jalan Ahmad Ibrahim	4.8	100.0%
30,332	27,055	3 Changi North Street 2	6.4	95.7%
52,147	40,175	10 Toh Guan Road	13.1	86.4%
51,742	39,194	19 Loyang Way	10.5	94.2%
18,794	15,336	4 Changi South Lane	3.1	97.9%
138,359	128,021	40 Penjuru Lane	19.6	100.0%
24,113	20,788	3 Changi South Street 2	4.1	100.0%
5,085	5,085	20 Tuas Ave 6	0.9	100.0%
18,619	15,610	6 Changi South Street 2	1.5	60.7%
28,648	24,242	9 Changi South Street 3	4.6	82.4%
29,741	23,783	5 Toh Guan Road East	3.3	95.1%
18,708	13,035	7 Changi South Street 2	2.6	88.8%
87,842	71,749	19 & 21 Pandan Avenue	8.8	100.0%
25,768	23,528	1 Changi South Lane	4.4	100.0%
26,505	22,646	2 Clementi Loop	3.9	98.4%
10,107	9,494	11 Changi North Way	1.0	100.0%
48,140	47,616	21 Jalan Buroh	4.1	100.0%
16,353	15,410	30 Old Toh Tuck Road	1.4	100.0%
12,981	12,981	21 Changi South Avenue 2	2.2	100.0%
31,961	28,974	15 Changi North Way	4.3	100.0%
91,048	81,041	15 Pioneer Walk	13.1	100.0%
12,756	11,627	71 Alps Avenue	3.0	100.0%
26,277	26,277	90 Alps Avenue	5.2	100.0%
829,777	**725,550**		**125.9***	**96.9%**

A-REIT'S PORTFOLIO

WAREHOUSE RETAIL FACILITIES

Retail frontage with warehousing facility at the back of the property

104.
Courts Megastore

105.
Giant Hypermart

	Property	Acquisition/ Completion Date	Purchase Price/ Development Cost (S$m)	Book Value / Valuation as at 31 March 2014 (S$m)	GFA (sqm)	NLA (sqm)	Address	Gross Income for FY13/14 (S$m)	Occupancy Rate as at 31 March 2014 (%)
104	Courts Megastore	30 Nov 06	46.0	65.9	28,410	28,410	50 Tampines North Drive 2	6.9	100.0%
105	Giant Hypermart	06 Feb 07	65.4	87.3	42,194	42,178	21 Tampines North Drive 2	8.1	100.0%
	Total (Warehouse Retail Facilities)		**111.4**	**153.2**	**70,604**	**70,588**		**15.0**	**100.0%**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis

INDEPENDENT MARKET STUDY (SINGAPORE)

By DTZ Debenham Tie Leung (SEA) Pte Ltd

1.0 ECONOMIC OVERVIEW

Economic Review

Despite the global economy remaining relatively weak, Singapore's economy picked up moderately in 2013, growing by 4.1%, which was significantly higher than the 1.9% in 2012. This growth was mainly supported by the services producing industries, which grew by 5.3% in 2013, compared with 2.0% in 2012. Nonetheless, the manufacturing sector, a key driver of demand for industrial real estate, also showed improvement over the same period, expanding by 1.7%, a marked increase from the 0.3% in 2012. Notably, manufacturing growth was bolstered by the transport engineering and electronic clusters. Meanwhile, inflation moderated from 4.6% in 2012 to 2.4% in 2013, similar to the annual average over the past decade (2.4%).

Outlook

Global economic prospects are expected to improve modestly in 2014 due to the gradual recovery in the US and Eurozone, which in turn is expected to have a positive effect on key Asian economies. Despite the tight labour market, Singapore's economy is expected to grow by about 2.0% to 4.0% in 2014, as externally-oriented sectors are likely to continue to pick up. Meanwhile, consumer prices are projected to grow at a sustainable rate of about 2.0% to 3.0% in 2014.

2.0 INDUSTRIAL PROPERTY MARKET HIGHLIGHTS

Budget 2013

A major thrust in Budget 2013 was "Restructuring for Quality Growth", which focused on enhancing productivity. This primarily involved a tightening of foreign worker policies as well as the provision of support packages to help businesses restructure. In addition, the property tax refund concession for vacant properties was removed, with effect from 1 January 2014, as part of the rationalisation of tax treatment of vacant properties.

Government Measures and Policies

Given the run-up in property prices since 2010, the government has implemented a slew of policies and measures to cool the property market and discourage speculative activity. The measures in 2013 continued to focus on this aspect, and those particular to the industrial market were structured to better ensure that industrialists' real estate needs were met (Table 2.1).

TABLE 2.1: MAJOR GOVERNMENT MEASURES AND POLICIES

Measure/ Policy	Comments
Government continuing to release an adequate supply of industrial land through the Industrial Government Land Sales ("IGLS") Programme	• Sites offered in the H2 2013 and H1 2014 IGLS programmes continued to be smaller, with shorter tenures (maximum of 30 years) • 20.42 ha of industrial land was made available in the H1 2014 IGLS list
Revision to upfront land premium payment scheme for new assignment contracts under JTC Corporation ("JTC") leased sites involving third-party facility providers (Effective 1 January 2013)	• This policy change may either increase acquisition costs for institutional investors such as Real Estate Investment Trusts ("REITs") purchasing industrial buildings from sellers of JTC-leased land or result in sellers moderating their sales price expectations • Option of a monthly land rental payment scheme remains open to buyers which are industrialists
Imposition of the Seller's Stamp Duty ("SSD") on industrial properties and land bought within three years from the date of purchase (Effective 12 January 2013)	• Industrial property price growth in 2013 moderated to a more sustainable level • Imposition of the SSD has not affected institutional investors in 2013, which typically take a longer investment horizon and has created a more conducive environment for sustainable growth in the market
JTC reducing the minimum GFA for new anchor tenants of third-party facility providers (Effective 5 April 2013)	• Created a more conducive environment for industrial developers/ landlords on JTC properties to exercise some degree of flexibility pertaining to their target tenant markets e.g., landlords are better able to cater to prospective tenants with smaller space requirements • This is beneficial to third-party facility providers such as REITs

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Measure/ Policy	Comments
Introduction of the Total Debt Servicing Ratio ("TDSR") framework for all property loans granted by financial institutions to individuals (Effective 29 June 2013)	• Provides a more robust basis for assessing the debt servicing ability of borrowers applying for property loans, taking into consideration their overall outstanding debt obligations • This mainly affected retail investors, rather than institutional investors and industrialists looking to purchase premises • Its collective effect with the SSD has dampened buying activity, particularly in the strata-titled market
The Housing Development Board ("HDB") disallowing new commercial/ industrial tenants from assigning their tenancies (Effective 16 October 2013)	• Tenants are required to return their premises to HDB for re-tender if they wish to exit their businesses. For existing tenancies, a three-year window will be given to help them make business adjustments
JTC revising its Assignment of Lease policy (Effective 15 November 2013)	• Industrialists and third-party facility providers who own industrial properties on JTC-leased sites are required to occupy the leased premises for a longer period before they may assign • JTC also increased the Minimum Occupation Period ("MOP") for new anchor tenants under the third-party Build-and-Lease scheme • Third-party facility providers such as REITs are not expected to be significantly impacted by this policy change as they are long-term investors

Draft Master Plan 2013

The Draft Master Plan 2013 is expected to provide the industrial property market with long-term growth opportunities. Major new economic hubs include the North Coast Innovation Corridor, which comprises the Woodlands Regional Centre, Punggol Learning Corridor and Creative Cluster. Others include the rejuvenation of Sungei Kadut and Defu industrial estates as well as the development of new industrial estates at Jalan Bahar/ Wenya/ Tengah, Lorong Halus and Seletar West. Over the long-term, these developments are expected to enhance the overall profile of the industrial market in Singapore.

Impact of Iskandar Malaysia on Singapore

The growth of Iskandar Malaysia has attracted some industrialists, which are facing increasing pressures due to rising business costs and a tight labour market, to relocate there. Consequently, there has been increased collaboration between Malaysia and Singapore to harness the "Iskandar-Malaysia-Singapore" twinning model, such that companies are able to leverage on each country's strengths. With Iskandar Malaysia viewed primarily as a complementary economic node to Singapore and amid on-going plans to improve connectivity between the two regions, there will be greater investment opportunities for both regions in the mid- to long-term, given that more MNCs are seeking to establish their presence in South East Asia.

Industrial Property Prices in 2013

Industrial property prices in Singapore have been escalating over the past three years, amid the low interest rate environment and significant capital inflows into the region. The emergence of many industrial strata-titled properties for sale also contributed to this run-up. According to JTC, median multiple-user factory and warehouse prices have risen by about 20% to 30% per annum from 2009 to 2012. Industrial price growth moderated to a more sustainable level in 2013, of around 2% to 4% due to the imposition of the SSD and TDSR frameworks.

On the other hand, investment transaction activity for the industrial sector continued to stay healthy, largely led by REITs, reflecting that institutional investors focused in the industrial sector were relatively resilient, despite the government measures in 2013. Total private sector spending on industrial properties was $3.6 billion in 2013, only about 3% below that in 2012.

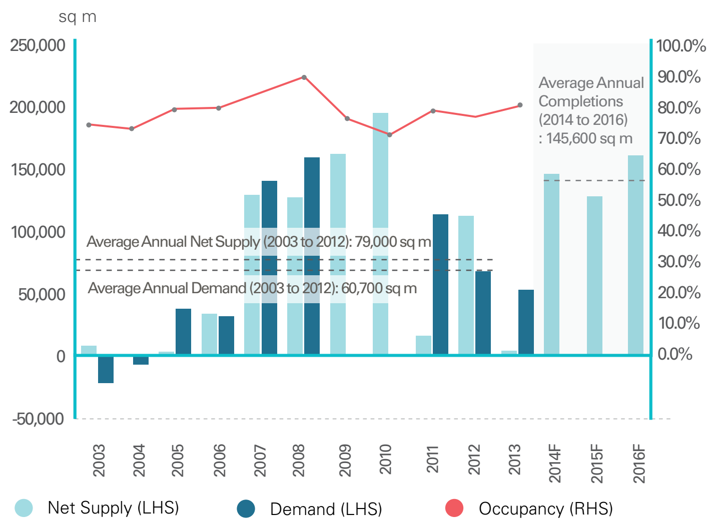
Taking into account that the government measures implemented in 2013 are likely to stay, overall industrial property and land prices are expected to grow in 2014 at a more sustainable rate.

3.0 BUSINESS AND SCIENCE PARK[1]

Existing Stock

Private business park stock rose by 0.3% (4,000 sqm) in 2013, significantly lower than the 113,000 sqm in 2012 (Figure 3.1). This was one of the lowest net supply over the past decade. Despite the completion of several major business park developments in one-north, Singapore Science Park and Changi Business Park e.g., Procter & Gamble Singapore Innovation Centre, 2M2P and Sandcrawler, there was significant withdrawal of supply due to redevelopment (terminations) (97,000 sqm) e.g., the revitalisation of Singapore Science Park and the redevelopment of The Comtech in the Alexandra Precinct.

FIGURE 3.1: NET SUPPLY, DEMAND AND OCCUPANCY (PRIVATE BUSINESS PARK) FY14/15



Source: JTC, DTZ Consulting & Research, March 2014

As at Q4 2013, there was a total of 1.3 million sqm of private business park space and this constituted about 4% of the overall private industrial stock in Singapore (35.7 million sqm). A majority of the business park stock is located in the Central Region (594,300 sqm, 47%[2]), while the remaining is distributed evenly across the East Region (340,800 sqm, 27%) and West Region (338,400 sqm, 27%).

Potential Supply

The overall pipeline supply from 2014 to 2016, at 436,900 sqm, is mainly concentrated in the Central Region, notably at one-north (201,900 sqm, 46%) and Mapletree Business City (102,400 sqm, 23%), followed by Singapore Science Park (79,100 sqm, 18%). The remaining 12% (53,500 sqm) is located in Changi Business Park. Major completions in 2014 include Galaxis at Fusionopolis Place and Nucleos at Biopolis Road.

The potential supply, excluding terminations, over the next three years averages at about 145,600 sqm per annum. In terms of net supply, this is likely to be higher than the average annual net supply over the past decade (79,000 sqm). Nonetheless, about 43% of the potential business park developments are single-user built-to-suits. Taking into account the pre-commitment rates of the multiple-user developments, the supply pressure over the next three years is not expected to be a major concern.

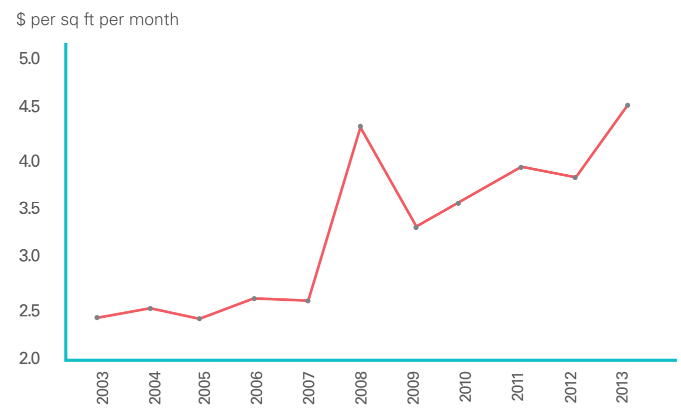
Demand and Occupancy

While there were tenants moving out of the older business parks due to the weak economic conditions, overall business park demand increased considerably by 53,000 sqm in 2013, comparable to the average annual demand over the past decade (60,700 sqm). In particular, there was strong demand support from biomedical and Technology, Media and Telecommunications ("TMT") industries, particularly for the newer business park developments at one-north. There was also substantial demand from TMT companies for ONE@Changi City and UE BizHub East at Changi Business Park. With the low net supply due to the significant terminations and sizeable increase in demand, islandwide private business park occupancy rose by 3.9%-points from 78.2% in Q4 2012 to 82.1% in Q4 2013, the highest since 2008.

Median Rents[3]

Alongside the broad recovery in office rents towards the end of 2013 as well as the strong commitments at newly completed business park developments, particularly at one-north, median monthly rents for private business parks rose by about 18% from $3.81 per sq ft ($41.01 per sqm) in Q4 2012 to $4.49 per sq ft ($48.33 per sqm) in Q4 2013 (Figure 3.2). While there is keen interest in newly completed business park developments, occupier activity for the older developments was relatively weak. This has resulted in a two-way movement in business park rents, where rents in the older developments have softened, while rents in the newer ones are on an uptrend.

FIGURE 3.2: MEDIAN RENTS (PRIVATE BUSINESS PARK)



Source: URA, JTC, DTZ Consulting & Research, March 2014

Outlook

The relatively positive economic prospects as well as growing interest by occupiers to locate to fringe and decentralised locations, bode well for business parks. The strong government focus on knowledge-intensive and higher-value industries e.g., Social media, Mobility, Analytics and Cloud computing ("SMAC") services and aviation is also expected to help drive demand for business park space.

Apart from business park space being a lower-cost alternative compared with offices, whose rentals have been on an uptrend since Q2 2013, many companies are attracted to their comprehensive facilities and environment. Meanwhile, additions to the pipeline supply are not expected to affect rental prospects, as a significant proportion is either pre-committed or single-user

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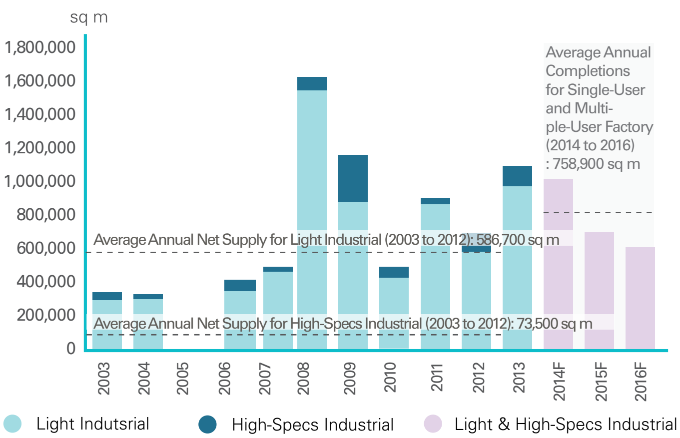
built-to-suit facilities. In view of the abovementioned as well as an expected acceleration in overall office rentals in Singapore, private islandwide business park rentals are projected to grow by about 5% to 7% in 2014.

4.0 LIGHT[4] AND HIGH-SPECS[5] INDUSTRIAL

Existing Stock

According to DTZ's estimates, there was about 1.6 million sqm of high-specs industrial stock in Singapore, about 8% higher than the 1.4 million sqm in 2012 (Figure 4.1). Meanwhile, light industrial stock amounted to 25.2 million sqm in 2013, about 4% higher than the 24.3 million sqm in 2012. In total, there is about 26.8 million sqm of private single-user and multiple-user factory stock, as at Q4 2013.

FIGURE 4.1: NET SUPPLY (PRIVATE LIGHT AND HIGH-SPECS INDUSTRIAL)



Source: JTC, DTZ Consulting & Research, March 2014

Notably, high-specs industrial stock has been growing more rapidly than light industrial over the recent years, alongside Singapore's focus on higher-value and knowledge-intensive industries. Some of the major high-specs industrial developments completed in 2013 include K&S Corporate Headquarters at Serangoon and the repositioned development at 31 Ubi Road 1 (former a single-tenanted light industrial property known as Aztech Building).

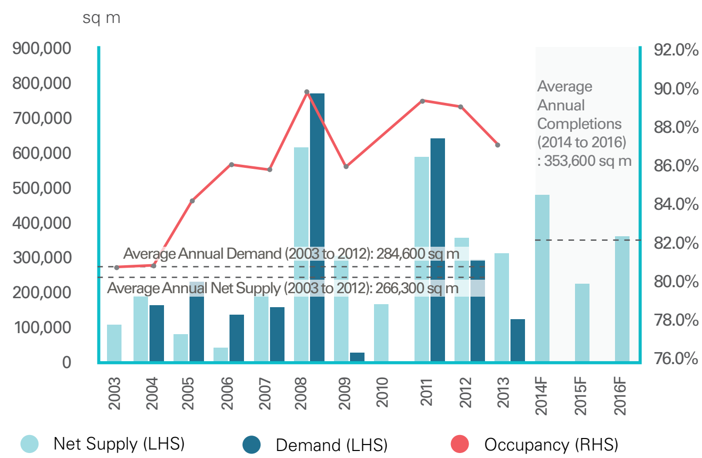
Potential Supply

DTZ estimates that there is approximately 2.3 million sqm of private single-user and multiple-user factory space in the pipeline from 2014 to 2016, about 8% of the existing stock in 2013. Majority (1.0 million sqm, 44%) is expected to complete in 2014, followed by 684,700 sqm (30%) in 2015 and 596,200 sqm (26%) in 2016. Of the potential supply in 2014, about 15% to 20% (150,000 to 200,000 sqm) is expected to be high-specs industrial space. The level of high-specs industrial completions in 2014 is expected to be the highest since the economic downturn in 2008, and this may put some pressure on the segment. A notable high-specs industrial development completing in 2014 is Aperia at Lavender. There are also some major data centres completing in 2014 e.g., Equinix SG3 IBX Data Centre at one-north.

Demand and Occupancy[6]

Despite the relatively weak manufacturing sector in 2013, annual demand for private multiple-user factories was positive at 126,000 sqm (Figure 4.2). However, it was lower than the 295,000 sqm in 2012 as well as the average annual demand from 2003 to 2012 (284,600 sqm).

FIGURE 4.2: NET SUPPLY, DEMAND AND OCCUPANCY (PRIVATE MULTIPLE-USER FACTORY)



Source: JTC, DTZ Consulting & Research, March 2014

The moderated increase in demand was mainly a result of industrialists curtailing their expansion plans, with some even looking to streamline their industrial space requirements while moving to lower-cost locations. This was due to industrialists facing a challenging operating environment, accentuated by a tight labour market and rising utility, trade and transport costs.

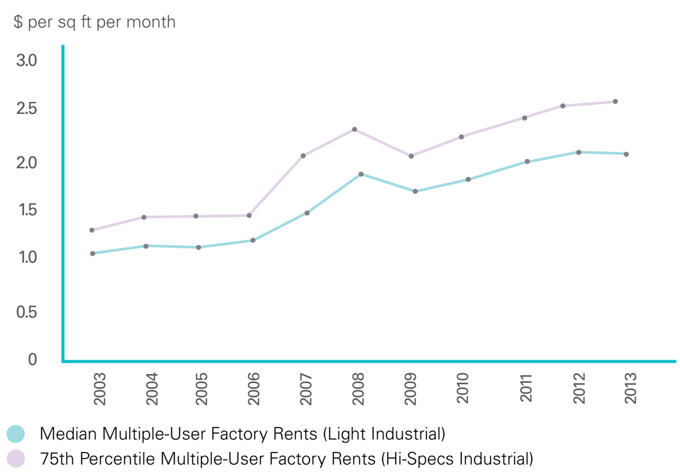
In particular, there was a contraction in demand in the Central Region, where rents are typically higher, reflecting the higher cost-sensitivity of industrialists. Conversely, the North Region, where the proposed North Coast Innovation Corridor is located, saw a strong increase in demand in 2013 (118,000 sqm compared with 61,000 sqm in 2012).

Annual demand did not match up to the significant net supply in 2013, of which a considerable proportion was from factories that were strata-titled for sale. As such, occupancy for private multiple-user factory fell by 2.0%-points, from 89.1% in 2012 to 87.1% in 2013.

Rents[7]

The weaker occupancy for multiple-user factories in 2013, driven by those that are strata-titled for sale remaining vacant despite being mostly sold, resulted in light industrial monthly gross rents correcting by 1.0% from $2.00 per sq ft ($21.53 per sqm) in 2012 to $1.98 per sq ft ($21.31 per sqm) in 2013 (Figure 4.3). On the other hand, high-specs industrial monthly rents, which are traditionally correlated with the office market, rose by 2.0% in 2013 from $2.50 per sq ft ($26.91 per sqm) to $2.55 per sq ft ($27.45 per sqm) over the same period, amid the increase in office rents.

FIGURE 4.3: RENTS (PRIVATE LIGHT AND HIGH-SPECS INDUSTRIAL)



Source: URA, JTC, DTZ Consulting & Research, March 2014

Outlook

The manufacturing sector is likely to experience a positive business situation in 2014, driven by the biomedical and precision engineering clusters. Notwithstanding, the operating environment for industrialists remains challenging, in view of rising business costs and on-going economic uncertainties in major economies. As such, light industrial rental growth in 2014 is likely to mirror the performance of private multiple-user factory rentals in 2013, growing by about 3% to 4%. The considerable supply pressure in the high-specs industrial segment is expected to weigh down on its rental growth potential. As such, high-specs industrial rents are likely to grow by around 2% to 3% in 2014.

5.0 LOGISTICS AND DISTRIBUTION CENTRES[8]

Existing Stock

Private warehouse stock grew by 4.3% from 7.3 million sqm in 2012 to 7.6 million sqm in 2013, translating to a net supply of 315,000 sqm. This was the highest over the past four years and is significantly higher than the average annual net supply from 2003 to 2012 (193,000 sqm). Warehouses completed in 2013 were mainly in the West Region and were a mix of single-user and multiple-user warehouses. In particular, many of these newly completed developments were ramp-up warehouses, with some achieving BCA Green Mark awards. As at end 2013, majority of Singapore's private warehouse stock was in the West Region (4.6 million sqm, 60%), followed by the Central Region (1.2 million sqm, 16%) and the East Region (1.1 million sqm, 14%). There are relatively fewer warehouses in the North and North East Regions.

Potential Supply

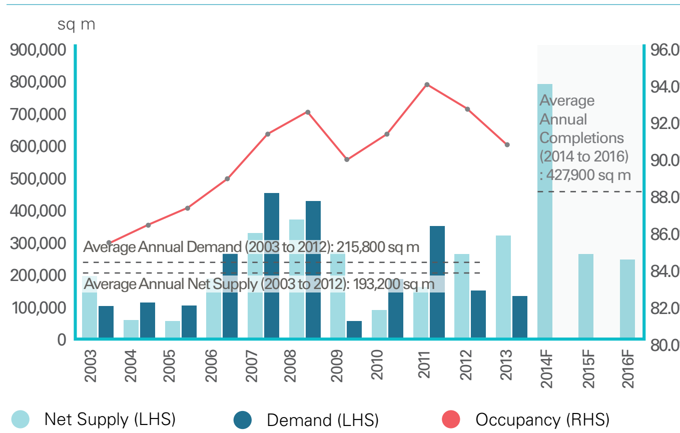
About 1.3 million sqm of private warehouse space is in the pipeline, of which majority is expected to complete in 2014 (783,500 sqm, 61%). Most (991,800 sqm, 77%) of the potential warehouse supply is in the West Region. Major developments completing in 2014 include Cogent1.Logistics Hub, an integrated, full service logistics hub at Tanjong Kling, FairPrice Hub, NTUC FairPrice's Automated Sortation Distribution Centre at Joo Koon as well as Big Box, a warehouse retail development at Jurong Lake District. Many of these warehouses are for owner-occupation or are pre-committed by single users, hence the large potential supply in the year is not expected to impact the warehousing market significantly.

Demand and Occupancy

Demand for private warehouse space amounted to 129,000 sqm in 2013, moderating from the 145,000 sqm in 2012 (Figure 5.1). This was in line with the slightly slower growth in the transport & storage sector, which grew by 3.0% in 2013, compared with 3.4% in 2012.

Weak trade and manufacturing growth as well as competition from lower-cost warehousing alternatives in emerging countries contributed to the moderated increase in demand in 2013.

FIGURE 5.1: NET SUPPLY, DEMAND AND OCCUPANCY (PRIVATE WAREHOUSE SPACE)



Source: JTC, DTZ Consulting & Research, March 2014

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By DTZ Debenham Tie Leung (SEA) Pte Ltd

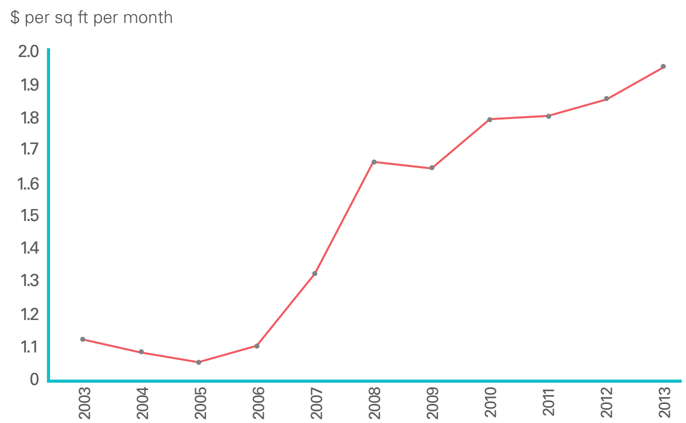
Nonetheless, growth (5.6%) in the wholesale & retail trade sector in 2013, especially in the wholesale segment, provided demand support for warehouse space, ameliorating the moderation to some extent.

Given the moderated increase in demand and the large supply in 2013, occupancy for private warehouse space fell by 2.1%-points from 92.9% in Q4 2012 to 90.8% in Q4 2013. This was the second consecutive yearly decline in occupancy for warehouse space, mainly due to significant net supply in 2012 and 2013.

Median Rents

Despite the decline in occupancy, median monthly rents of private warehouse space grew for the fourth consecutive year since 2009, by 5.4% from $1.85 per sq ft ($19.91 per sqm) in Q4 2012 to $1.95 per sq ft ($20.99 per sqm) in Q4 2013 (Figure 5.2). The increase can be partly attributed to the fact that recently completed warehouses are more functional and well-specified e.g., equipped with ramp-up facilities. Notably, median warehouse rents have reached its highest level in 2013 ($1.90 to $2.00 per sq ft ($20.45 to $21.53 per sqm) per month) over the past decade.

FIGURE 5.2: MEDIAN RENTS (PRIVATE WAREHOUSE SPACE)



Source: JTC, DTZ Consulting & Research, February 2014

Outlook

Compared with light industrial, the rental outlook for private warehouse space, especially those geared for logistics and distribution functions, is expected to be more positive. Singapore is already an established global and regional logistics hub, being ranked the highest in Asia Pacific and 5th globally by the World Bank's International Logistics Performance Index[9] in 2014, especially for its efficiency in customs clearance and infrastructure. Rising Asian consumerism, growing interest in ASEAN as a regional trade hub and the expected formation of the ASEAN Economic Community in 2015 is expected to benefit Singapore's warehouse sector. The government has also made longer-term plans to enhance Singapore's competitiveness as a logistics hub e.g., strengthening aviation and port infrastructure, and is expected to be able to better capture higher value logistics industries. Alongside these plans, there are already global logistics companies e.g., CEVA Logistics setting up their regional Centres of Excellence in Singapore to better tap on the region's opportunities. Business expectations of the manufacturing sector for H1 2014 are also more positive and this will further bolster demand for warehouses.

Although the potential warehouse supply in 2014 is significant, it is not expected to impact on warehouse rentals as many of these upcoming warehouses will be owner-occupied or have been pre-committed. Consequently, private warehouse rents are expected to rise by about 3% to 4% in 2014.

1. According to the Urban Development Authority ("URA") and JTC, science parks where the primary activity is R&D are included in the Business Park category from Q3 2002. This report focuses on private business parks.
2. Some figures in this report may not add up due to rounding off.
3. Median rentals in this report are obtained from the URA's REALIS database and refer to gross rent including service charge and Goods and Services Tax ("GST"). Rental information is dependent on the number of rental transactions in the quarter and is obtained from returns filed with the Inland Revenue Authority of Singapore ("IRAS"). When a property is let out, the property owner has to inform IRAS the details of the tenancy agreement.
4. All multiple-user and single-user factory space, excluding high-specs industrial and business park space. This report focuses on private industrial space.
5. There is currently no official definition for high-specs industrial space. According to A-REIT, they are typically vertical corporate campuses with high office content combined with high specifications mixed-use industrial space. These type of properties house largely multi-national companies which wish to co-locate their manufacturing activities with their HQ operations functions. These also include data centres.
6. Demand and occupancy data for the high-specs and light industrial segments is unavailable. Consequently, the demand and occupancy trends for private multiple-user factory are used.
7. The 75th percentile monthly rentals for multiple-user factory space were used as a proxy for high-specs industrial rental trends, while the median rentals for multiple-user factory space were used as a proxy for light industrial rental trends.
8. There are no official statistics on logistics and distribution centres in Singapore. The report primarily uses private warehouse data from JTC.
9. The World Bank's International Logistics Performance Index is based on a worldwide survey of operators on the ground (global freight forwarders and express carriers), providing feedback on the logistics "friendliness" of the countries in which they operate and those with which they trade. It provides qualitative evaluations of a country's performance along the logistics supply chain in six areas by its trading partners—logistics professionals working outside the country.

INDEPENDENT MARKET STUDY (BEIJING & SHANGHAI)

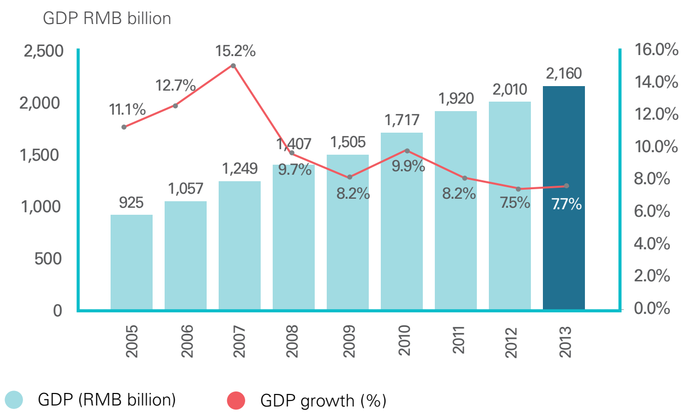
By Jones Lang LaSalle

SHANGHAI BUSINESS PARK

1.Macro Economy Overview

GROSS DOMESTIC PRODUCT (GDP)

SHANGHAI GDP & GROWTH TREND



Source: Shanghai Statistics Bureau

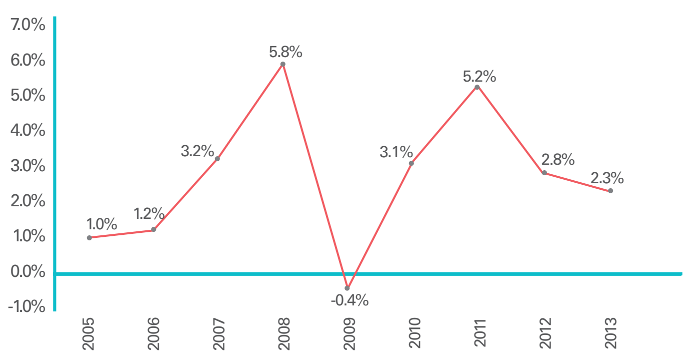
According to the Shanghai Statistics Bureau, Shanghai's GDP grew 7.7% to reach RMB2,160 billion in 2013. Steady improvement in industrial production and strong growth in e-commerce supported the GDP growth. In addition, fixed investment and trade grew steadily while non-state investment outgrew state investment.

The tertiary sector accounted for 62.2% of Shanghai's overall GDP in 2013, with an accelerating growth rate of 8.8%. Finance, real estate, IT and software industries were the major drivers of growth in the tertiary sector.

The secondary industry achieved a growth rate of 6.1%. Automotive, pharmaceutical, petroleum and chemical industries were the major drivers of growth in the secondary sector.

CONSUMER PRICE INDEX (CPI)

SHANGHAI CPI (%)

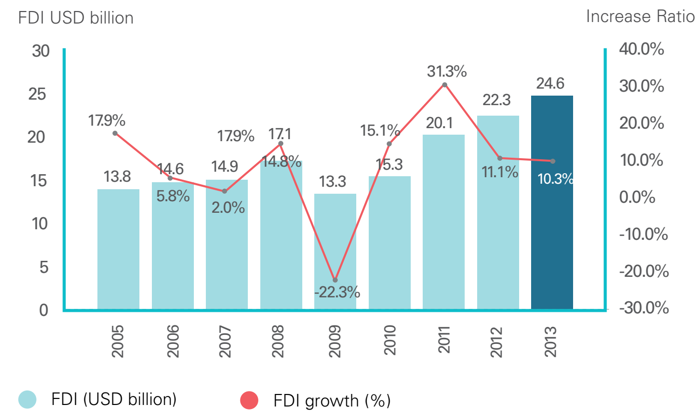


Source: Shanghai Statistics Bureau

Shanghai's CPI in 2013 was 2.3%, the lowest since 2009 when the economy was hit by the global financial crisis.

FOREIGN DIRECT INVESTMENTS (FDI)

SHANGHAI FDI & GROWTH



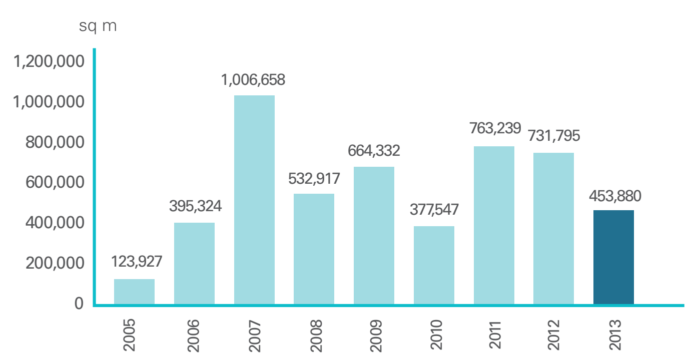
Source: Shanghai Statistics Bureau

Shanghai's Foreign Direct Investment ("FDI") grew 10.3% YoY in 2013. The city has 3,740 FDI contracts in 2013, with a total investment volume of US$24.6 billion. Secondary industry dropped 33.2% YoY, contributed by manufacturing industries moving out of Shanghai. Tertiary industry increased 18.6% YoY as Shanghai's pilot free trade zone attracted more FDI in the service industry since its inception in September 2013.

2.Supply

The total business park stock in 2013 was around 5.05 million sqm. About 453,880 sqm of new supply came on-stream during the year, 26% lower than historical 5-year average of 610,000 sqm. Much of the new supply is in Jinqiao, Zhangjiang and Linkong. Jinqiao and Zhangjiang contributed to about 86% (389,880 sqm) of the new supply.

SHANGHAI BUSINESS PARK MARKET HISTORICAL SUPPLY



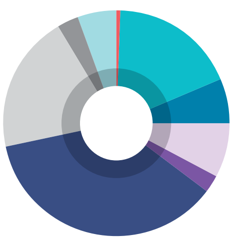
Source: Jones Lang LaSalle

INDEPENDENT MARKET STUDY (BEIJING & SHANGHAI)

By Jones Lang LaSalle

Sub-market composition in terms of existing stock remains relatively stable with Zhangjiang Hitech Park being the largest sub-market. This is followed by Jinqiao Industrial Park which saw an increase in market share from 18.4% to 19.7%.

SHANGHAI BUSINESS PARK SUB-MARKET STOCK BREAKDOWN



Source: Jones Lang LaSalle

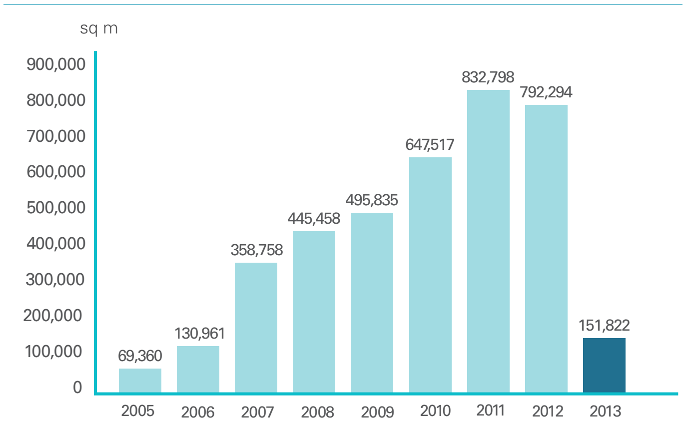
3.Demand

In 2013, much of the demand in Pudong area was from the high-tech industry, IT, integrated circuits, pharmaceutical and manufacturing services. Meanwhile, demand in Puxi area was driven largely by trade, services, internet and online service industry.

Leasing demand was driven mainly by expansion and re-location, by MNCs and large local companies. The Shanghai Free Trade Zone is expected to attract more set-up requirements in the future. For instance, the Waigaoqiao Free Trade Zone has attracted interest from some foreign banks.

Demand for space in Jinqiao Industrial Park is mainly from MNCs and large corporations. The park attracted high-tech industries and manufacturing services which prefer R&D space and high quality projects there.

SHANGHAI BUSINESS PARK MARKET DEMAND

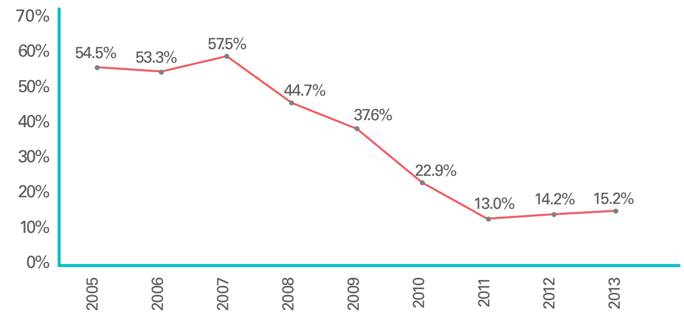


Source: Jones Lang LaSalle

4.Vacancy Rate

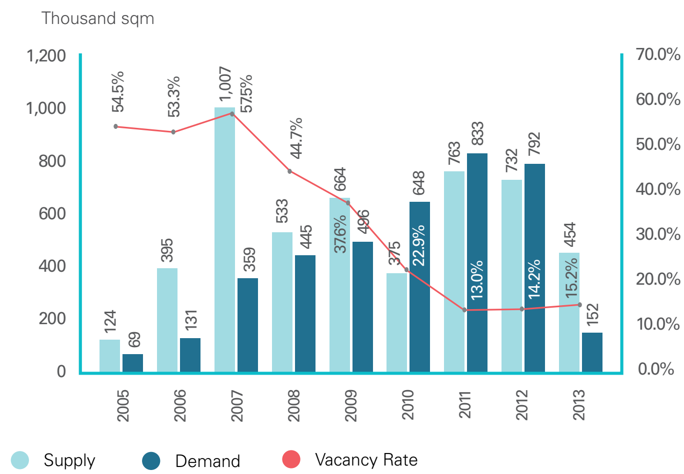
Vacancy rate of Shanghai Business Park increased by 1.0% YoY, from 14.2% in 2012 to 15.2% in 2013 due to new supply.

SHANGHAI BUSINESS PARK VACANCY RATE



Source: Jones Lang LaSalle

SHANGHAI BUSINESS PARK SUPPLY, DEMAND, AND VACANCY RATE



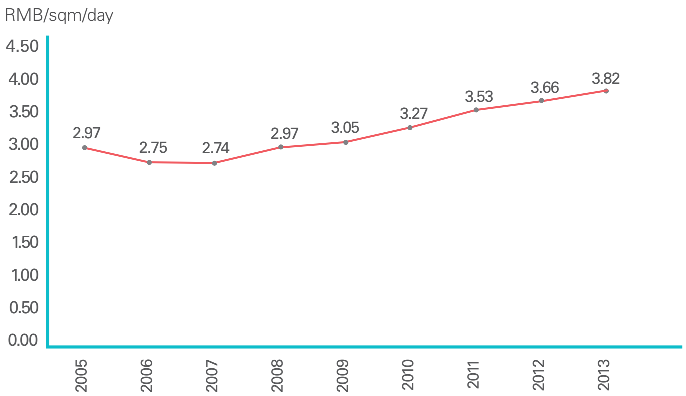
Source: Jones Lang LaSalle

5.Rental

Rental rates increased 4.4% YoY to RMB3.82 per sqm per day. Rental rates have been growing steadily due to lack of new supply to meet growing demand in popular submarkets like Zhangjiang and Caohejing. Furthermore, with better quality projects coming onstream, landlords are asking higher rents for such projects.

Overall rental growth in Jinqiao area in 2013 was muted. However, better quality properties such as A-REIT City @Jinqiao were able to command higher rental rates.

SHANGHAI BUSINESS PARK HISTORICAL RENTAL



Source: Jones Lang LaSalle

6.Capital Value

Capital value remained stable in 2013 due to limited transactions.

BUSINESS PARK HISTORICAL VALUE

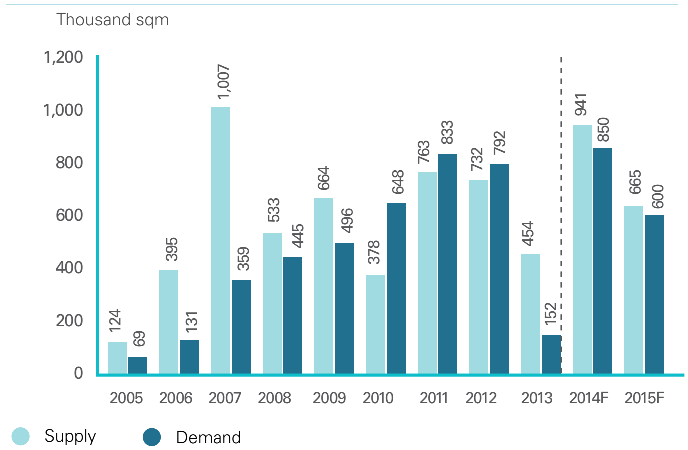
Source: Jones Lang LaSalle

7.Market Outlook

An estimated one million sqm of new supply is expected to be completed in 2014. Most of the new supply will be in Linkong, Zhangjiang and Jinqiao with around 720,000 sqm.

Future demand is likely to be supported by key growth industries like IT, pharmaceutical, automotive and service for manufacturing. As China rebalances towards a consumption-led economy and given the growing purchasing power, this will help drive demand further.

SHANGHAI BUSINESS PARK SUPPLY & DEMAND



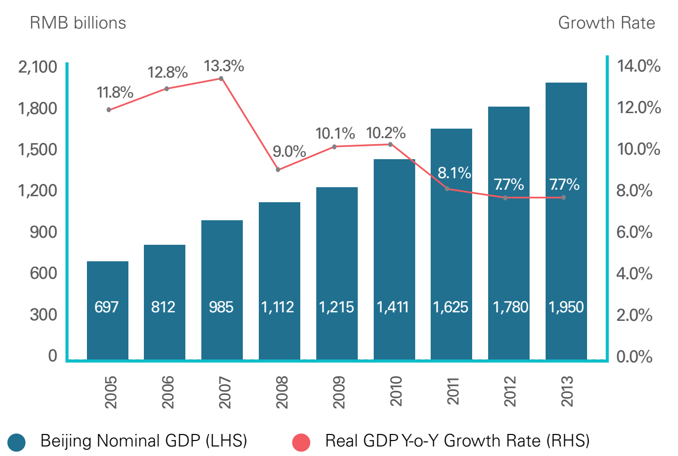
Source: Jones Lang LaSalle

BEIJING BUSINESS PARK

1.Macro Economy Overview

GROSS DOMESTIC PRODUCT (GDP)

BEIJING GDP, 2005-2013



Source: Beijing Statistical Bureau

Beijing's GDP growth rate held steady at 7.7% YoY in 4Q 2013 and growth was in line with the same period in 2012. The primary, secondary and tertiary sectors grew by 3.0%, 8.1% and 7.6% YoY, respectively. The tertiary sector accounted for 76.9% of Beijing's overall GDP in 2013. The tertiary sector was the only sector with an accelerating growth rate, marginally up 0.1% point in 4Q 2013 compared to 3Q 2013. Finance, science and technology, health and social welfare, and leasing and business services were major drivers of growth in the tertiary sector. The Chinese government plans to implement economic structure reform while maintaining sustained growth of the services sector in 2014.

INDEPENDENT MARKET STUDY (BEIJING & SHANGHAI)

By Jones Lang LaSalle

CONSUMER PRICE INDEX (CPI)

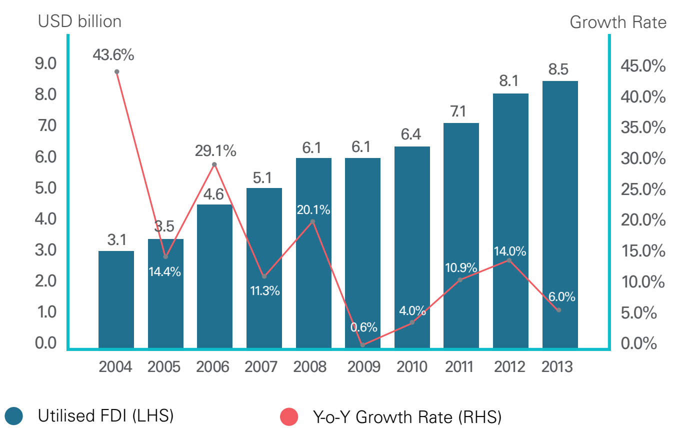
BEIJING CPI, 2005-2013

Source: Beijing Statistical Bureau

CPI increased by 3.3% YoY over 2013. Food prices increased 4.7% YoY while cost of education increased 7.2% YoY. Meanwhile, living expenses increased 5.6% YoY, driven primarily by a 6.0% YoY increase in rents.

FOREIGN DIRECT INVESTMENT (FDI)

BEIJING UTILISED FDI, 2005-2013



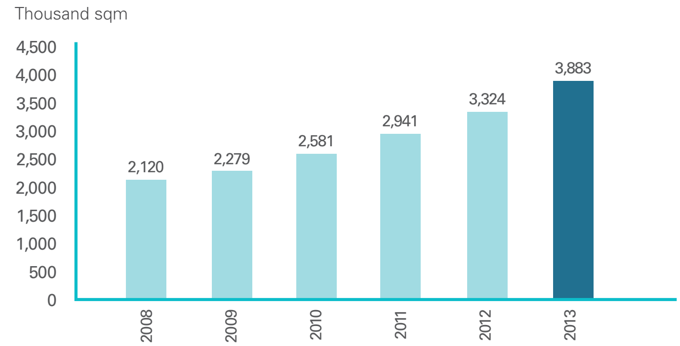
Source: Beijing Statistical Bureau

FDI grew at a moderate 6.0% YoY, following a 14.0% growth rate recorded a year earlier and on a higher base.

The manufacturing sector, which accounted for 12.5% of Beijing FDI, grew 23.7% YoY in 2013, slower than the 36.5% YoY growth observed in the previous year. The infocomm, computer services and software sectors accounted for 14.0% of Beijing FDI, a decline of 11.5% YoY. The scientific studies, technical services and geological prospecting sectors, which accounted for 7.1% of Beijing FDI, declined 13.9% YoY. The transportation, storage, posts and telecommunication sectors, which accounted for 2.9% of total FDI, recorded a 78.3% YoY decline in FDI compared to 2012.

2.Supply

BUSINESS PARK HISTORICAL STOCK



Source: Jones Lang LaSalle

Business Park stock in Beijing increased 0.66 million sqm to 3.88 million sqm in 2013. New supply in 2013 was above the past five-year average new supply of 340,300 sqm and more than the last largest increase in 2010 when 505,700 sqm was completed.

The Beijing Development Area ("BDA") formed the majority of the stock by submarket, taking up 25% of the stock. Leasing progress in the BDA is slow compared to other city areas as this area is not as mature and the business environment is still developing. The BDA has been a manufacturing oriented submarket until now. As Beijing's focus shifts toward development of the service sector, this area has seen more business parks constructed there. It will likely take several years before this area is as mature as more popular areas such as the Beijing Electronics Zone ("BEZ").

BUSINESS PARK STOCK BREAKDOWN BY SUBMARKET

Source: Jones Lang LaSalle

3.Demand

Compared with the weak absorption seen in 3Q 2013, the Beijing market registered a strong rebound in 4Q 2013. Demand came mainly from local and domestic occupiers. MNCs appear to be less active due to slower growth in the global economy. Among all the sectors, technology-related industries continued to be the main driver of demand for business parks space.

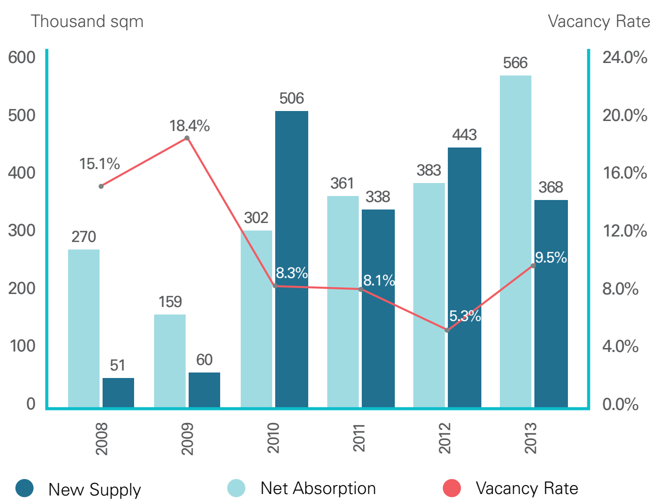
Creative & media, pharmaceutical as well as technology industries were the main sources of demand for business park space in 2013. Typical uses of the space include office or functional purposes such as R&D center, training centers and labs.

As part of their long-term strategic planning, more corporate tenants are consolidating to better manage space utilisation and control real estate costs. Business parks spaces have become the preferred solution for such requirements. Key advantages include overall cost competitiveness and space efficiency relative to office buildings in established submarkets.

New leases or relocations from other areas accounted for most of the transactions in 2013. Domestic companies accounted for the majority of space leased.

4.Vacancy Rate

BUSINESS PARK SUPPLY, DEMAND AND VACANCY



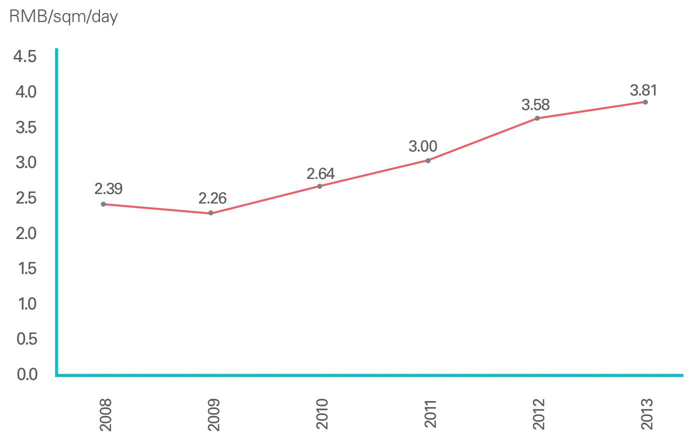
Source: Jones Lang LaSalle

Note: Changes to self-use classification have led to small changes in historical net absorption and vacancy rate figures

The average vacancy rate of Business Park Space declined from 12% in 3Q 2013 to 9.8% in 4Q 2013. However, this is an increase of 4.5 percentage points YoY from 2012.

5.Rental

BUSINESS PARK HISTORICAL NET EFFECTIVE RENT

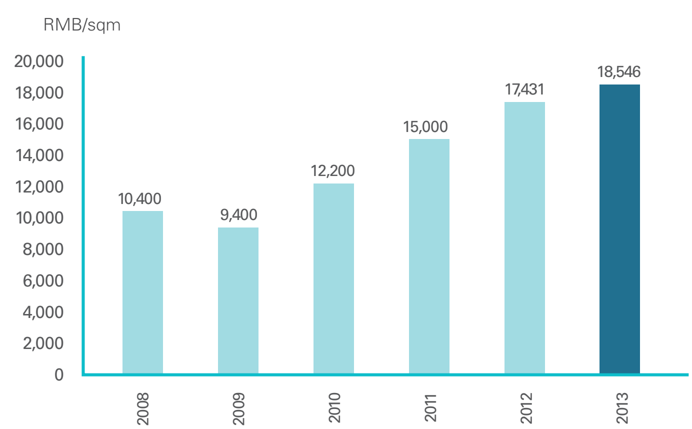


Source: Jones Lang LaSalle

Overall, business park rent registered a 6.4% increase YoY in 2013. The BEZ recorded the highest rental increase in 4Q 2013. Deals closed were recorded at an increased rent level compared to previous quarter. This bolstered the BEZ's position as the most attractive submarket in the Beijing business parks market. BEZ is a relatively mature area and infrastructure improvements have facilitated connectivity. Higher demand for business park space kept its vacancy rate low at 2.2%. Most rental growth was recorded in the BEZ West area where net effective rents increased from RMB 2.92 per sqm per day to RMB 3.65 per sqm per day. This was due partly to the completion of a new project, Nortel Project Phase 3 which was able to achieve rents much higher than the submarket average.

6.Capital Value

BUSINESS PARK HISTORICAL CAPITAL VALUES



Source: Jones Lang LaSalle

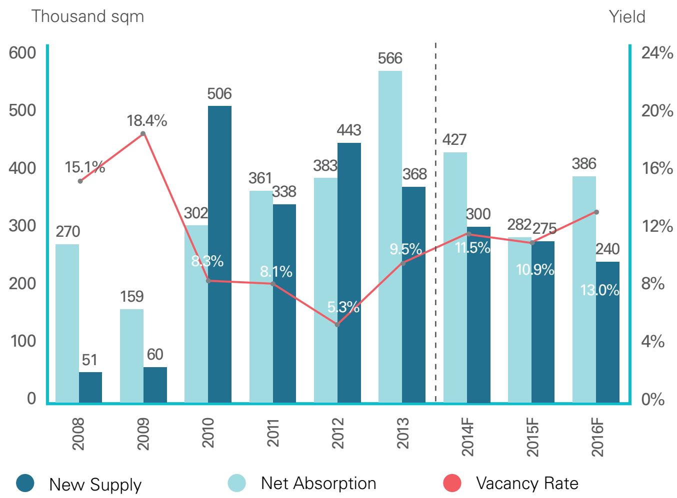
INDEPENDENT MARKET STUDY (BEIJING & SHANGHAI)

By Jones Lang LaSalle

Capital values increased in line with rentals, registering a 1.3% growth QoQ in 4Q 2013 and 6.4% YoY for 2013.

7.Market Outlook

HISTORICAL AND FORECAST SUPPLY, DEMAND AND VACANCY



Source: Jones Lang LaSalle

GDP growth is expected to moderate over the near to medium term. The net absorption in 2014 is estimated to be around 300,000 sqm, slightly lower than the 2013's net absorption of 354,000 sqm. The downward demand trend is expected to continue over 2015 and 2016 in response to downward trending GDP growth and an increase in the overall Beijing office market vacancy rate.

Rental rates are expected to decline in 2014 as the vacancy rate is expected to rise to about 11.8%. Moreover, the overall office vacancy rate is expected to increase moderately and limit rental growth in the business parks market in 2014.

Lower new supply in 2015 is expected to stabilise the business park vacancy rate in 2015. This should give landlords more leverage in rental negotiations. As such rental growth is expected to show a modest improvement in 2015.

Some submarkets particularly those with mature amenities and good transport links, such as ZPark, Shangdi areas and BEZ, are likely to continue to achieve strong rental growth.

SUSTAINABILITY REPORT

GOVERNANCE AND ACCOUNTABILITY

The manager of A-REIT is dedicated to building a sustainable future for its stakeholders.

In FY13/14, the Manager embarked on an annual strategic review of sustainability issues that were identified as key concerns of its stakeholders. This review is in line with A-REIT's proactive approach to managing operational risks and focusing on key material issues. With the publication of A-REIT's second sustainability report, the Manager reaffirms its commitment towards sustainability and responsible business conduct.

A-REIT will strive to implement best practices and uphold the principles of corporate transparency, disclosure and communication with its stakeholders.

THE REPORT

This is A-REIT's second sustainability report. It is dedicated as an annual publication to detail its environmental and social performance, supplementing the annual report.

The report focuses on A-REIT's core activity as a business space and industrial REIT in Singapore. It provides three years' of data (where possible) covering the period 1 April 2011 to 31 March 2014, and has been prepared in accordance with the Global Reporting Initiative ("GRI") G4 guidelines – core option, considering also the GRI Construction and Real Estate Sector Supplement ("CRESS"). We have not sought external assurance for this reporting period.

Significant Changes during the Reporting Period

In FY13/14, Ms Yeow Kit Peng joined the Manager as Head of Capital Market & Corporate Development and Ms Patricia Goh as Head of Business Development, Investment & Leasing. Their combined years of experience in their respective areas of expertise will strengthen the Manager's management team.

A-REIT completed several property acquisitions, developments and divestments during the reporting year. Please refer to pages 28 and 29 of the Annual Report for details.

Accessibility of Annual Report and Feedback Channel

In line with A-REIT's environmental practice, limited copies of its annual report were printed. A PDF version is available for download from the corporate website: http://www.a-reit.com.

Stakeholders are encouraged to send comments and suggestions to a-reit@ascendas-fms.com and to participate in the sustainability journey of A-REIT.

MATERIALITY ASSESSMENT

Boundary Settings

The Manager is reporting on events and information across A-REIT's 103 properties in Singapore and two properties in China as at 31 March 2014. This portfolio includes Business & Science Park, High-Specs Industrial Properties, Light Industrial Properties/Flatted Factories, and Logistics & Distribution Centres. Warehouse Retail Facilities is not included in A-REIT's sustainability performance report as the properties under this segment are single-tenanted and outside of A-REIT's operational control.

For a full list of A-REIT's portfolio, please refer to pages 56 to 76 of the Annual Report.

Identification of Material Issues

Guided by the AA1000APS (2008), a materiality assessment workshop was conducted in February 2013 and was attended by key representatives from the Manager and the Property Manager. Out of the 20 identified issues that are material to A-REIT's operations, the top eight issues determined as material were energy consumption, water conservation, corruption and bribery, fair competition and interested person transactions, tenant satisfaction, health and safety protection of general public and adjacent communities, compliance to mandatory building regulations and corporate governance compliance.

In FY13/14, the Manager appointed an external marketing research firm to conduct a customer satisfaction survey of the issues most important to them. The results revealed that the top five material issues are security of properties, security of information, corruption and bribery, compliance to mandatory building regulations, and health and safety protection of general public and adjacent communities.

Mapping Material Sustainability Issues to GRI Aspects for Reporting

Taking the survey results into consideration, the Manager determined a list of material issues for this reporting year and they are mapped against the GRI G4 aspects.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

MATERIAL SUSTAINABILITY ISSUES	GRI ASPECTS
Security of properties	Physical properties*
Security of information	Customer privacy
Corruption and bribery	Anti-corruption
Compliance to mandatory building regulations	Compliance
Health & safety protection of general public and adjacent communities	Customer health and safety Occupational health and safety
Energy consumption	Energy
Water conservation	Water
Fair competition and interested person transactions	Anti-competitive behavior
Tenant satisfaction	Product and service labeling
Corporate governance compliance	Compliance

*Non-GRI Aspect

The Manager also aims to address sustainability issues in areas relating to supply chain, human capital and community involvement.

STAKEHOLDERS' ENGAGEMENT

The Manager believes in active engagement with stakeholders, namely its employees, investors, customers and local communities to strengthen existing relationships and align expectations for sustainable business. Communications with stakeholders are focused around consistent themes in improving building performance, enhancing transparency, and demonstration of legal compliance.

In line with the principle of materiality, the Manager will continue to supplement its efforts in stakeholder engagement by focusing on sustainability issues material to its business.

SECURITY

Physical Properties

All A-REIT's properties have three levels of security as listed below:

- Level 1: Security of compound / external areas. CCTVs and frequent guard patrolling are in place to detect breaches.
- Level 2: Security of common areas within buildings. Security measures at this level include CCTVs, Security Access System and frequent guard patrolling.
- Level 3: Security of areas under the purview of tenants. Individual tenant will have their own security access system to secure their space.

All security guards at A-REIT's properties are outsourced to certified vendors who are licensed under the Security Industry Regulatory Department ("SIRD") of Singapore. Training will be conducted by the vendors before the security guards are deployed to the buildings. To-date, there have been no reports of trespassing violations and incidences of theft.

Customer Privacy

The Property Manager's information security system, policies, and procedures are aligned with the Ascendas Group Information Security Policy ("ISP") to protect customer information and ensure services to tenants are not compromised. A data loss prevention ("DLP") system was implemented to protect confidential data in the below areas:

1. Monitoring sensitive data copied out from corporate devices
2. Logging web interactions
3. Raising alerts as well as facilitating early risk detection and mitigation.

In order to provide exemplary customer service at all times, several avenues (e.g. website, telephone, email) are in place for tenants to update their contact preferences. To support customer privacy, various technical, people and process controls are effectively implemented. One example of preventive control is to provide employee training on correct IT use. To complement the DLP, a multi-tier firewall design is in place to isolate and protect internal users from external threats. On a scheduled basis, these controls are validated with different levels of vulnerability assessment and penetration tests. This is to ensure that existing controls remain adequate, efficient and effective. There have been no confirmed cases of security breaches in relation to customer privacy in this reporting year.

ANTI-CORRUPTION AND ANTI-COMPETITIVE

The Manager believes that effective corporate governance is critical to its performance as manager of A-REIT. Thus, it has adopted a comprehensive and robust corporate governance framework which aligns with prevailing laws and regulations.

The Manager has also implemented an anti-corruption policy that covers all A-REIT's operations. This policy is communicated to all staff through induction training and is accessible on the Ascendas Group's intranet. A whistleblowing hotline is independently managed by an external Big Four accounting firm. In FY13/14, there were no reported instances of non-compliance with laws and regulations relating to anti-corruption and anti-competitive behaviour.

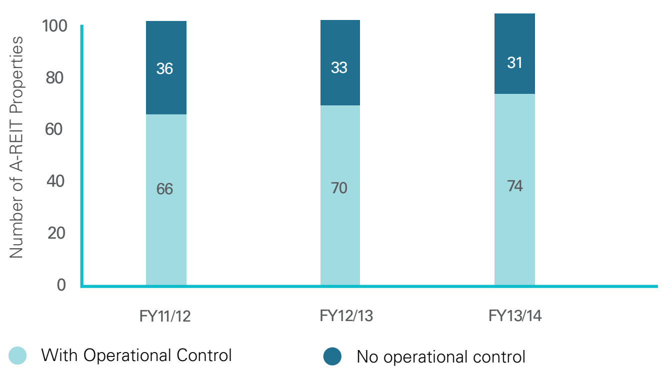
Please refer to pages 107 to 120 of the Annual Report for more details on corporate governance.

ENVIRONMENTAL STEWARDSHIP

The Manager believes environmental sustainability is a key cornerstone for business and actively ensures continuous improvements are made on environmental performance. Each A-REIT property continues to be evaluated thoughtfully and managed prudently. A-REIT has set the goals of achieving at least the BCA's Green Mark Gold rating, or their equivalent, for all new projects in Singapore.

A-REIT's portfolio comprises 70% of multi-tenanted properties, with the remaining 30% being single-tenanted properties as at 31 March 2014. Based on the concept of operational control, A-REIT is responsible for the environmental performance of its on-site offices and common areas in multi-tenanted properties such as corridors, perimeter lighting and centralised building facilities. For single-tenanted properties as well as leased space in multi-tenanted properties, the responsibility for the environmental performance is assumed by the tenants. Energy and water consumed by the landlord and the tenants are separately accounted for through the installation of sub-meters.

FIGURE 1: TOTAL NUMBER OF A-REIT'S PROPERTIES WITH REPORTED ENVIRONMENTAL PERFORMANCE



Energy Consumption

In FY13/14, the aggregated energy consumption at A-REIT's properties in Singapore was 92,802,902 kWh. Indirect energy from the use of electricity from local power producers accounted for most of the energy consumption. From FY11/12 to FY13/14, there was an increase in electricity consumption and energy intensity, mainly due to the increase in the number of reported properties from 66 to 74. Another reason for the increase was due to the fact that some of the properties were acquired during FY12/13 and did not contribute to total energy consumption on a full year basis.

Building energy intensity was computed based on the landlord's energy consumption over the aggregate gross floor area of reported A-REIT properties. Figures 2 and 3 detail the energy consumption and intensity figures of reported properties in Singapore and China respectively.

FIGURE 2: AGGREGATE ENERGY CONSUMPTION AND INTENSITY FIGURES OF REPORTED PROPERTIES IN SINGAPORE

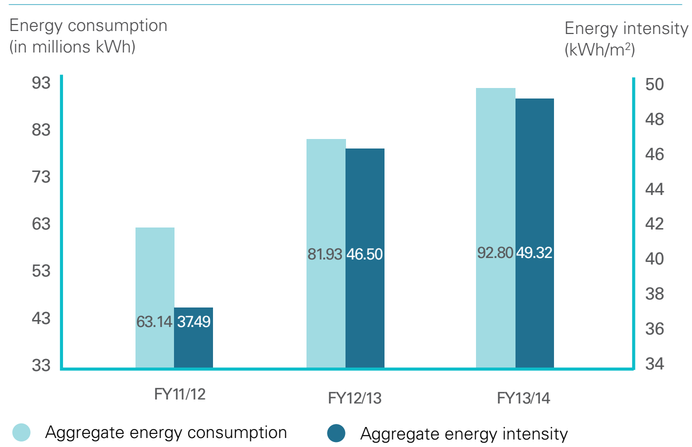
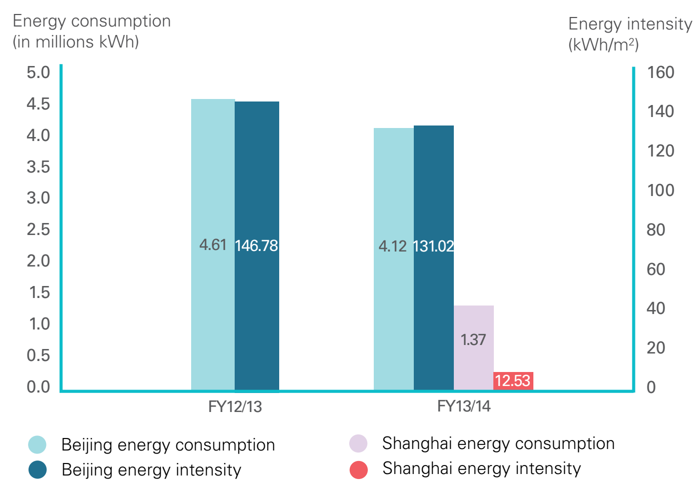


FIGURE 3: AGGREGATE ENERGY CONSUMPTION AND INTENSITY FIGURES OF REPORTED PROPERTIES IN CHINA

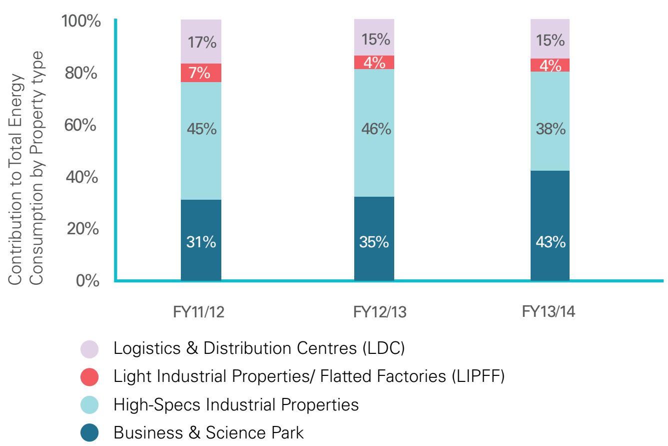


SUSTAINABILITY REPORT

In FY13/14, there was an addition of a Business & Science Park property in Shanghai. Its energy consumption was minimal considering only eight months of operations with an average occupancy rate of 26%.

Figure 4 shows the relative contribution by property segment in Singapore. In China,100% of the energy consumption is contributed by the only property cluster, Business & Science Park.

FIGURE 4: PERCENT CONTRIBUTION OF TOTAL ENERGY CONSUMPTION BY PROPERTY SEGMENT OF REPORTED PROPERTIES IN SINGAPORE



In FY13/14, the energy consumption of Business & Science Park overtook High-Specs Industrial Properties to become the largest energy user across A-REIT's portfolio in Singapore. This is consistent with the increase in Business & Science Park buildings from 22 to 25 from the previous year.

The Manager has implemented energy efficiency initiatives, notably the upgrading of chiller plants, lighting systems and installation of motion sensors in A-REIT's properties. As a result of its chiller upgrading works, A-REIT was awarded "Best Practices (Honourable Mention)" at the EENP Awards 2013 for Acer Building. A summary of the energy savings achieved as a result of the initiatives as compared to the total energy consumption is detailed below.

Table 1. Summary of A-REIT's energy efficiency initiatives

		Unit of Measure	FY11/12	FY12/13	FY13/14
Number of reported A-REIT's properties		number	66	70	74
GFA of reported Properties		sqm	1,684,107	1,793,205	2,022,771
Aggregate consumption		kWh	63,143,959	86,539,882	98,294,162
Energy efficiency initiatives	Air conditioning/ chiller plant improvements	kWh	4,610,000	1,200,000	5,500,000
	Lighting systems upgrading and motion sensors installation	kWh	471,700	-	3,785
Aggregate energy savings		kWh	5,081,700	1,200,000	5,503,785

Water Consumption

Water consumption in all A-REIT's properties is derived from local water utility firms. From FY11/12 to FY13/14, A-REIT's properties saw an increase in aggregate water consumption and this was attributed to the increase in the number of properties.

FIGURE 5: AGGREGATE WATER CONSUMPTION AND INTENSITY FIGURES OF REPORTED PROPERTIES IN SINGAPORE

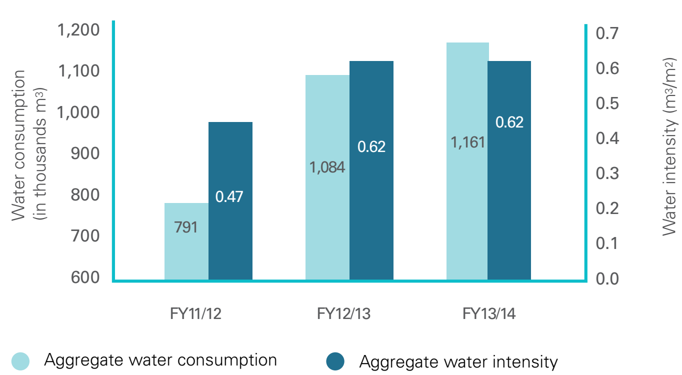
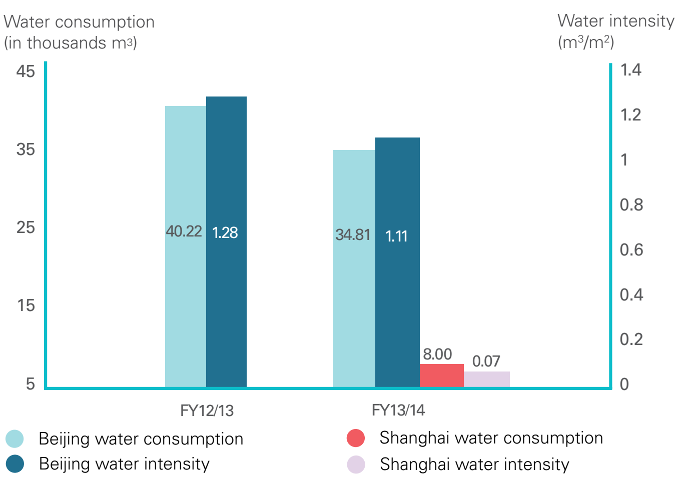
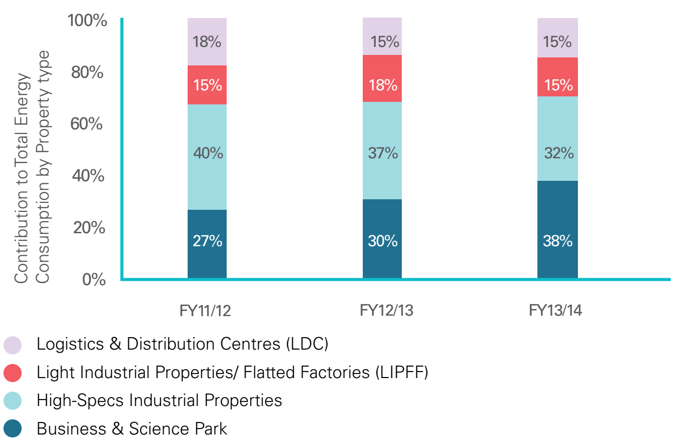


FIGURE 6: AGGREGATE WATER CONSUMPTION AND INTENSITY FIGURES OF REPORTED PROPERTIES IN CHINA



In FY13/14, there was an addition of a Business & Science Park property in Shanghai. Its water consumption was minimal considering only eight months of operations with an average occupancy rate of 26%.

FIGURE 7: PERCENT CONTRIBUTION OF TOTAL WATER CONSUMPTION BY PROPERTY SEGMENT OF REPORTED PROPERTIES IN SINGAPORE



In FY13/14, Business & Science Park replaced High-Specs Industrial Properties as the segment with the highest contributor of water consumption. This is consistent with the increase in Business & Science Park buildings from 22 to 25 from the previous year.

Green Building Certifications

Guided by Ascendas Group's Green Mark policy, the Manager ensures that all new buildings achieve a minimum of Green Mark Gold standard. This is one level above the legal requirement of Green Mark Certification as part of mandatory building regulations set by the BCA.

Table 2. BCA Green Mark Awards (2009 – 2013)	
	A) Green Mark Platinum
1	Four Acres Singapore
2	Nexus @ one-north
	B) Green Mark Gold
1	FoodAxis @ Senoko
2	138 Depot Road
3	AkzoNobel House
	C) Green Mark Certified[1]
1	31 Ubi Road
2	71 Alps Avenue
3	90 Alps Avenue
4	10 Toh Guan Road
5	Xilin Districtcentre Building D
6	9 Changi South Street 3
7	Techplace II Blk 5008

BUILDING RELATIONSHIPS

Human Capital

Recognising that people are its greatest asset, the Manager is committed to develop its workforce. Performance and information presented in this section covers the Manager's staff as they are recruited specifically for A-REIT's operations and exclude staff of the Property Manager as they are separately accounted for under Ascendas Group.

Staff Numbers and Performance

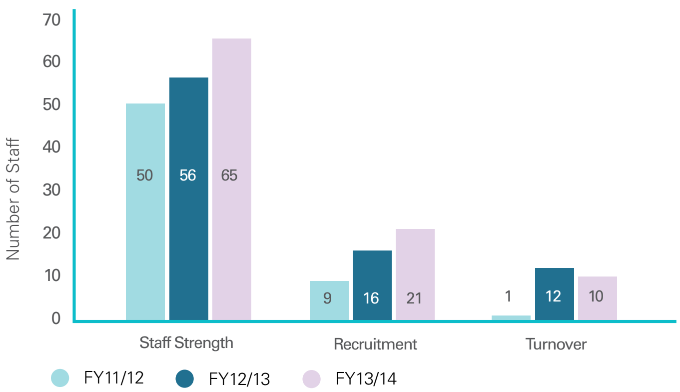
Over a three-year period, the Manager's staff headcount increased from 56 to 65. This was attributable to the increase in multi-tenanted buildings from 70 to 74 that require more supervision. In addition, the Manager also recruited more employees to set up a new customer care unit focusing on customers' needs.

The Manager experienced a higher turnover rate in the past two years as compared to FY11/12. The continued buoyant employment market coupled with a tight labour pool resulted in strong competition in the REIT sector. The Manager's employees, known for their robust capabilities and experience, are especially sought after. The Manager will continue to re-evaluate its remuneration and benefits to retain and attract top talent.

[1] Green Mark Certified properties from 1 to 6 pertain only to the Asset Enhancement Works on these buildings.

SUSTAINABILITY REPORT

FIGURE 8: STAFF STRENGTH, RECRUITMENT AND TURNOVER NUMBERS



Staff Diversity

The Manager adheres to fair employment practices and provides equal opportunities to recruitment and career development. There is zero tolerance towards any discrimination against gender, ethnicity or age in all policies. As part of the Ascendas Group, the Manager is a signatory of the Employers' Pledge of Fair Employment Practices with the Tripartite Guidelines on Fair Employment Practices ("TAFEP").

More than 90% of the Manager's staff is based in Singapore with the remaining staff based in China. These figures are consistent with the distribution of A-REIT's properties across Singapore and China.

FIGURE 9: PERCENT COMPOSITION OF EMPLOYEES BY AGE GROUP

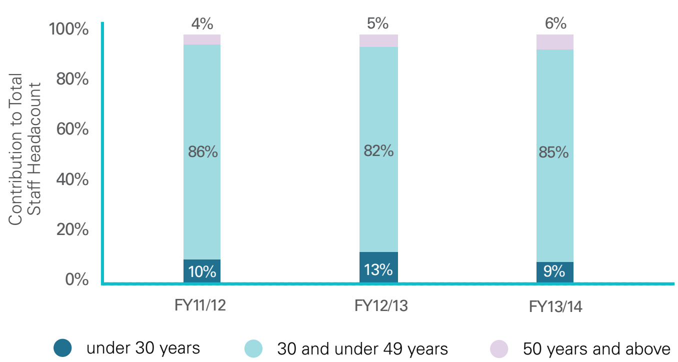
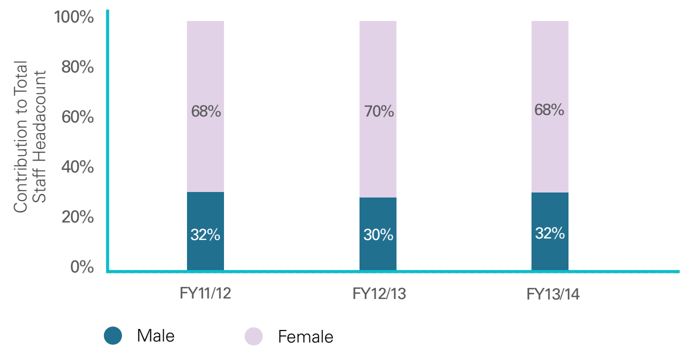
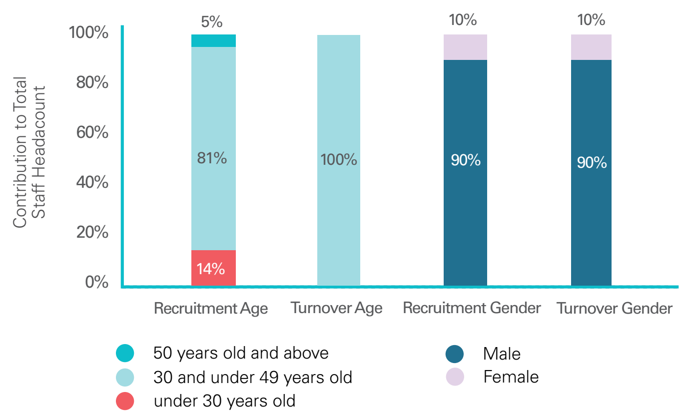


FIGURE 10: PERCENT COMPOSITION OF EMPLOYEES BY GENDER



In terms of age and gender, the Manager's employees are mainly in the 30 to 49 years old band, making up 85% of total staff strength. 68% of the Manager's employees are female in FY13/14.

FIGURE 11: PERCENT COMPOSITION OF THE MANAGER'S RECRUITMENT AND TURNOVER BY AGE BAND AND GENDER IN FY13/14



Staff Training

The Manager is committed to nurture a strong talent pool to drive further growth and create value for A-REIT. This is done by way of supporting training and development of its staff through courses and seminars as well as training through coaching and on the job exposure. In relation to formal training, the Manager holds a Capital Markets Service ("CMS") Licence as governed by the Monetary Authority of Singapore. As a CMS Licence holder, the Manager needs to maintain high levels of professional expertise through adequate and effective training. These include Investment Management, Asset Management, Financing, Investor Relations and Marketing, and others.

One of the Manager's learning focus for FY13/14 was to enhance its leaders' ability to identify strong performers with the right fit when conducting interviews and making hiring decisions. All of its managers were trained on interviewing techniques that allow better prediction of candidates' future behaviour at work.

The graphs below illustrate the training hours per employee by employee category and by gender. Training hours across employee category varied over the three-year period as training and development programs were dependent on the career development stage and job requirements of each individual.

FIGURE 12: AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

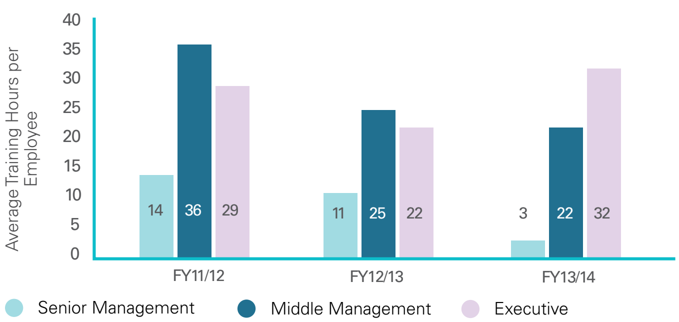
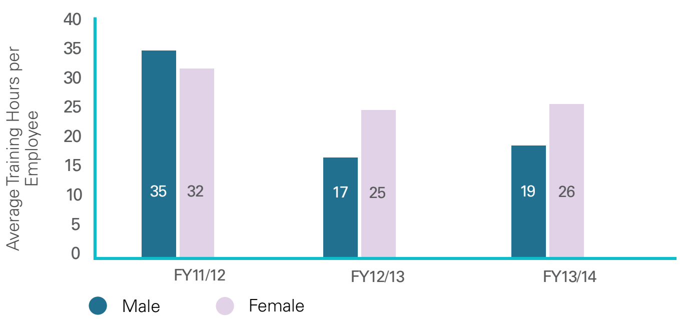


FIGURE 13: AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER



HEALTH AND SAFETY

Safety forms an integral aspect of A-REIT's operations. The protection of the general public and adjacent communities is important to the Manager's employees, A-REIT's tenants, contractors and the communities who use and visit its properties. The Property Manager are awarded with the international standard Occupational Health & Safety Advisory Services ("OHSAS") 18001 Occupational Health and Safety System since February 2013, and the locally recognised BizSAFE Star, the highest level conferred by the Singapore Workplace Safety and Health ("WSH") council.

The Property Manager is commited to ensure that activities are performed with high regards to the prevention of ill health and injury, compliance with legal and other requirements, and the achievement of WSH excellence through the implementation of the following:

1. Mandatory risk assessments prior to start of any work activity
2. Periodic safety awareness training for employees
3. Safety induction courses for new employees
4. Mandatory undertaking of contractors on health and safety management systems
5. Ensuring contractors have at least BizSAFE Level 3 qualifications, and
6. Information campaigns through posters and visual aids at A-REIT's properties.

The Property Manager has formed a safety committee which tracks the safety performances of buildings. The committee assigns internal auditors to visit properties periodically to identify safety lapses and share best practices on safety systems and processes. External auditors are engaged to perform independent OHSAS audits annually. The AFM-ASPL Roundtable Committee, comprising the Manager's CEO, the Property Manager's CEO, service providers and the various Department Heads, conducts monthly meetings to track and discuss safety performance and the progress of implementation.

Training

All site staff at A-REIT's properties are trained on safety. There are standard operating procedures in place for safety situations. In addition, the Property Manager works closely with the National Environmental Agency ("NEA") to identify and remediate hot spots for dengue fever. As per Singapore legislation, fire drills are conducted twice a year by a fire safety manager appointed for each building.

Apart from safety training, employees also regularly receive reminder emails on workplace, safety and health issues such as combating the haze during the dry season. A flu pandemic preparedness exercise was also conducted to familiarise employees on how to respond and safeguard themselves and others in the face of a pandemic influenza emergency.

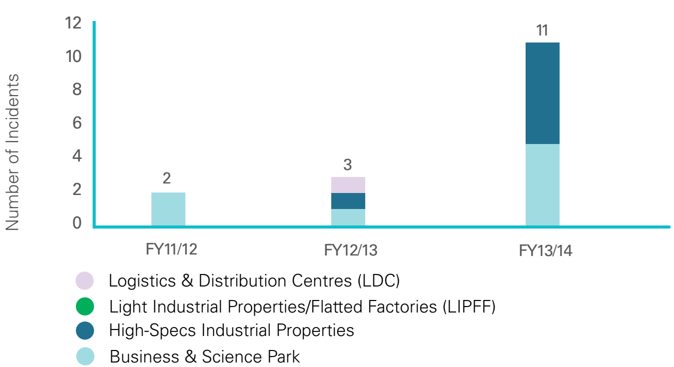
Performance

The Property Manager has a target of achieving zero reportable workplace-related incidents. There were no reported incidents, accidents, lost days and fatalities among employees over the last three years. This is a track record in which the Property Manager will strive to maintain in the future.

SUSTAINABILITY REPORT

However, in FY13/14, there were two accidents involving workers from the Property Manager's main contractors falling from the height at the construction sites. To prevent future occurrences, the main contractor conducted investigations to identify the root cause. Preventive measures were implemented and risk assessment was revised. Although the primary responsibility over safety of the workers vests with the contractors, as a responsible developer, the Property Manager continues to provide and involve their contractors in health and safety training and policies. This is supplemented with a set of safety assessment criteria to evaluate the performance of all main contractors.

FIGURE 14: NUMBER OF INCIDENTS IN A-REIT'S PROPERTIES



Health and safety regulations in Singapore require the Property Manager to report work accidents involving members of the public. In FY13/14, there were a total of 11 incidents that occurred to visitors at A-REIT's properties. The most common type of incident was slips and falls. To prevent such similar accidents in the future, the Property Manager has taken immediate measures to install anti-slip tape for smooth floor areas. In addition, the Property Manager continues to identify and address potential hazards and risks during the monthly workplace, safety, and health audits.

CUSTOMER FOCUS

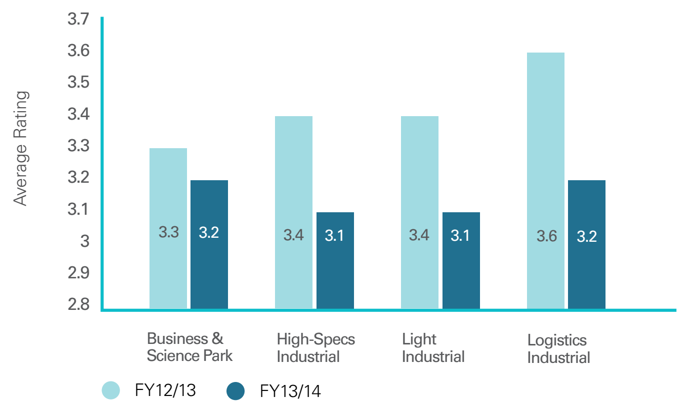
Customer satisfaction is a key driver of performance. In order to continuously improve and meet tenants' needs, A-REIT has strengthened service training in FY13/14 to raise the competency of front line staff. Additional manpower was hired and building improvements such as toilet upgrading and lift modernisation were made to improve customers' experience.

The Property Manager and the Customer Relationship management team maintain close interaction with tenants and gather essential feedback for improvement through various initiatives. Firstly, the call centre serves as a convenient and accessible point of contact for the Property Manager to receive feedback and take action on concerns raised by tenants. Secondly, face-to-face meetings facilitate relationship building with existing and potential tenants. Thirdly, internal surveys monitor performance of the Property Manager's frontline staff and the Customer Relationship management team in terms of product knowledge and customer service quality. Survey results are also used as valuable inputs to staff performance reviews. Lastly, an external survey was commissioned to benchmark A-REIT's performance against industry.

Call Centre and Improvement Plans

In FY13/14, the 90% target for feedback acknowledgement and response time and case completion were achieved throughout the year. In terms of customer service ratings, all four of A-REIT's asset portfolio segments reported above average customer satisfaction despite decreasing marginally from the previous year.

FIGURE 15: CALL CENTRE CUSTOMER SATISFACTION RATING BY CLUSTER



A-REIT has identified three main areas for improvement. These are lift downtime, housekeeping of toilet standards, and response time to tenants' feedback.

In order to improve customer satisfaction, the Manager has committed to addressing each of these causes respectively through:

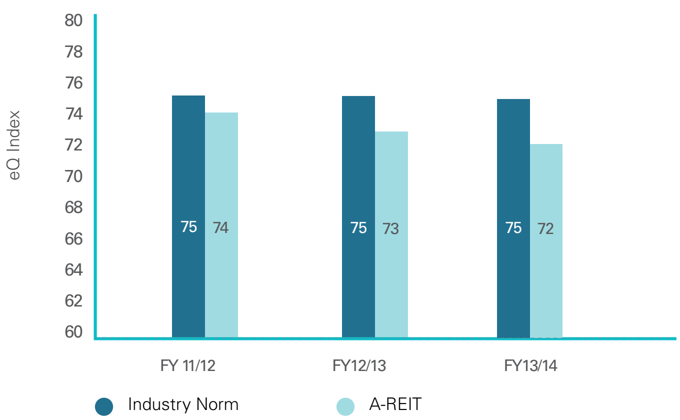
1. Increase efforts to replace / upgrade and maintain lifts
2. Continuous monitoring of contractors for good housekeeping standards as well as upgrading toilets to improve the environment and functionality
3. Setting up an integrated real estate management system to enhance response time

External Survey and Improvement Plans

The Property Manager continues to adopt the Customer eQ™ Model which covers five important pillars: Property Management, Lease, Finance, Corporate Image and Marketing.

An eQ™ index was used to benchmark performance against industry in Singapore and the norm was identified at 75. A-REIT's properties scored a slightly lower value of 72, driven by an increase in vulnerable share for Business & Science Park. Results have shown that Finance contributed positively to the score while the Design and Innovation pillar revealed areas for improvement. Using these insights and feedback, the Manager is committed to improve customer service over the long term.

FIGURE 16: CUSTOMER eQ™ INDEX SCORE, SINGAPORE



Moving ahead, A-REIT has formulated plans to improve ratings of its FY13/14 survey results. In addition to increasing the size of the property management site team for better supervision of multi-tenanted properties, the Manager recognises the need to reorganise the team to streamline administration processes and increase efficiency.

A training roadmap has been put in place to better equip staff with technical and customer service skills. As an enhancement to this roadmap, the Manager will also seek to better understand customers' needs and customise customer care programs to address them. A new customer care unit was set up in FY13/14 that is responsible for implementing strategies to improve customer satisfaction. They will work closely with the Property Manager and the Customer Relationship Management Team to roll out customer care programs, and with the Asset Management Team to set, implement and monitor customer service standards in accordance with property desired positioning and target customer segments.

SUPPLY CHAIN

A-REIT's supply chain is handled by the Property Manager and it primarily comprises of 160 active vendors who are largely based in Singapore. The procurement organisation deals with a range of suppliers; namely the main contractors, security providers, cleaning crew, landscaping staff, refuse disposal team and other property service providers. The Property Manager has a procurement system to ensure consistency in tender management and that it takes place within appropriate institutional and legal frameworks. A prequalification process evaluates the supplier's track records including health and safety accidents, minimum certifications for BizSafe Level 3, technical and non-technical resources, and financial information. In FY13/14, the Manager has achieved nearly 100% of its procurement from local suppliers.

All suppliers are required to comply with the Employment Act and Workplace Safety and Health Act to provide adequate remuneration and proper working conditions to their workers. Contractors will be issued with demerit points for breaching Workplace Safety and Health Act and relevant subsidiary legislation. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from the Ministry of Manpower ("MOM"). The Property Manager ensures that A-REIT does not engage contractors under formal warning period or with high demerit points.

In March 2013, it was announced during the Singapore Budget 2013 that mandatory licensing of all cleaning companies will be introduced in 2014. These include obligatory training courses and a progressive wage model for cleaners. Although the new legislation for the cleaning industry has yet to come into effect, the Property Manager has taken the initiative to ensure that all existing cleaning service providers adhere to the conditions under the new licensing regime. For instance, the Property Manager has implemented a performance reward scheme to recognise the efforts of better performing individual cleaners and supervisors.

COMMUNITY INVOLVEMENT

The manager of A-REIT has always been a strong advocate of corporate social responsibility, and believes in giving back to the community-at-large through the support of various social causes. For the last reporting year, the Manager contributed to the Straits Times Pocket Money Fund and supported the Singapore Children's Society as well as the Singapore Chinese Orchestra.

The Manager has, in the name of A-REIT, provided assistance to financial needy students through the provision of A-REIT study award at Singapore Management University and A-REIT bursary at Nanyang Technological University. These study awards will provide an enhanced platform for the bright but needy recipients in their pursuit of higher education. The Manager will continue to support and do its bit for society.

SUSTAINABILITY REPORT

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE OPTION

GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES		SECTION
Strategy and analysis		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, Chairman, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Pages 30 to 55
Organizational profile		
G4-3	Report the name of the organisation.	Page 3
G4-4	Report the primary brands, products, and services.	Page 3
G4-5	Report the location of the organisation's headquarters.	Page 104
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Materiality assessment: Boundary settings (Page 89)
G4-7	Report the nature of ownership and legal form.	Pages 4 and 141
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Pages 3 and 56 to 76
G4-9	Report the scale of the organisation, including: • Total number of employees • Total number of operations • Net sales (for private sector organisations) or net revenues (for public sector organisations) • Total capitalisation broken down in terms of debt and equity (for private sector organisations) • Quantity of products or services provided	Pages 37, 125 and 126 Performance at a glance Building relationships: Staff numbers and performance (Pages 93 and 94), Figure 8
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Building relationships: Staff diversity (Page 94), Figure 10
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	None of our employees are covered by collective bargaining agreements.
G4-12	Describe the organisation's supply chain.	Supply chain (Page 97)
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	The report: Significant changes during the reporting period (Page 89)
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Pages 114 and 115
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	There are no such initiatives which A-REIT endorses

G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	ASEAN Infrastructure Fund Limited, Singapore Cooperation Enterprise, Singapore Chinese Chamber of Commerce and Industry, Agri-Food & Veterinary Authority, Council for Private Education
Identified material aspects and boundaries		
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	Materiality assessment: Boundary settings (Page 89)
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	The report (Page 89), Materiality assessment: Boundary settings (Page 89)
G4-19	List all the material Aspects identified in the process for defining report content.	Materiality assessment: (Pages 89 and 90)

G4-20	For each material Aspect, report the Aspect Boundary within the organisation, as follows:
	• Report whether the Aspect is material within the organisation
	• If the Aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either:
	  • The list of entities or groups of entities included in G4-17 for which the Aspect is not material or
	  • The list of entities or groups of entities included in G4-17 for which the Aspects is material
	• Report any specific limitation regarding the Aspect Boundary within the organisation
		Materiality assessment (Pages 89 and 90)

G4-21	For each material Aspect, report the Aspect Boundary outside the organisation, as follows: • Report whether the Aspect is material outside of the organisation • If the Aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organisation	We did not identify any Aspect which was material outside of the organisation.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	FY12/13 reported figures for energy and water consumption of properties in Singapore have been updated with actual numbers for the last two months of the year.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No significant changes were noted.
Stakeholder engagement		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	Stakeholders' engagement (Page 90)
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholders' engagement (Page 90)
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholders' engagement (Page 90)

SUSTAINABILITY REPORT

G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Materiality assessment (Pages 89 and 90)
Report profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	The report (Page 89)
G4-29	Date of most recent previous report (if any).	The report (Page 89)
G4-30	Reporting cycle (such as annual, biennial).	The report (Page 89)
G4-31	Provide the contact point for questions regarding the report or its contents.	Accessibility of Annual Report and feedback channel (Page 89)
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option c. Report the reference to the External Assurance Report, if the report has been externally assured.	The report (Page 89)
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	The report (Page 89)
Governance		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Pages 107 to 120
Ethics and integrity		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Pages 107 to 120

SPECIFIC STANDARD DISCLOSURES

INDICATORS		SECTION
Category: Economic		
EC1	Direct economic value generated and distributed	Pages 125 to 128
EC9	Proportion of spending on local suppliers at significant locations of operation	Stakeholders engagement: Supply chain (Page 97)
Category: Environmental		
EN3	Energy consumption within the organisation	Environmental stewardship: Energy consumption (Pages 91 and 92), Figures 2, 3, 4
EN5/ CRE1	Energy intensity	Environmental stewardship: Energy consumption (Page 91), Figures 2, 3
EN6	Reduction of energy consumption	Environmental stewardship: Energy consumption (Page 92), Table 1
EN7	Reductions in energy requirements of products and services	Environmental stewardship: Energy consumption (Page 93)
EN8/ CRE2	Total water withdrawal by source	Environmental stewardship: Water consumption and conservation (Pages 92 and 93), Figures 5, 6, 7

EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	There were no significant fines during the year.
Category: Social		
Sub-category: Labour practices and decent work		
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Building relationships: • Staff numbers and performance (Pages 93 and 94), Figure 8 • Staff diversity (Page 94), Figure 11
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health and safety: Performance (Pages 95 and 96), Figure 14
LA9	Average hours of training per year per employee by gender, and by employee category	Building relationships: Staff training (Pages 94 and 95) Figures 12, 13
CRE6	Percentage of the organisation operating in Verified compliance with an internationally Recognised health and safety management system	Health and safety (Page 95)
Sub-category: Society		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Community involvement (Page 97)
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Anti-Corruption and Anti-Competitive (Pages 90 and 91)
SO4	Communication and training on anti-corruption policies and procedures	Anti-Corruption and Anti-Competitive (Pages 90 and 91)
SO5	Confirmed incidents of corruption and actions taken	Anti-Corruption and Anti-Competitive (Pages 90 and 91)
SO7	Total number of legal actions for anti- competitive behavior, anti-trust, and monopoly practices and their outcomes	Anti-Corruption and Anti-Competitive (Pages 90 and 91)
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	There were no significant fines during the year.
Sub-category: Product responsibility		
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Health and safety (Pages 95 and 96)
PR5	Results of surveys measuring customer satisfaction	Customer focus (Pages 96 and 97), Figures 15, 16
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Security: Customer privacy (Page 90)
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no significant fines during the year.
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Environmental stewardship: Green building certifications (Page 93), Table 2

INVESTOR RELATIONS

ENGAGING THE INVESTMENT COMMUNITY

The Manager continuously engages the Unitholders, investors, prospective investors, analysts and the media on a regular basis, guided by the principles of Timeliness, Objectivity, Clarity and Consistency. The objective is to maintain channels of communication to ensure timely disclosure and thereby building long-term relationships with stakeholders.

The Manager proactively updates the investors and investment community via a myriad of channels. The conventional channels of communications include conferences, analysts' briefings, quarterly post-results investor luncheons, one-on-one meetings, teleconferences, publications, annual reports and A-REIT's website. In addition, A-REIT's email alerts allow stakeholders to receive the latest updates on A-REIT. The Manager also conducted property tours for investors to provide them insights in A-REIT's portfolio.

In FY13/14, the Manager met with over 200 fund managers and analysts via the various conferences and meetings. In particular, we have the half and full-year results briefings for the media and analysts helmed by the Chief Executive Officer as well as Head, Capital Markets & Corporate Development. The Annual General Meeting is attended by the Board of Directors and the senior management of the Manager. A presentation on A-REIT's financial and operational metrics as well as business outlook is provided to allow participants to keep abreast of A-REIT's latest developments. All participants, including the Unitholders, analysts and people from media are given opportunities to raise questions, seek clarifications and interact with the management during the meetings.

The Manager has adopted the use of electronic voting by poll for all resolutions put forth at its Annual General Meetings and Extraordinary General Meetings. This has resulted in time savings and enhanced accuracy in polling. All financial results, announcements, press releases and detailed results of all resolutions put forth at the General Meetings are made available on the SGX-ST portal on the same day.

The Manager constantly seeks new and more efficient channels to better reach out and engage with stakeholders. The commitment and effort in maintaining informative channels of communication and adhering to the highest standards of timely disclosure and transparency has gain recognition and accolades for A-REIT.

RECOGNITION FOR INVESTOR RELATIONS AND MANAGEMENT

- A-REIT was the Winner of the "Most Transparent Company Award" in the REITs and business trusts category at the 2013 Securities Investors Association of Singapore ("SIAS") Investors' Choice Awards. A-REIT has been commended for its transparency for the ninth time since the inauguration of the award in 2004, five years as the winner, and another four as the runner-up.

- A-REIT was also the Winner of "Grand prix for best overall investor relations" in the small or mid-cap category at the IR Magazine Awards & Conference – South East Asia 2013

- The APREA conferred the following awards on A-REIT at the APREA Best Practice Award 2013:
  - In the Overall Awards, A-REIT received the "Highly Commended" award in the Mature Markets category
  - In the Category Awards, A-REIT received the Merit Award for Market Disclosure in the Mature Markets category
  - A-REIT also received the Merit Award for the Most Improved in Adoption of Best Practices in the Mature Markets category
  - A-REIT was also recognised for having the best submission from Singapore

The Manager will continue to communicate corporate information on A-REIT, including announcements, financial results, on a proactive basis, to investors and the media to drive awareness and promote interest in A-REIT through various platforms.

INVESTOR & MEDIA RELATIONS ACTIVITIES FY13/14

1st Quarter

- Media & Analysts' Results Briefing for Full Year FY12/13 Financial Results
- HSBC 3rd Annual ASEAN Conference
- Macquarie ASEAN Conference
- Citi ASEAN Investor Conference
- Nomura Investment Forum Asia 2013

2nd Quarter

- 1QFY13/14 Financial Results Investors' Lunch hosted by Deutsche Bank
- DBS Pulse of Asia Conference (Singapore)
- Macquarie ASEAN Conference (Singapore)
- Bank of America Merrill Lynch 2013 Global Real Estate Conference (New York)

3rd Quarter

- Media & Analysts' Results Briefing for 2QFY13/14 Financial Results
- 2QFY13/14 Financial Results Investors' Lunch hosted by Credit Suisse
- UBS ASEAN Conference (Singapore)
- Morgan Stanley Twelfth Annual Asia Pacific Summit (Singapore)

4th Quarter

- 3QFY13/14 Financial Results Investors' Lunch hosted by Citibank
- DBS Pulse of Asia Conference (Singapore)
- Nomura ASEAN All Access 2014
- Bank of America Merrill Lynch ASEAN Stars Investor Conference 2014 (Singapore)

A-REIT is well-covered by more than 20 research houses in Singapore. As at 31 March 2014, the following brokerage houses provide research on A-REIT:

Barclays Research	Jefferies
Bank of America Merrill Lynch (Singapore)	J.P. Morgan Securities Singapore
BNP Paribas Securities (Singapore)	Macquarie Securities
Citigroup Investment Research	Maybank Kim Eng Research
CIMB Research	Morgan Stanley
CLSA Singapore Pte Ltd	Nomura Singapore
Credit Suisse Asian Equity Research	OCBC Investment Research
Daiwa Institute of Research	OSK-DMG
DBS Vickers Securities Research	Religare Capital Markets Research
Deutsche Securities Asia	Standard Chartered Equity Research
Goldman Sachs (Singapore)	UBS Securities
HSBC Equities Research	UOB Kay Hian Research

A-REIT is also a member of the following indices:

- Bloomberg Asia Pacfic World Level 1 Index
- Bloomberg Asia Pacific Financial Index
- Bloomberg Asia Pacific World Index
- Bloomberg Asia Real Estate Investment Trust Index
- Bloomberg World Financial Index
- Bloomberg World Index
- Bloomberg World REIT Index
- FTSE Global All Cap ex US Index
- FTSE Straits Times Index (effective from 4 June 2014)
- FTSE ST All-Share Index
- FTSE ST Real Estate Index
- iShares FTSE EPRA NAREIT Asia Index Fund Intraday Indicative Value Index
- iShares FTSE EPRA NAREIT Global Real Estate ex US Fund Intraday Indicative Index
- MSCI Singapore Free Index
- MSCI Singapore Index
- S&P Asia Pacific BMI Index
- S&P Asia Property 40 Index
- S&P Developed MidSmall Cap Index USD
- S&P Developed Property Index
- S&P Developed BMI Index
- S&P Developed REIT Index
- S&P EPAC BMI Index
- S&P Global BMI Financials Index
- S&P Global BMI Real Estate Index
- S&P Global BMI Index USD
- S&P Global BMI Value Index USD
- S&P Global Large MidCap Index USD
- S&P Global MidCap Index USD
- S&P Global REIT Index USD
- S&P International Dividend Opportunities Index
- STOXX Asia 1200 Price Index
- STOXX Asia Pacific 600 Excluding Japan Index EUR
- STOXX Asia Pacific 600 Index EUR
- STOXX Asia Pacific 600 Real Estate Index EUR
- STOXX Global 1800 Index EUR
- STOXX Global 3000 Price Index
- STOXX+ Global 1800 Minimum Variance EUR Price Index
- WisdomTree Global ex-US Real Estate Index
- WisdomTree International Real Estate Intraday Indicative Value

INVESTOR RELATIONS

UNITHOLDERS' ENQUIRIES

To find out more about A-REIT, please talk to your financial advisor or contact us at:

THE MANAGER

61 Science Park Road
#02-18 The GALEN
Singapore Science Park II
Singapore 117525
Phone : (65) 6774 1033
Fax : (65) 6775 2813
Email : a-reit@ascendas-fms.com
Website : www.a-reit.com

THE UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
(a member of Boardroom Limited)
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623
Phone : (65) 6536 5355
Fax : (65) 6536 1360

For depository matters such as change of details pertaining to Unitholders' investment records, please contact:

The Central Depository (Pte) Ltd
9 North Buona Vista Drive #01-19/20, The Metropolis,
Singapore 138588
Phone : (65) 6535 7511
Fax : (65) 6535 0775
Email : asksgx@sgx.com
Website : www.sgx.com/cdp

FINANCIAL CALENDAR

	FY13/14	FY14/15 (tentative)
1st quarter results announcement	16 July 2013	July 2014
2nd quarter and half-year results announcement	16 October 2013	October 2014
3rd quarter results announcement	17 January 2014	January 2015
Full year results announcement	21 April 2014	April 2015
Annual Unitholders' Meeting	30 June 2014	June 2015

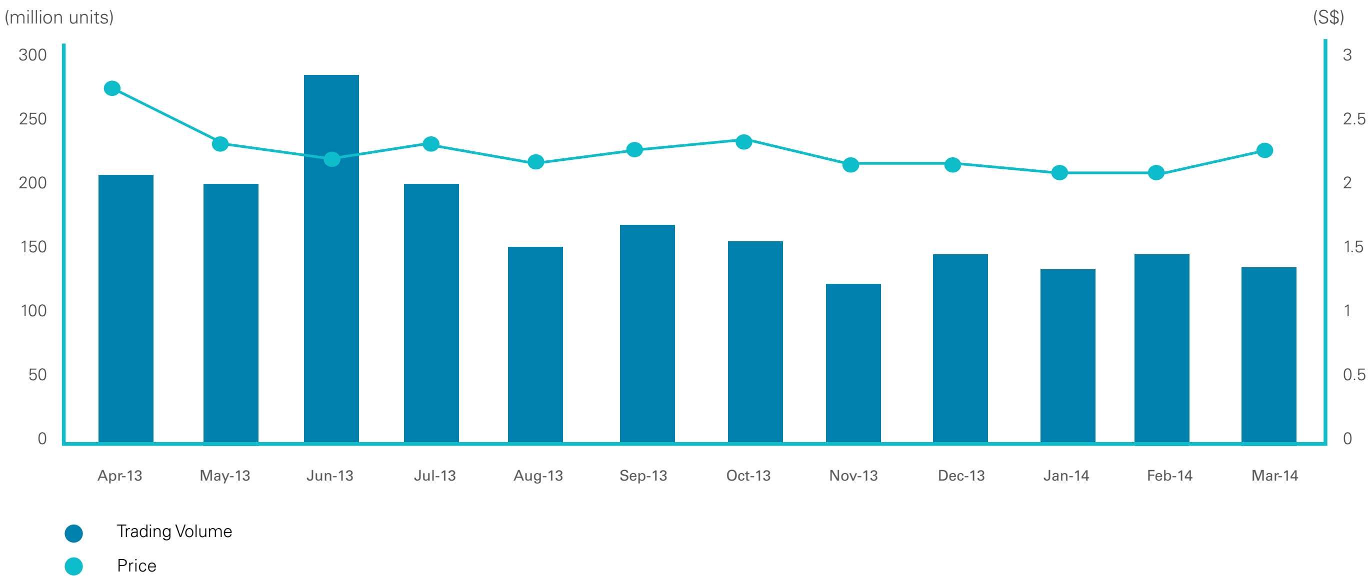
UNIT PRICE PERFORMANCE

A-REIT Unit Price Performance

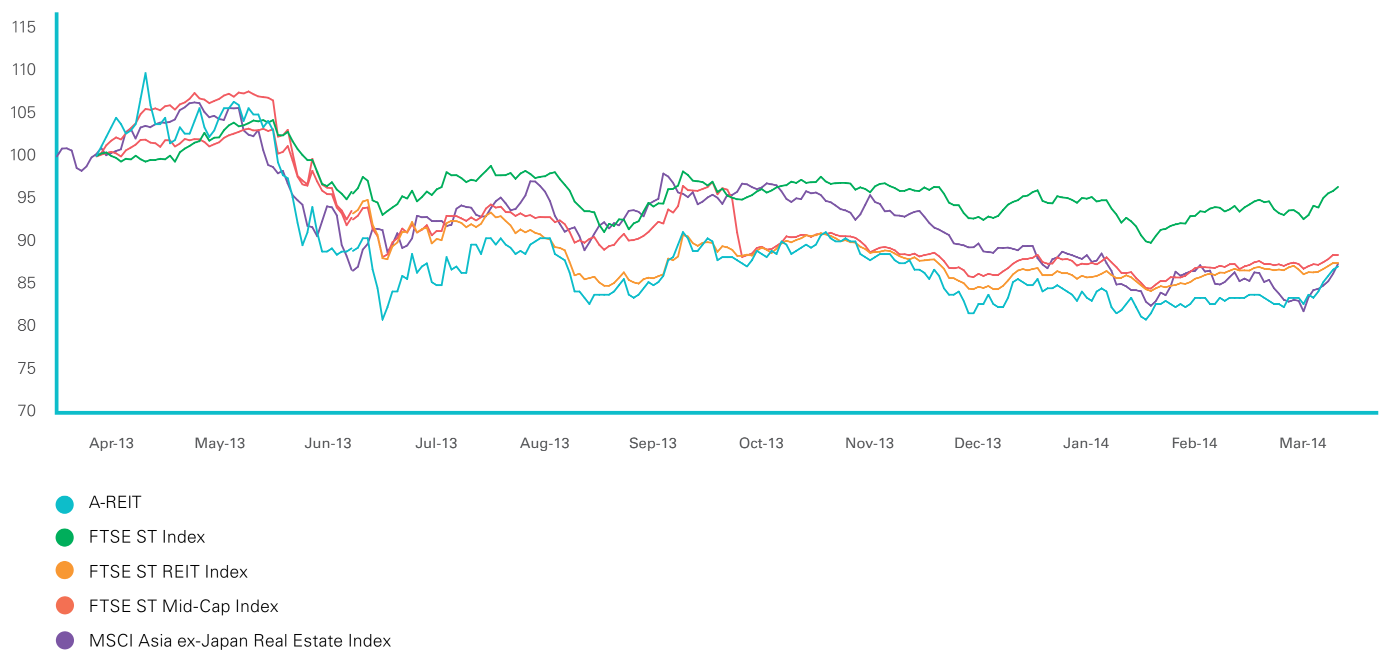
	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14
Opening Price (S$)	1.23	2.02	2.00	2.01	2.60
Closing Price (S$)	1.92	2.04	2.02	2.60	2.26
High (S$)	2.24	2.07	2.16	2.72	2.86
Low (S$)	1.22	2.01	1.81	1.98	2.06
Trading Volume (m units)	1,698	1,486	1,429	1,486	2,045
% of S-REIT trading volume	9.2%	9.6%	10.3%	8.1%	10.2%
Market capitalisation (S$'m) [1]	3,593	3,824	4,212	6,237	5,430

Notes:
[1] Based on last trading date of the respective financial year

A-REIT MONTHLY TRADING PERFORMANCE IN FY13/14

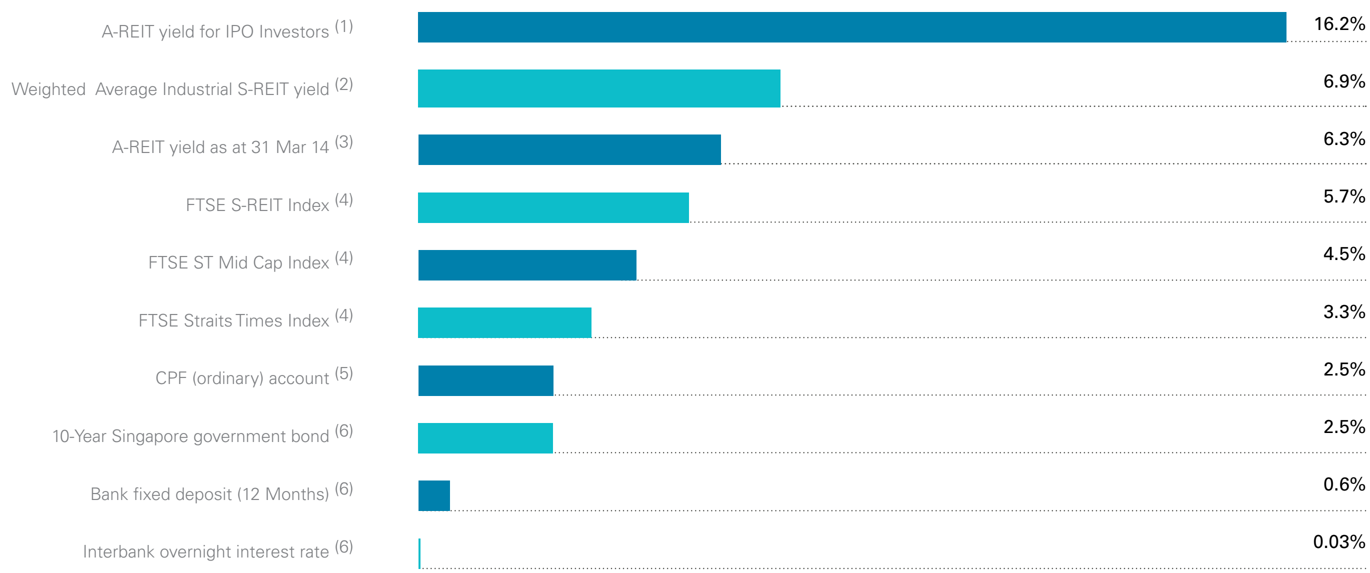


A-REIT UNIT PRICE PERFORMANCE IN FY13/14 VS MAJOR INDICES



INVESTOR RELATIONS

COMPETITIVE YIELD RETURNS



Notes:
(1) Based on A-REIT's IPO price of S$0.88 per unit and DPU of 14.24 cents for FY13/14
(2) Based on A-REIT's internal research and Bloomberg
(3) Based on A-REIT's closing price of S$2.26 per unit as at 31 Mar 2014 and DPU of 14.24 cents for FY13/14
(4) Based on dividend yield computed by Bloomberg for 1Q 2014
(5) Based on interest paid on Central Provident Fund ("CPF") ordinary account from 1 Jan to 31 Mar 14. Source: CPF Website
(6) Based on bond yields published on Singapore Government Securities website as at 31 Mar 2014. Source: SGS Website

CORPORATE GOVERNANCE

Good corporate governance is anchored in the core values of Ascendas Real Estate Investment Trust ("A-REIT"), which goes beyond the implementation of forms of best practices and structures, internal checks and balances, transparency and compliance.

Ascendas Funds Management (S) Limited, as the manager of A-REIT ("the Manager"), believes that effective corporate governance is critical to its performance as manager of A-REIT, and consequently, the success of A-REIT. As a result, it has adopted a comprehensive and robust corporate governance framework which aligns internal principles with prevailing legislation, regulations and codes (including the Code of Corporate Governance 2012) in Singapore.

THE MANAGER OF A-REIT

Ascendas Funds Management (S) Limited was appointed as manager of A-REIT in accordance with the terms of the trust deed constituting A-REIT dated 9th October 2002 (as subsequently amended) (the "Trust Deed").

Pursuant to the Trust Deed, the Manager has general powers of management over the assets of A-REIT. The Manager's main responsibility is to manage A-REIT's assets and liabilities for the benefit of unitholders of A-REIT ("Unitholders").

The role of the Manager includes setting the strategic business direction of A-REIT and making recommendations to HSBC Institutional Trust Services (Singapore) Limited as the trustee of A-REIT (the "Trustee"), on acquisitions, divestments and enhancement of the assets of A-REIT in accordance with its business strategy. The Manager is also responsible for the capital and risk management of A-REIT. Other key functions and responsibilities of the Manager include:

1. carrying on and conducting all transactions on behalf of A-REIT at arm's length, using its best endeavours;

2. approving A-REIT's business plan and budget;

3. ensuring compliance with applicable requirements, laws and regulations, such as those contained in the Listing Rules of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") including the Property Funds Appendix issued by the Monetary Authority of Singapore (the "MAS"), the Capital Markets Services ("CMS") licence for REIT Management issued by the MAS, the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), as well as the Manager's obligations under the Trust Deed;

4. ensuring the execution of works by the appointed property manager that provides property management, marketing and project management services for the properties held by A-REIT, pursuant to the relevant property management agreement; and

5. maintaining a framework of prudent and effective controls which enable financial, operational and compliance risks, to be assessed and managed.

In executing its responsibilities to A-REIT, the Manager has adopted a set of internal guidelines and financial regulations, which set out approval limits for, amongst others, capital expenditure, new investments and divestments, and the operation of bank accounts.

The Board of Directors of the Manager (the "Board") comprises competent and experienced individuals who have considerable experience in the real estate industry and/or other relevant fields of business. The Board oversees the Manager and ensures primarily, that the interests of the Unitholders are always upheld above the Manager's interests.

The Trust Deed outlines certain circumstances under which the Manager can be retired in favour of another corporation approved by the Trustee or be removed by notice given in writing by the Trustee upon the occurrence of certain events, including by a resolution proposed and passed by a majority being greater than 50.0% of the total number of votes cast at a meeting of Unitholders duly convened in accordance with the provisions of the Trust Deed (with no Unitholder being disenfranchised).

CORPORATE GOVERNANCE

The following sections describe the Manager's corporate governance policies and practices:

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: *An effective Board to lead and control the Manager*

The Board of Directors of the Manager is responsible for the overall management and corporate governance of the Manager and A-REIT, including establishing goals for the management of the Manager (the "Management") and monitoring the achievement of such goals, ensuring that necessary financial and human resources are in place for the Manager to meet its objectives and that Unitholders' interests are safeguarded. The Board has established an oversight framework for the Manager and A-REIT, including a system of internal controls which enables risks to be assessed and managed.

A-REIT is externally managed by the Manager and accordingly, it has no employees. The Manager appoints experienced and well-qualified executives to handle its day-to-day operations.

The Board approves transactions exceeding certain limits in accordance with the financial regulations of A-REIT, while delegating authority for transactions below those limits to the Investment Committee. The Investment Committee comprises four Directors, two of whom are independent Directors. The authority for the approval of operating transactions below a certain level is further delegated to the Management, to facilitate operational efficiency.

The Manager has adopted and documented internal guidelines setting out matters that require the Board's approval. Some of the matters which are reserved for the Board's approval include the following:

- all acquisitions, developments and divestments;
- corporate and financial transactions;
- determination of the remuneration policy for the Chief Executive Officer ("CEO") and key executive officers of the Manager; and
- approving the division of responsibilities between the Chairman and the CEO.

The Management is responsible for the day-to-day operations and administration in accordance with the policies and strategy set by the Board.

The Board meets every quarter to discuss and review the financial performance of A-REIT, including any significant acquisitions and disposals. The Board also reviews the risks relating to the assets of A-REIT, examines liabilities and comments from the auditors of A-REIT and ensures that measures are implemented to address concerns. When necessary, additional Board meetings are held to approve transactions or resolve issues.

Changes to regulations, policies and financial reporting standards are monitored closely by the Management. Changes that have significant impact on A-REIT and its disclosure obligations are promptly brought to the attention of the Board, either during Board meetings or via circulation of Board papers.

CORPORATE GOVERNANCE

The Board has established various committees to assist it in discharging its oversight function. These committees have been constituted with clear written terms of reference and they are actively engaged to ensure that the Manager is in compliance with good corporate governance. The committees established by the Board are:

- Audit Committee;
- Nominating, Human Resource & Remuneration Committee;
- Operational Risk Management Committee; and
- Investment Committee.

Members of the respective Committees are:

Board members	Audit Committee	Nominating, Human Resource and Remuneration Committee	Investment Committee	Operational Risk Management Committee
Mr Koh Soo Keong		C	M	C
Mr Khiatani Manohar Ramesh [(i)]		M	C	M
Ms Chong Siak Ching [(ii)]		M	C	M
Mr Henry Tan Song Kok	C	M		
Mr Chia Kim Huat	M			M
Mr Teo Eng Cheong	M		M	
Mr Marc Teo Choon Chye	M			
Ms Low Yen Ling [(iii)]		M	M	
Mr Tan Ser Ping			M	M

Denotes C – Chairman; M – Member

[(i)] Mr Khiatani Manohar Ramesh joined the Board on 10 June 2013 and was appointed Vice-Chairman of the Board and Chairman of the Investment Committee on 10 June 2013.

[(ii)] Ms Chong Siak Ching retired from the Board on 29 June 2013 and relinquished her role as Vice-Chairman of the Board and Chairman of the Investment Committee on 10 June 2013.

[(iii)] Ms Low Yen Ling resigned on 1 October 2013 following her appointment as Parliamentary Secretary, Ministry of Social and Family Development.

CORPORATE GOVERNANCE

Members and their respective attendance at the Board, Audit Committee ("AC"), Nominating, Human Resource and Remuneration Committee ("NHRRC"), and Operational Risk Management Committee meetings for FY2013/2014 are set out below.

	Board	Audit Committee	Nominating, Human Resource and Remuneration Committee	Operational Risk Management Committee
	No. of meetings held : 8	No. of meetings held : 4	No. of meetings held: 2	No. of meetings held: 2
Mr Koh Soo Keong	8		2	2
Mr Khiatani Manohar Ramesh (i)	7		2	2
Ms Chong Siak Ching (ii)	1			
Mr Henry Tan Song Kok	8	4	2	
Mr Chia Kim Huat	8	4		2
Mr Teo Eng Cheong	7	3		
Mr Marc Teo Choon Chye	7	4		
Ms Low Yen Ling (iii)	1		1	
Mr Tan Ser Ping (iv)	8			2

(i) Mr Khiatani Manohar Ramesh joined the Board on 10 June 2013.
(ii) Ms Chong Siak Ching retired from the Board on 29 June 2013.
(iii) Ms Low Yen Ling resigned from the Board on 1 October 2013 following her appointment as Parliamentary Secretary, Ministry of Social and Family Development.
(iv) Mr Tan Ser Ping attended the AC and NHRRC meetings in his capacity as CEO of the Manager.

BOARD COMPOSITION AND GUIDANCE

Principle 2: *A strong and independent element on the Board*

The Board presently consists of seven members, five of whom are independent Directors. The composition of the Board therefore complies with the Code of Corporate Governance 2012, which states that at least one-third of the Board members should be independent Directors. The Chairman of the Board is Mr Koh Soo Keong, the Deputy Chairman of the Board was Ms Chong Siak Ching prior to her retirement in June 2013. Mr Khiatani Manohar Ramesh assumed the role of Deputy Chairman in place of Ms Chong.

The composition of the Board is reviewed annually to ensure that the Board has the appropriate mix of expertise and experience. The NHRRC annually examines the size of the Board with a view to determining the impact of the number upon effectiveness.

The NHRRC has conducted an annual review of the Directors' independence and has made recommendations to the Board. Based on the NHRRC's recommendations and subsequent review by the Board, the Board is of the view that the following Directors presently on the Board are independent:

- Mr Koh Soo Keong - Chairman
- Mr Henry Tan Song Kok
- Mr Chia Kim Huat
- Mr Teo Eng Cheong
- Mr Marc Teo Choon Chye

CORPORATE GOVERNANCE

Mr Khiatani and Mr Tan Ser Ping are non-independent Directors. Mr Khiatani is a Director on the Board of Ascendas Pte Ltd, a deemed controlling Unitholder and the ultimate holding company of the Manager. Mr Tan is the CEO of the Manager.

The Board comprises Directors with diverse backgrounds, including real estate, accounting and finance, legal, IT and technology, business and management. The independent directors actively participate in setting as well as developing strategies and goals for the Management. This enables the Management to benefit from their invaluable and objective perspectives on issues brought before the Board. Members of the Board engage in open and constructive debate and challenge the Management on its assumptions and proposals. The Manager has adopted initiatives to put in place processes to ensure that independent Directors are well supported by accurate, complete and timely information. All Directors have unrestricted access to the Management and have sufficient time and resources to effectively discharge their oversight function. Independent Directors meet at least once a year without presence of the Management.

The profiles of the Directors are set out on pages 06 to 10 of the Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *A clear division of responsibilities between the leadership of the Board and executives responsible for management*

The positions of the Chairman and the CEO are held by two separate persons in order to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the CEO are not immediate family members.

The Chairman ensures that the members of the Board work together with the Management in a constructive manner to address strategic, business, operational, capital management, risk, corporate governance and financial issues. At Board meetings, the Chairman ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. At annual general meetings and other Unitholders' meetings, the Chairman ensures there is constructive dialogue between unitholders, the Board and the Management.

Mr Tan Ser Ping, the CEO of the Manager, has full executive responsibilities over the business direction and operational decisions in managing A-REIT.

BOARD MEMBERSHIP

Principle 4: *A formal and transparent process for the appointment and re-appointment of Directors to the Board*

The Manager has established a NHRRC which is responsible for all Board appointments and re-appointments among other matters. The NHRRC comprises three Directors, the majority of whom are independent.

The NHRRC reviews succession plans for the Board. In determining whether to re-nominate a Director, the NHRRC considers whether the Director has given sufficient time and attention to the affairs of the Manager and A-REIT, in particular, when a Director holds multiple directorships. The NHRRC considers whether a Director is able to and has been adequately carrying out his/her duties as a Director. The NHRCC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and/or have other principal commitments. As a guide, Directors should not have more than six listed company board representations.

New Directors are appointed by way of a Board resolution. Appointment of directors is subject to the approval of the parent entities of the Manager. The search for candidates to be appointed as new Directors is conducted through contacts and recommendations. Suitable candidates are carefully evaluated by the NHRRC so that recommendations made on proposed candidates are objective and well supported.

CORPORATE GOVERNANCE

It is a practice of the Manager that upon their appointment to the Board, the Directors are given a formal letter setting out the Director's duties, obligations and responsibilities, together with the Trust Deed and other relevant information and documentation relating to A-REIT and the Manager. Newly appointed Directors are briefed on the business activities of A-REIT, its business plan, the regulatory environment in which A-REIT operates, its corporate governance practices and their statutory duties and responsibilities as Directors. Directors are also kept updated on revisions to relevant laws and regulations through presentations and workshops organized by the Management. The Manager supports Directors who receive further relevant training in connection with their duties.

Key information regarding the Directors, such as their academic and professional qualifications, the committees served on, the date of first appointment as a Director, Directorships, both present and those held over the last three years in other listed companies, and other major appointments, is disclosed on pages 06 to 10 of the Annual Report.

BOARD PERFORMANCE

Principle 5: *A formal annual assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board*

A review of the Board's performance is carried out annually to assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The review allows each Director to individually express his/her personal and confidential assessment of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities. It provides insights into the functioning of the Board, whilst identifying areas that might need strengthening and development. The review of the Board's performance includes the Board composition, access to information, processes, risk management, board committees, strategic planning, accountability and oversight, and standards of conduct. Each Director is required to complete a Board Performance Evaluation Questionnaire (the "Questionnaire"). Based on the Questionnaire returned by each Director, a consolidated report is prepared and presented to the NHRRC and the Board. Members of the NHRRC evaluate the responses and provide their comments and recommendations to the Board on any changes that should be made to help the Board discharge its duties more effectively. Accordingly, the annual review of the Board's performance was carried out for FY2013/2014.

The review of individual Director's performance assesses whether each Director continues to contribute effectively and demonstrate commitment to the role. It examines attendance at meetings as well as the contributions of each Director to the Board.

ACCESS TO INFORMATION

Principle 6: *Board members to be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis*

The Management provides the Board with complete, adequate and detailed information on the business and the operations of A-REIT and the Manager, on a regular and quarterly basis, at Board meetings.

As a general rule, board papers are required to be sent to the Directors at least seven days before the board meeting so that the Directors may better understand and assess the matters tabled, and discussion at the Board meeting may be focused on questions and issues that the Directors may raise. Relevant parties who can provide detailed information on matters tabled at Board meetings will be in attendance to provide the necessary information and clarifications that may be required.

At the quarterly Board meetings, Directors are updated on developments and changes in the operating environment, including changes in accounting standards, developments in Singapore property taxation as well as laws and regulations affecting A-REIT, or changes that have significant bearing on A-REIT. Reports provided include a Comparison of Actuals against Budget and Explanatory Notes on Significant Variances for quarter-on-quarter and year-to-date performance.

A one day off-site board strategy meeting is organized annually for in-depth discussion by the Board and the Management on strategic issues and directions pertaining to A-REIT and the Manager, to facilitate the formulation of a five-year strategic plan for A-REIT and the Manager.

CORPORATE GOVERNANCE

In addition, the Board has separate and independent access to the Management, the company secretary of the Manager (the "Company Secretary"), internal and external auditors of A-REIT at all times. Where necessary, each Director of the Board has the right to seek independent professional advice on matters relating to A-REIT at the Manager's expense, to enable him/her to discharge his/her duties.

The Company Secretary prepares minutes of Board meetings and proceedings of all Board committees ("Committees"). She assists the Chairman of the Board and the Committees in ensuring that proper procedures are followed and that the Manager's Memorandum and Articles of Association, the Committees' Terms of Reference, the Trust Deed, relevant rules, regulations, best practices, and internal policies, including applicable provisions of the Property Funds Appendix, are complied with. Under the direction of the Chairman of the Board and the Committees, she is responsible for ensuring information flows within and among the Board, the Committees and the Management. She also works with the Management to ensure that Board and Committee papers are provided to each Director ahead of meetings. In the year under review, the Company Secretary has attended all Board and Committee meetings.

The CEO and the Company Secretary are the primary channels of communication between the Manager and the SGX-ST.

REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 7: *A formal & transparent procedure for developing a policy on executive remuneration and for fixing remuneration packages for individual Directors*

Level And Mix Of Remuneration

Principle 8: *The level & structure of remuneration should be appropriate to attract, retain and motivate, but not excessive*

Disclosure On Remuneration

Principle 9: *Disclosure on remuneration policies, the level and mix of remuneration and the procedure for setting remuneration*

All fees and remuneration payable to the Directors, key executive officers and staff of the Manager are paid by the Manager and not by A-REIT.

The structure of Directors' fees for non-executive Directors comprises a base fee for serving as a Director and additional fees for serving on Board Committees. It takes into account the following:

- the financial performance of A-REIT and the Manager;
- Directors' responsibilities and contributions; and
- industry practices and norms on remuneration, including the guidelines set out in the Statement of Good Practice issued by the Singapore Institute of Directors.

The Directors' fees paid to each of the following non-executive Directors for FY2013/2014 did not exceed S$250,000:

- Mr Koh Soo Keong
- Mr Chia Kim Huat
- Mr Henry Tan Song Kok
- Mr Teo Eng Cheong
- Mr Marc Teo Choon Chye
- Ms Chong Siak Ching (retired from the Board on 29 June 2013)
- Ms Low Yen Ling (resigned on 1 October 2013 upon her appointment as Parliamentary Secretary)
- Mr Khiatani Manohar Ramesh (appointed to the Board on 10 June 2013)

CORPORATE GOVERNANCE

The Manager advocates a performance-based remuneration system for key executive officers of the Manager. The system is flexible, responsive to the market and based on individual employee's performance. The remuneration structure is designed to retain, reward and motivate the individual to stay competitive and relevant.

Remuneration of key executive officers of the Manager is reviewed and approved by the NHRRC and the parent entities of the Manager.

The total remuneration mix for each of the key executive officers comprises an annual salary and annual performance bonus. The fixed annual salary includes a basic salary plus fixed allowances. The performance bonus is tied to the individual employee's performance and the performance of A-REIT which includes measures such as net property income, distributable income, cost of capital, portfolio occupancy, investment, customers and investors' satisfaction survey results and operational efficiency of the Manager. This allows the Manager to align the key executives' remuneration with the long term goals of A-REIT.

No compensation is payable to any Director, senior management or staff of the Manager in the form of options in units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, under the service contracts.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: *Presentation of a balanced and understandable assessment of performance, position and prospects*

The Board is responsible for presenting a balanced and comprehensive assessment of A-REIT's performance, position and prospects, including interim and other price sensitive public reports and reports to the regulators (if required). To assist the Board in this regard, Management provides timely, complete, adequate information to the Board through the most expedient means, including emails.

Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXnet, press releases, the A-REIT website and media and analyst briefings.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: *A sound system of risk management and internal controls to safeguard shareholder' investments and A-REIT's assets*

Risk Management

The Board recognises its responsibility for the governance of risks and has set in place procedures for ensuring a sound system of risk management and internal controls. These procedures include having a structured Enterprise Risk Management ("ERM") programme for A-REIT and its subsidiaries ("Group"), Management and Board reviews of key transactions, and the assistance of independent consultants such as the Group's external and internal auditors to review financial statements and internal controls covering key risk areas.

The AC reviews and guides Management in the formulation of risk policies and processes to effectively identify, evaluate and manage any material risk and ensure that a robust risk management and internal control system is maintained.

In addition, the Operational Risk Management Committee ("ORMC") was set up in September 2012 to assist both the AC and the Board on matters relating to the operational aspects of risk management. The main duties of the ORMC are (i) overseeing the adequacy and effectiveness of the operational aspects of risk management; (ii) monitoring the effectiveness of the Group and its out-sourced Property Manager's risk management system to ensure that a sound and robust risk management system is maintained; (iii) evaluating the adequacy of the effectiveness of the Group's disclosure controls and procedures; and (iv) assessing the materiality of specific events, developments and risks to the Group and the impact on the unit price of A-REIT.

CORPORATE GOVERNANCE

Ownership of risks lies with the CEO and function heads of the Manager with overall oversight by the Board. The nature and extent of risks are assessed regularly and the Manager maintains a risk register which identifies risks and the internal controls in place to mitigate those risks. The risk register is reviewed and updated regularly by the CEO and function heads of the Manager and this is submitted to the AC, the ORMC and the Board on a quarterly basis. The AC and the ORMC report to the Board on material findings and make recommendations in respect of any material risk issues.The risk reports will be relied upon as part of the basis for the Board and the AC to assess the adequacy and effectiveness of the risk management and internal control systems.

Internal Controls

The Group-wide system of internal controls, which includes a code of conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes, constitute an important part of the ERM system.

To ensure that internal controls and risk management processes are adequate and effective, besides control activities and reviews performed by management, the AC is assisted by various independent professional service providers. The assistance of the internal and external auditors enabled the AC to carry out assessments of the effectiveness of key internal controls during the year.

Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by the Management on the recommendations made by the internal and external auditors. Based on the reports submitted by the internal and external auditors received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal controls and risk management processes are not satisfactory.

There are documented procedures in place that cover financial reporting, new investments, project appraisal, valuation of properties, equity fund raising, borrowings through banks, compliance and other risk management issues. The Group also has both a comprehensive insurance coverage and a business continuity plan.

The Manager recognises that there is a significant amount of risk inherent in making property investment decisions. Accordingly, the Manager has set out procedures to be followed when making such decisions. In accordance with this policy, the Manager ensures comprehensive due diligence is carried out in relation to each proposed investment and carefully examines whether the anticipated return on investment is appropriate having regard to the level of risk of the investment.

In assessing business risks, the Board also considers the economic environment and property industry risks. The Board, at times by the Investment Committee, reviews and approves all investment decisions. The Management meets regularly to review the operations of the Group.

The Manager has also established a Whistleblowing Policy which reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical and legal standards. The Whistleblowing Policy aims to provide an avenue for employees of the Manager and of the Property Manager to raise concerns about possible improprieties in matters of financial reporting or other matters. The AC is kept informed of all concerns raised in whistleblowing reports.

CORPORATE GOVERNANCE

Directors' Opinion On Internal Controls

The CEO and the Head, Reporting, Compliance and Corporate Services have provided their confirmation to the Board that to the best of their knowledge, the system of risk management and internal controls is adequate, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management functions are performed by the Manager's key executives and are reported to the AC for review.

It should be noted, in the opinion of the Board that, in the absence of evidence to the contrary, such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can provide only reasonable, and not absolute assurance against material misstatement of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of business risk. The Board notes all internal control systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Manager, work performed by the internal and external auditors, and reviews performed by the Management, the various Board Committees and the Board, the AC and the Board are of the opinion that there are adequate internal controls and risk management systems in place within the Group to address material financial, operational, compliance and information technology risks faced by A-REIT as at 31 March 2014.

The Board has also received assurance from the CEO and the Head, Reporting, Compliance and Corporate Services of the Manager that:

(i) the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of A-REIT and the Manager; and

(ii) the risk management and internal control systems have been adequate and remain effective.

AUDIT COMMITTEE

Principle 12: *Establishment of an Audit Committee with written Terms of Reference*

The AC is appointed by the Board from among the Directors of the Board, all of whom (including the Chairman of the AC) are independent Directors. The members of the AC are Mr Henry Tan (Chairman), Mr Chia Kim Huat, Mr Teo Eng Cheong and Mr Marc Teo.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities. Mr Henry Tan, Mr Teo Eng Cheong and Mr Marc Teo have extensive accounting and financial management expertise and experience, and Mr Chia is a qualified lawyer with considerable experience and expertise.

The core functions of the AC comprise oversight of the integrity of the financial statements and related disclosures, oversight, assessment and review of internal controls, review of the internal and external auditors' findings on internal controls, making recommendations to the Board on the appointment, re-appointment of the external auditor and the remuneration of the external auditor. The AC also reviews the quality and reliability of information prepared for inclusion in financial reports. The AC is responsible for the nomination of external auditors and reviewing the adequacy of existing audits in respect of cost, scope and performance.

CORPORATE GOVERNANCE

The duties and responsibilities of the AC are set out in the AC's written Terms of Reference and include among others, reviewing (i) the audit plan and audit reports of external auditors, (ii) the quarterly and annual financial statements before submission to the Board for approval, interested person transactions ("IPTs") including compliance with relevant regulations, (iii) the internal audit plan, (iv) key enterprise-wide risks faced by A-REIT to facilitate the management of such risks, (v) the policy and arrangements by which staff of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and (vi) any suspected fraud or irregularity, or suspected infringement of any Singapore legislation, rules or regulations, which has or is likely to have a material impact on A-REIT's operating results or financial position.

For the year under review, the AC has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has also met with the external and internal auditors without the presence of the Management. The aggregate amount of the audit fees paid and payable by A-REIT and its subsidiaries to the external auditors for FY2013/2014 was $390,700, of which audit and non-audit fees amounted to $293,500 and $97,200 respectively. In appointing the audit firm for A-REIT, the AC is satisfied that A-REIT has complied with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST.

AC meetings are generally held after the end of every quarter before the official announcement of results in relation to that quarter.

External Audit

KPMG LLP ("KPMG") was re-appointed as the external auditor for A-REIT for FY2013/2014. The AC has assessed the performance of the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor.

Internal Audit

Principle 13: *Establishment of an internal audit function that is independent of the activities it audits*

The internal audit function is outsourced to BDO LLP ("BDO"), an international auditing firm. Staffed by qualified executives, BDO has unrestricted access to the AC. BDO reports to the Chairman of the AC and is guided by the Standards for the Professional Practice of Internal Auditing. These standards cover attributes as well as performance and implementation standards.

UNITHOLDER RIGHTS AND RESPONSIBILITIES

Unitholder Rights

Principle 14: *Fair and equitable treatment of all unitholders*

COMMUNICATION WITH UNITHOLDERS

Principle 15: *Regular, effective and fair communication with unitholders*

CORPORATE GOVERNANCE

CONDUCT OF UNITHOLDER MEETINGS

Principle 16: *Greater Unitholder participation at Annual General Meetings and the opportunity to communicate views*

The Listing Rules of the SGX-ST require that a listed entity discloses to the market matters that could or might be expected to have a material effect on the price of the entity's securities. The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager's disclosure policy requires timely and full disclosure of all material information relating to A-REIT by way of public releases or announcements through the SGX-ST via SGXNET at first instance and then including the release on A-REIT's website at www.a-reit.com.

The Manager also conducts regular half-yearly briefings for analysts and media representatives, which will generally coincide with the release of A-REIT's results. During these briefings, the Manager will review A-REIT's most recent performance as well as discuss the business outlook for A-REIT. In line with the Manager's objective of transparent communication, briefing materials are released to the SGX-ST and also made available on A-REIT's website.

In addition the Board has established the ORMC which is also responsible for reviewing and evaluating the adequacy of the effectiveness of the Group's disclosure controls and procedures so as to ensure that accurate and complete information regarding the operations, financial performance and other material information of A-REIT that are required to be disclosed, are recorded, processed, summarised and reported to Unitholders and the investment community in a timely manner and in compliance with the requirements of all applicable laws.

During the year under review, the Manager also met or teleconferenced with institutional investors in Singapore, Hong Kong, Europe, USA and Australia. In addition, the Manager pursues opportunities to educate and keep retail investors informed of the REIT industry through seminars organised by the SGX-ST or other public associations. The annual Unitholders' meeting was also held for the Manager to engage with the investors, particularly retail investors, allowing them direct access to the Manager to obtain responses to any queries which the investors might have.

Unitholders are informed of meetings through notices accompanied by annual reports or circulars sent to them. Unitholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any Unitholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. Members of the Board of Directors together with the AC and the auditors will be in attendance at these meetings to address questions from Unitholders.

Unitholders are accorded the opportunity to raise relevant questions and to communicate their views at Unitholders' meetings. At the Unitholders' meetings, each matter is proposed as a separate resolution. To ensure transparency, the Manager conducts electronic poll voting for the Unitholders/proxies present at the meeting for all resolutions proposed at the Unitholders' meetings. All votes cast for or against and their respective percentages will be displayed "live" immediately at the meeting after the conduct of each poll. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the meeting via SGXNet.

The Company Secretary prepares the minutes of the Unitholders' meetings incorporating substantial comments or queries from the Unitholders together with the responses of the Board and Management. The minutes are available to Unitholders upon their request.

TRADING OF A-REIT'S UNITS

The Manager has in place a policy which encourages the Directors and employees of the Manager to hold Units in A-REIT ("Units") but prohibits them from trading in the Units in the following circumstances:

1. during the period commencing two weeks before the public announcement of A-REIT's financial statements for each quarter of its financial year, or one month before the full year results, as the case may be, and ending on the date of announcement of the relevant results; and

2. at any time whilst in possession of price sensitive information that is not available in the market.

CORPORATE GOVERNANCE

The Directors and employees of the Manager are reminded on a monthly basis through email that they are prohibited from trading in the Units while in the possession of inside information concerning A-REIT. In addition, while in possession of inside information, the Directors and employees of the Manager must not advise others to trade in the Units or communicate such information to another person.

Examples (not exhaustive) of inside information include:

- information relating to a proposed major acquisition or disposition;
- information relating to a significant business development or a proposed change in the nature of A-REIT's business;
- details of material contracts that are being negotiated by A-REIT;
- information relating to a potential litigation that would have a substantial effect on A-REIT;
- a proposed change in A-REIT'S distribution policy; and
- a major change to the Board or senior management.

Directors and employees of the Manager are also advised not to deal in the Units on short term considerations.

In addition, the Manager has given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto within two days after the date on which it acquires or disposes any Units, as the case may be. The Manager has also undertaken that it will not deal in the Units during the period commencing two weeks before the public announcement of A-REIT's quarterly results or one month before the full year results, and if applicable, property valuation, and ending on the date of announcement of the relevant results.

DEALINGS WITH CONFLICTS OF INTEREST

The Manager has established the following procedures to address potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing A-REIT:

1. the Manager will be a dedicated manager to A-REIT and will not manage any other real estate investment trust or be involved in any other real estate or property business;

2. all executive officers are employed by the Manager;

3. the entry into any IPT must be reviewed and recommended by the AC to the Board, who may approve the IPT with a majority vote of the Directors, including the votes of at least two independent Directors; and

4. in respect of matters in which JTC and/or its subsidiaries (which includes the Ascendas Group) has a direct or indirect interest, any nominees appointed by JTC or any of its subsidiaries to the Board shall abstain from voting. In such matters, the quorum must comprise a majority of the independent Directors of the Manager and must exclude the representatives or nominees of JTC and/or its subsidiaries.

The Manager has also established a Conflict of Interest Policy for its employees and major service providers to ensure that any conflicts of interest or potential conflicts of interest are disclosed and approvals are sought where required.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to a breach of any agreement entered into by the Trustee for and on behalf of A-REIT with an affiliate of the Manager, the Manager shall be obliged to consult a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of A-REIT, has prima facie evidence against the person allegedly in breach of such agreements, the Manager shall be obliged to take appropriate action with reference to such agreements. The Directors of the Manager will have a duty to ensure that the Manager so complies.

CORPORATE GOVERNANCE

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of A-REIT with an affiliate of the Manager. The Trustee may then take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such affiliate of the Manager.

Under the Trust Deed, the Manager and its Associates (as defined in the Trust Deed) are prohibited from voting with their Units at, or being part of a quorum for, any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates has a material interest in the business to be conducted (save for a resolution to remove the Manager as provided in the Trust Deed).

DEALING WITH INTERESTED PERSON TRANSACTIONS

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all transactions involving, among others, the Trustee, as the trustee for A-REIT, and an Interested Person of the Manager are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. The Manager would have to demonstrate this to the AC, which may include obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining a valuation from an independent valuer (in accordance with the Property Funds Appendix). In addition, regulatory requirements relating to IPTs, including the need for approvals and disclosure, are strictly observed by the Manager.

Where matters concerning A-REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of A-REIT with a Interested Person of the Manager, the Trustee is required to ensure that such transactions are conducted at arm's length in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the Trustee, as trustee for A-REIT, has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Interested Person of the Manager. If the Trustee is to sign any contract with a Interested Person of the Trustee or the Manager, the Trustee will review the contract to ensure that it complies with the requirements relating to IPTs in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to IPTs (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

All IPTs will be subject to regular reviews by the AC.

The Manager maintains a register to record all IPTs (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by A-REIT. The Manager incorporates into its internal audit plan a review of all IPTs entered into by A-REIT. The AC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor IPTs have been complied with. In addition, the Trustee will also review such audit reports to ascertain that the Property Funds Appendix have been complied with.

The Manager discloses in A-REIT's Annual Report the aggregate value of IPTs conducted during the relevant financial year.

The entry into and the fees payable pursuant to the Trust Deed have been approved by the Unitholders upon purchase of the Units at the initial public offering of A-REIT on the SGX-ST in November 2002 and in an Extraordinary General Meeting held on 28 June 2007 (where the Unitholders approved the amendment of the Trust Deed, inter alia, to allow the Manager to receive development management fees), and are therefore not subject to Rules 905 and 906 of the Listing Manual of the SGX-ST. The entry into and the fees payable pursuant to the PMA2012, CPMA2012 and LMA2012 have been approved by the Unitholders in an Extraordinary General Meeting held on 28 June 2012, and such fees shall not be subject to aggregation or further Unitholders' approval requirements under Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the property management fees and related expenses thereunder which are adverse to A-REIT.

FINANCIAL REPORT

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Ascendas Funds Management (S) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 9 October 2002 (as amended and restated) between the Trustee and the Manager (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 125 to 206, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

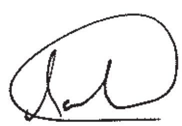
Antony Wade Lewis
Director

2 June 2014

STATEMENT BY THE MANAGER

In the opinion of the directors of Ascendas Funds Management (S) Limited, the accompanying financial statements set out on pages 125 to 206 comprising the Balance Sheets, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, Investment Properties Portfolio Statement and Statement of Cash Flows of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 March 2014, the total return, distributable income, movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Ascendas Funds Management (S) Limited



Khiatani Manohar Ramesh
Director

2 June 2014

INDEPENDENT AUDITORS' REPORT

Unitholders of Ascendas Real Estate Investment Trust
(Constituted under a Trust Deed dated 9 October 2002 (as amended and restated) in the Republic of Singapore)

We have audited the accompanying financial statements of Ascendas Real Estate Investment Trust and its subsidiaries (the "Group"), which comprise the Balance Sheets of the Group and the Trust and Investment Properties Portfolio Statement of the Group as at 31 March 2014, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds of the Group and of the Trust and the Statement of Cash Flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 125 to 206.

Manager's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 March 2014 and the total return, distributable income, movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 June 2014

BALANCE SHEETS

As at 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000	Trust 2014 $'000	Trust 2013 $'000
Non-current assets					
Investment properties	4	**6,922,966**	6,447,054	**6,651,419**	6,378,190
Investment property under development	5	**–**	151,916	**–**	151,916
Investment in debt securities	6	**194,574**	145,535	**194,574**	145,535
Plant and equipment	7	**418**	992	**303**	990
Finance lease receivables	8	**93,844**	63,370	**93,844**	63,370
Interest in subsidiaries	9	**–**	–	**170,027**	48,918
Other assets	10	**–**	33,070	**–**	33,070
Derivative assets	15	**1,348**	12,259	**1,348**	12,259
		7,213,150	6,854,196	**7,111,515**	6,834,248
Current assets					
Finance lease receivables	8	**1,031**	1,901	**1,031**	1,901
Trade and other receivables	11	**65,539**	47,301	**61,894**	46,653
Other assets	10	**–**	36,040	**–**	36,040
Derivative assets	15	**1,345**	64	**1,345**	64
Property held for sale	4	**10,500**	–	**10,500**	–
Cash and cash equivalents	12	**65,928**	19,525	**57,952**	12,544
		144,343	104,831	**132,722**	97,202
Current liabilities					
Trade and other payables	13	**127,423**	134,647	**120,755**	132,981
Security deposits	14	**28,527**	69,667	**26,827**	68,394
Derivative liabilities	15	**2,658**	885	**2,658**	885
Short term borrowings	16	**209,790**	109,710	**209,790**	109,710
Term loans	16	**394,986**	–	**394,986**	–
Medium term notes	16	**–**	124,965	**–**	124,965
Collateral loan	17	**341,091**	–	**341,091**	–
Provision for taxation		**2,068**	759	**2,064**	478
		1,106,543	440,633	**1,098,171**	437,413
Non-current liabilities					
Security deposits	14	**57,435**	4,617	**56,982**	4,617
Derivative liabilities	15	**90,185**	105,879	**90,185**	105,879
Term loans	16	**731,932**	928,671	**717,649**	914,920
Medium term notes	16	**499,157**	456,202	**499,157**	456,202
Collateral loan	17	**–**	359,517	**–**	359,517
Deferred tax liabilities	18	**23,675**	2,359	**–**	–
		1,402,384	1,857,245	**1,363,973**	1,841,135
Net assets		**4,848,566**	4,661,149	**4,782,093**	4,652,902
Represented by:					
Unitholders' funds		**4,848,566**	4,661,149	**4,782,093**	4,652,902
Units in issue ('000)	19	**2,402,522**	2,398,946	**2,402,522**	2,398,946
Net asset value per unit ($)		**2.02**	1.94	**1.99**	1.94

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

Year ended 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000	Trust 2014 $'000	Trust 2013 $'000
Gross revenue	20	**613,592**	575,837	**605,692**	570,184
Property operating expenses	21	**(177,619)**	(167,027)	**(174,418)**	(165,522)
Net property income		**435,973**	408,810	**431,274**	404,662
Management fee	22	**(35,594)**	(33,246)	**(35,594)**	(33,246)
Performance fee		**–**	(6,959)	**–**	(6,959)
Trust expenses	23	**(5,171)**	(4,859)	**(4,885)**	(4,591)
Finance income	24	**30,445**	24,899	**30,353**	24,743
Finance costs	24	**(66,407)**	(123,573)	**(65,734)**	(122,452)
Net foreign exchange gain		**19,730**	42,274	**19,556**	42,265
Gain on disposal of investment properties		**12,057**	–	**12,057**	–
Net income		**391,033**	307,346	**387,027**	304,422
Net change in fair value of financial derivatives		**(16,934)**	(42,979)	**(16,934)**	(42,979)
Net appreciation on revaluation of investment properties		**131,113**	72,779	**58,272**	65,510
Total return for the year before tax		**505,212**	337,146	**428,365**	326,953
Tax (expense)/credit	25	**(23,244)**	(860)	**(1,703)**	1,419
Total return for the year		**481,968**	336,286	**426,662**	328,372
Net effect of non (taxable income)/tax deductible expenses and other adjustments		**(11,499)**	42,050	**(29,034)**	42,695
Net appreciation on revaluation of investment properties		**(131,113)**	(72,779)	**(58,272)**	(65,510)
Income available for distribution		**339,356**	305,557	**339,356**	305,557
Tax-exempt income (prior periods)		**1,245**	–	**1,245**	–
Distribution from capital (prior periods)		**1,404**	–	**1,404**	–
Total amount available for distribution		**342,005**	305,557	**342,005**	305,557
Earnings per unit (cents)					
- Basic	26	**20.07**	15.11	**17.77**	14.75
- Diluted	26	**18.45**	15.11	**16.27**	14.75
Distribution per unit (cents)	26	**14.24**	13.74	**14.24**	13.74

DISTRIBUTION STATEMENTS

Year ended 31 March 2014

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Total amount available for distribution to Unitholders at beginning of the year	**69,503**	73,322	**69,503**	73,322
Total return for the year	**481,968**	336,286	**426,662**	328,372
Distribution adjustments (Note A)	**(142,612)**	(30,729)	**(87,306)**	(22,815)
	339,356 [(1)]	305,557 [(1)]	**339,356** [(1)]	305,557 [(1)]
Income available for distribution to Unitholders	**408,859**	378,879	**408,859**	378,879
Tax-exempt income (prior periods)	**1,245**	–	**1,245**	–
Distribution from capital (prior periods)	**1,404**	–	**1,404**	–
Total amount available for distribution to Unitholders	**411,508**	378,879	**411,508**	378,879
Distribution of 3.54 cents per unit for the period from 01/10/13 to 31/12/13	**(85,049)**	–	**(85,049)**	–
Distribution of 3.60 cents per unit for the period from 01/07/13 to 30/09/13	**(86,431)**	–	**(86,431)**	–
Distribution of 3.55 cents per unit for the period from 01/04/13 to 30/06/13	**(85,231)**	–	**(85,231)**	–
Distribution of 0.37 cents per unit for the period from 19/03/13 to 31/03/13	**(8,876)**	–	**(8,876)**	–
Distribution of 2.69 cents per unit for the period from 01/01/13 to 18/03/13	**(60,228)**	–	**(60,228)**	–
Distribution of 3.62 cents per unit for the period from 01/10/12 to 31/12/12	**–**	(81,050)	**–**	(81,050)
Distribution of 3.53 cents per unit for the period from 01/07/12 to 30/09/12	**–**	(78,985)	**–**	(78,985)
Distribution of 1.80 cents per unit for the period from 14/05/12 to 30/06/12	**–**	(40,276)	**–**	(40,276)
Distribution of 1.73 cents per unit for the period from 01/04/12 to 13/05/12	**–**	(36,087)	**–**	(36,087)
Distribution of 3.50 cents per unit for the period from 01/01/12 to 31/03/12	**–**	(72,978)	**–**	(72,978)
	(325,815)	(309,376)	**(325,815)**	(309,376)
Total amount available for distribution to Unitholders at end of the year	**85,693**	69,503	**85,693**	69,503

[(1)] Comprises:				
- Taxable income	**336,907**	304,573	**336,907**	304,573
- Tax-exempt income	**2,449**	–	**2,449**	–
- Distribution from capital	**–**	984	**–**	984
	339,356	305,557	**339,356**	305,557

Note A - Distribution adjustments comprise:

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Net change in fair value of financial derivatives	**16,934**	42,979	**16,934**	42,979
Net appreciation on revaluation of investment properties	**(131,113)**	(72,779)	**(58,272)**	(65,510)
Change in fair value of collateral loan	**(18,426)**	51,909	**(18,426)**	51,909
Change in fair value of debt securities	**(1,288)**	(15,285)	**(1,288)**	(15,285)
Unrealised foreign exchange gain	**(19,730)**	(42,274)	**(19,556)**	(42,265)
Management fee paid/payable in units	**7,118**	6,648	**7,118**	6,648
Trustee's fee	**2,146**	2,000	**2,146**	2,000
Loss/(income) of subsidiaries	**17,816**	(2,326)	**–**	–
Transfer to general reserves	**(107)**	(128)	**–**	–
Gain on disposal of investment properties	**(12,057)**	–	**(12,057)**	–
Others	**(3,905)**	(1,473)	**(3,905)**	(3,291)
Total distribution adjustments	**(142,612)**	(30,729)	**(87,306)**	(22,815)

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000	Trust 2014 $'000	Trust 2013 $'000
At beginning of the year		**4,661,149**	3,917,456	**4,652,902**	3,917,003
Operations					
Net income		**391,033**	307,346	**387,027**	304,422
Net change in fair value of financial derivatives		**(16,934)**	(42,979)	**(16,934)**	(42,979)
Net appreciation on revaluation of investment properties		**131,113**	72,779	**58,272**	65,510
Tax (expense)/credit		**(23,244)**	(860)	**(1,703)**	1,419
Net increase in net assets resulting from operations		**481,968**	336,286	**426,662**	328,372
Hedging transactions					
Effective portion of changes in fair value of financial derivatives		**17,255**	11,063	**17,255**	11,063
Fair value reserve of financial derivatives transferred to the Statements of Total Return		**3,971**	(1,333)	**3,971**	(1,333)
Net increase in net assets resulting from hedging transactions		**21,226**	9,730	**21,226**	9,730
Movement in foreign currency translation reserve		**2,920**	(120)	**–**	–
Unitholders' transactions					
New units issued		**–**	704,900	**–**	704,900
Acquisition fee (IPT* acquisition) paid in units		**–**	3,090	**–**	3,090
Management fee paid/payable in units		**7,118**	6,648	**7,118**	6,648
Issue expenses	27	**–**	(7,465)	**–**	(7,465)
Distributions to Unitholders		**(325,815)**	(309,376)	**(325,815)**	(309,376)
Net (decrease)/increase in net assets resulting from Unitholders' transactions		**(318,697)**	397,797	**(318,697)**	397,797
At end of the year		**4,848,566**	4,661,149	**4,782,093**	4,652,902

* IPT denotes Interested Person Transaction.

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

Group

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[a]	Valuation Date	Carrying Amount 2014	Carrying Amount 2013	Percentage of Net Assets 2014	Percentage of Net Assets 2013
							$'000		$'000	$'000	%	%
	Business & Science Park											
	The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	10 Science Park Road	110,600	31 Mar 2014	**110,600**	116,000	**2.28**	2.49
@	The Aries	19 Nov 2002	Leasehold	60 years	18 Nov 2062	51 Science Park Road	66,200	31 Mar 2014	**66,200**	65,500	**1.37**	1.41
	The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	1 Science Park Road	120,500	31 Mar 2014	**120,500**	116,000	**2.49**	2.49
@	The Gemini	19 Nov 2002	Leasehold	60 years	18 Nov 2062	41 Science Park Road	128,400	31 Mar 2014	**128,400**	128,000	**2.65**	2.75
	Honeywell Building	19 Nov 2002	Leasehold	60 years[d]	15 Dec 2058[d]	17 Changi Business Park Central 1	70,300	31 Mar 2014	**70,300**	69,500	**1.45**	1.49
@	1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[d]	31 Jan 2061[d]	1 Changi Business Park Avenue 1	51,200	31 Mar 2014	**51,200**	41,000	**1.06**	0.88
@	Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	7 International Business Park	23,600	31 Mar 2014	**23,600**	25,000	**0.49**	0.54
@	PSB Science Park Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	1 Science Park Drive	79,400	31 Mar 2014	**79,400**	76,500	**1.64**	1.64
	13 International Business Park	10 Oct 2006	Leasehold	60 years[d]	15 Jul 2064[d]	13 International Business Park	27,700	31 Mar 2014	**27,700**	29,000	**0.57**	0.62
@	iQuest @ IBP	12 Jan 2007	Leasehold	60 years[d]	30 Nov 2055[d]	27 International Business Park	37,100	31 Mar 2014	**37,100**	37,000	**0.77**	0.79
	Hansapoint @ CBP	22 Jan 2008	Leasehold	60 years[d]	31 Oct 2066[d]	10 Changi Business Park Central 2	86,100	31 Mar 2014	**86,100**	84,500	**1.78**	1.81
	Acer Building	19 Mar 2008	Leasehold	60 years[d]	30 Apr 2066[d]	29 International Business Park	83,400	31 Mar 2014	**83,400**	91,000	**1.72**	1.95
	The Rutherford & Science Hub	26 Mar 2008	Leasehold	60 years	25 Mar 2068	87 & 89 Science Park Drive	81,700	31 Mar 2014	**81,700**	88,000	**1.69**	1.89
	31 International Business Park	26 Jun 2008	Leasehold	60 years[d]	15 Dec 2054[d]	31 International Business Park	215,200	31 Mar 2014	**215,200**	222,000	**4.44**	4.76
	Balance carried forward - (Business & Science Park)						1,181,400		**1,181,400**	1,189,000	**24.40**	25.51

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[(a)] $'000	Valuation Date	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000	Percentage of Net Assets 2014 %	Percentage of Net Assets 2013 %
Business & Science Park											
Balance brought forward - (Business & Science Park)						1,181,400		**1,181,400**	1,189,000	**24.40**	25.51
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years[(d)]	30 Sep 2067[(d)]	1, 3 & 5 Changi Business Park Crescent	316,700	31 Mar 2014	**316,700**	316,500	**6.53**	6.79
DBS Asia Hub	31 Mar 2010	Leasehold	60 years[(d)]	30 Sep 2067[(d)]	2 Changi Business Park Crescent	143,300	31 Mar 2014	**143,300**	141,900	**2.96**	3.04
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[(d)]	31 Jan 2065[(d)]	8/8A Biomedical Grove	130,400	31 Mar 2014	**130,400**	129,400	**2.69**	2.78
Nordic European Centre	08 Jul 2011	Leasehold	60 years[(d)]	31 Mar 2057[(d)]	3 International Business Park	116,000	31 Mar 2014	**116,000**	122,200	**2.39**	2.62
Ascendas Z-Link	03 Oct 2011	Leasehold	50 years	27 Aug 2054	17 Zhongguancun Software Park, 8 Dongbeiwang West Road, Haidian District, Beijing 100094, China	89,593	31 Mar 2014	**89,593**	68,864	**1.85**	1.48
AkzoNobel House	08 Dec 2011	Leasehold	60 years[(d)]	28 Feb 2061[(d)]	3 Changi Business Park Vista	71,600	31 Mar 2014	**71,600**	80,000	**1.48**	1.72
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	73 Science Park Drive	51,000	31 Mar 2014	**51,000**	51,000	**1.05**	1.09
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	75 Science Park Drive	42,600	31 Mar 2014	**42,600**	38,700	**0.88**	0.83
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	77 & 79 Science Park Drive	110,600	31 Mar 2014	**110,600**	103,500	**2.28**	2.22
The Galen[(l)]	25 Mar 2013	Leasehold	66 years	24 Mar 2079	61 Science Park Road	128,200	31 Mar 2014	**128,200**	127,460	**2.64**	2.73
A-REIT City@ Jinqiao[(b)]	12 Jul 2013	Leasehold	35.6 years	04 Aug 2046	No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District, Shanghai, China	181,953	31 Mar 2014	**181,953**	–	**3.75**	–
Nexus@one-north[(c)]	04 Sep 2013	Leasehold	60 years	07 Jun 2071	1 & 3 Fusionopolis Link	186,350	31 Mar 2014	**186,350**	–	**3.84**	–
Total (Business & Science Park)						2,749,696		**2,749,696**	2,368,524	**56.74**	50.81

The accompanying notes form an integral part of these financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[a] $'000	Valuation Date	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000	Percentage of Net Assets 2014 %	Percentage of Net Assets 2013 %
	Hi-Specifications Industrial Properties											
	Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	31 Kaki Bukit Road 3	112,200	31 Mar 2014	**112,200**	112,200	**2.31**	2.41
	Siemens Centre	12 Mar 2004	Leasehold	60 years[d]	15 Dec 2061[d]	60 MacPherson Road	102,400	31 Mar 2014	**102,400**	101,200	**2.11**	2.17
#	Infineon Building	01 Dec 2004	Leasehold	47 years[f]	30 Jun 2050[f]	8 Kallang Sector	81,000	31 Mar 2014	**81,000**	72,400	**1.67**	1.55
#	Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	10 Ang Mo Kio Street 65	148,700	31 Mar 2014	**148,700**	136,000	**3.07**	2.92
#	Wisma Gulab	01 Dec 2004	Freehold	Freehold	–	190 MacPherson Road	77,000	31 Mar 2014	**77,000**	68,300	**1.59**	1.46
#	KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	150 Kampong Ampat	43,300	31 Mar 2014	**43,300**	39,000	**0.89**	0.84
#	KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	159 Kampong Ampat	19,200	31 Mar 2014	**19,200**	17,900	**0.40**	0.38
#	Kim Chuan Telecom-munications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	38 Kim Chuan Road	139,400	31 Mar 2014	**139,400**	136,100	**2.88**	2.92
@	Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang Timor	90,000	31 Mar 2014	**90,000**	86,000	**1.86**	1.85
	Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	1 Kaki Bukit View	128,000	31 Mar 2014	**128,000**	114,000	**2.64**	2.45
@	1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang	28,150	31 Mar 2014	**28,150**	25,200	**0.58**	0.54
	30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[d]	31 Dec 2063[d]	30 Tampines Industrial Avenue 3	34,650	31 Mar 2014	**34,650**	31,000	**0.71**	0.67
@	50 Kallang Avenue	27 Feb 2006	Leasehold	60 years[d]	15 Nov 2055[d]	50 Kallang Avenue	42,100	31 Mar 2014	**42,100**	41,000	**0.87**	0.88
@	138 Depot Road	15 Mar 2006	Leasehold	60 years[d]	30 Nov 2064[d]	138 Depot Road	69,300	31 Mar 2014	**69,300**	66,100	**1.43**	1.42
@	2 Changi South Lane	01 Feb 2007	Leasehold	60 years[d]	15 Oct 2057[d]	2 Changi South Lane	36,500	31 Mar 2014	**36,500**	35,500	**0.75**	0.76
	CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[d]	31 Dec 2066[d]	9 Serangoon North Avenue 5	22,300	31 Mar 2014	**22,300**	21,300	**0.46**	0.46
	38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	38A Kim Chuan Road	122,700	31 Mar 2014	**122,700**	118,390	**2.53**	2.54
+@	Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	2 Corporation Road	110,000	31 Mar 2014	**110,000**	100,000	**2.27**	2.14
#	Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	5 Tampines Central 6	265,700	31 Mar 2014	**265,700**	261,600	**5.48**	5.61
&	31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[d]	28 Feb 2050[d]	31 Ubi Road 1	34,100	31 Mar 2014	**34,100**	32,170	**0.70**	0.69
	Total (Hi-Specifications Industrial Properties)						1,706,700		**1,706,700**	1,615,360	**35.20**	34.66

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[a] $'000	Valuation Date	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000	Percentage of Net Assets 2014 %	Percentage of Net Assets 2013 %
	Light Industrial Properties											
@	Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 4008-4012 Ang Mo Kio Avenue 10	136,300	31 Mar 2014	**136,300**	134,300	**2.81**	2.88
+	Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	184,300	31 Mar 2014	**184,300**	190,460	**3.80**	4.09
	OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	65 Ubi Avenue 1	41,000	31 Mar 2014	**41,000**	40,980	**0.85**	0.88
@	41 Changi South Avenue 2	13 Oct 2003	Leasehold	60 years[d]	28 Feb 2055[d]	41 Changi South Avenue 2	12,200	31 Mar 2014	**12,200**	12,700	**0.25**	0.27
#	Progen Building	29 Jul 2004	Leasehold	60 years[d]	15 Jan 2056[d]	12 Woodlands Loop	26,700	31 Mar 2014	**26,700**	25,610	**0.55**	0.55
#	SB Building	26 Nov 2004	Leasehold	60 years[d]	30 Sep 2057[d]	25 Changi South Street 1	23,800	31 Mar 2014	**23,800**	23,470	**0.49**	0.50
#	247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	247 Alexandra Road	64,800	31 Mar 2014	**64,800**	64,700	**1.34**	1.39
+@	5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	5 Tai Seng Drive	19,000	31 Mar 2014	**19,000**	18,760	**0.39**	0.40
#	Volex Building	01 Dec 2004	Leasehold	60 years[d]	31 Jan 2052[d]	35 Tampines Street 92	13,040	31 Mar 2014	**13,040**	13,010	**0.27**	0.28
#	53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[d]	30 Nov 2055[d]	53 Serangoon North Avenue 4	13,200	31 Mar 2014	**13,200**	12,700	**0.27**	0.27
	3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	3 Tai Seng Drive	19,300	31 Mar 2014	**19,300**	18,960	**0.40**	0.41
#	27 Ubi Road 4	01 Apr 2005	Leasehold	60 years[d]	31 Oct 2055[d]	27 Ubi Road 4	12,200	31 Mar 2014	**12,200**	11,850	**0.25**	0.25
#	52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[d]	15 Sep 2055[d]	52 Serangoon North Avenue 4	22,500	31 Mar 2014	**22,500**	22,800	**0.46**	0.49
#	Hyflux Building	04 Apr 2005	Leasehold	60 years	15 Jan 2041	202 Kallang Bahru	22,500	31 Mar 2014	**22,500**	22,500	**0.46**	0.48
	25 Ubi Road 4	16 May 2005	Leasehold	60 years[d]	29 Feb 2056[d]	25 Ubi Road 4	11,800	31 Mar 2014	**11,800**	11,380	**0.24**	0.24
@	BBR Building	21 Jun 2005	Leasehold	60 years[d]	15 Sep 2057[d]	50 Changi South Street 1	10,100	31 Mar 2014	**10,100**	10,490	**0.21**	0.23
@	Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[d]	30 Nov 2049[d]	11 Tampines Street 92	19,900	31 Mar 2014	**19,900**	18,900	**0.41**	0.41
@	84 Genting Lane	05 Oct 2005	Leasehold	43 years[i]	30 Nov 2039[i]	84 Genting Lane	14,700	31 Mar 2014	**14,700**	14,700	**0.30**	0.32
@	Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	455A Jalan Ahmad Ibrahim	7,920	31 Mar 2014	**7,920**	7,910	**0.16**	0.17
@	NNB Industrial Building	05 Oct 2005	Leasehold	60 years[d]	15 Jan 2056[d]	10 Woodlands Link	16,600	31 Mar 2014	**16,600**	16,560	**0.34**	0.35
@	37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[d]	30 Jun 2054[d]	37A Tampines Street 92	16,900	31 Mar 2014	**16,900**	16,100	**0.35**	0.35
	Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[d]	28 Feb 2065[d]	11 Changi North Rise	38,500	31 Mar 2014	**38,500**	38,310	**0.79**	0.82
@	Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[j]	30 Jun 2047[j]	21 Changi North Rise	9,400	31 Mar 2014	**9,400**	9,290	**0.19**	0.20
	Balance carried forward - (Light Industrial Properties)						756,660		**756,660**	756,440	**15.58**	16.23

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[a] $'000	Valuation Date	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000	Percentage of Net Assets 2014 %	Percentage of Net Assets 2013 %
	Light Industrial Properties											
	Balance brought forward - (Light Industrial Properties)						756,660		**756,660**	756,440	**15.58**	16.23
@	Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[d]	30 Jun 2056[d]	150 Ubi Avenue 4	17,000	31 Mar 2014	**17,000**	16,540	**0.35**	0.34
@	26 Senoko Way	08 Jan 2007	Leasehold	60 years[d]	15 Sep 2051[d]	26 Senoko Way	16,500	31 Mar 2014	**16,500**	17,100	**0.34**	0.37
@	2 Senoko South Road	08 Jan 2007	Leasehold	60 years[d]	31 May 2056[d]	2 Senoko South Road	36,500	31 Mar 2014	**36,500**	35,770	**0.75**	0.77
*@	1 Kallang Place	01 Feb 2007	Leasehold	60 years	30 Nov 2024	1 Kallang Place	–	31 Mar 2014	**–**	10,960	**–**	0.24
@	18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[d]	15 Feb 2057[d]	18 Woodlands Loop	26,200	31 Mar 2014	**26,200**	24,850	**0.54**	0.53
@	9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[d]	31 Dec 2054[d]	9 Woodlands Terrace	3,100	31 Mar 2014	**3,100**	3,100	**0.06**	0.07
@	11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[d]	15 Jan 2056[d]	11 Woodlands Terrace	3,920	31 Mar 2014	**3,920**	2,960	**0.08**	0.06
	FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[d]	15 Nov 2044[d]	1 Senoko Avenue	78,100	31 Mar 2014	**78,100**	73,000	**1.61**	1.57
	8 Loyang Way 1	05 May 2008	Leasehold	30 years[k]	15 Jul 2052[k]	8 Loyang Way 1	24,300	31 Mar 2014	**24,300**	24,250	**0.50**	0.52
	31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[d]	15 Aug 2055[d]	31 Joo Koon Circle	18,930	31 Mar 2014	**18,930**	18,530	**0.39**	0.40
	Total (Light Industrial Properties)						981,210		**981,210**	983,500	**20.20**	21.10

The accompanying notes form an integral part of these financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[a] $'000	Valuation Date	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000	Percentage of Net Assets 2014 %	Percentage of Net Assets 2013 %
	Logistics & Distribution Centres											
	IDS Logistics Corporate HQ	19 Feb 2004	Leasehold	58 years[e]	31 Aug 2056[e]	279 Jalan Ahmad Ibrahim	41,100	31 Mar 2014	**41,100**	40,600	**0.85**	0.87
	LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	3 Changi North Street 2	46,910	31 Mar 2014	**46,910**	45,200	**0.97**	0.97
@	10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[d]	15 Oct 2055[d]	10 Toh Guan Road	122,600	31 Mar 2014	**122,600**	125,600	**2.53**	2.69
	Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[d]	15 Oct 2050[d]	19 Loyang Way	80,570	31 Mar 2014	**80,570**	73,900	**1.66**	1.58
+@	Nan Wah Building	31 May 2004	Leasehold	60 years[d]	15 Oct 2057[d]	4 Changi South Lane	30,900	31 Mar 2014	**30,900**	30,200	**0.64**	0.65
	C & P Logistics Hub	21 Jul 2004	Leasehold	48 years[g]	31 Dec 2049[g]	40 Penjuru Lane	265,660	31 Mar 2014	**265,660**	257,400	**5.48**	5.52
#	Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[d]	31 May 2054[d]	3 Changi South Street 2	35,500	31 Mar 2014	**35,500**	35,300	**0.73**	0.76
#	MacDermid Building	02 Dec 2004	Leasehold	60 years[d]	15 Jul 2050[d]	20 Tuas Avenue 6	7,300	31 Mar 2014	**7,300**	7,170	**0.15**	0.15
	Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[d]	31 Oct 2055[d]	6 Changi South Street 2	25,480	31 Mar 2014	**25,480**	23,400	**0.53**	0.50
#	9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[d]	30 Apr 2055[d]	9 Changi South Street 3	40,850	31 Mar 2014	**40,850**	39,700	**0.84**	0.85
#	5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[d]	15 Dec 2049[d]	5 Toh Guan Road East	32,070	31 Mar 2014	**32,070**	31,000	**0.66**	0.67
@	Xilin Districentre Building C	05 May 2005	Leasehold	60 years[d]	30 Sep 2054[d]	7 Changi South Street 2	25,960	31 Mar 2014	**25,960**	25,600	**0.54**	0.55
	Senkee Logistics Hub (Phase I and II)	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[h]	31 Jan 2049[h]	19 & 21 Pandan Avenue	121,300	31 Mar 2014	**121,300**	120,400	**2.50**	2.58
@	1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	1 Changi South Lane	43,680	31 Mar 2014	**43,680**	43,500	**0.90**	0.93
@	LogisHub @ Clementi	05 Oct 2005	Leasehold	60 years[d]	15 May 2053[d]	2 Clementi Loop	32,300	31 Mar 2014	**32,300**	32,100	**0.67**	0.69
@	GSH Centre	18 Nov 2005	Leasehold	60 years[d]	15 Nov 2063[d]	11 Changi North Way	16,600	31 Mar 2014	**16,600**	16,500	**0.34**	0.35
@	21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[d]	30 Sep 2055[d]	21 Jalan Buroh	66,700	31 Mar 2014	**66,700**	67,600	**1.38**	1.45
@	Sembawang Kimtrans Logistics Centre	14 Jun 2006	Leasehold	60 years[d]	15 Feb 2057[d]	30 Old Toh Tuck Road	24,080	31 Mar 2014	**24,080**	23,700	**0.50**	0.51
^	6 Pioneer Walk	05 Dec 2007	Leasehold	30 years	-	6 Pioneer Walk	–	31 Mar 2013	**–**	24,600	**–**	0.53
	Sim Siang Choon Building	19 Mar 2008	Leasehold	60 years[d]	30 Sep 2054[d]	21 Changi South Avenue 2	29,000	31 Mar 2014	**29,000**	28,000	**0.60**	0.60
	15 Changi North Way	29 Jul 2008	Leasehold	60 years[d]	31 Dec 2066[d]	15 Changi North Way	48,400	31 Mar 2014	**48,400**	47,500	**1.00**	1.02
	Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	15 Pioneer Walk	115,000	31 Mar 2014	**115,000**	108,900	**2.37**	2.34
	71 Alps Avenue	02 Sep 2009	Leasehold	60 years[d]	14 Aug 2068[d]	71 Alps Avenue	30,500	31 Mar 2014	**30,500**	29,200	**0.63**	0.63
	90 Alps Avenue	20 Jan 2012	Leasehold	60 years[d]	22 Oct 2070[d]	90 Alps Avenue	49,700	31 Mar 2014	**49,700**	49,200	**1.03**	1.06
	Total (Logistics & Distribution Centres)						1,332,160		**1,332,160**	1,326,270	**27.50**	28.45

The accompanying notes form an integral part of these financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation[a] $'000	Valuation Date	Carrying Amount 2014 $'000	Carrying Amount 2013 $'000	Percentage of Net Assets 2014 %	Percentage of Net Assets 2013 %
Warehouse Retail Facilities											
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	50 Tampines North Drive 2	65,900	31 Mar 2014	**65,900**	65,900	**1.36**	1.41
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	21 Tampines North Drive 2	87,300	31 Mar 2014	**87,300**	87,500	**1.80**	1.88
Total (Warehouse Retail Facilities)						153,200		**153,200**	153,400	**3.16**	3.29
Total investment properties						6,922,966		**6,922,966**	6,447,054	**142.80**	138.31
Investment property under development						–		**–**	151,916	**–**	3.26
Property held for sale								**10,500**	–	**0.22**	–
Other assets and liabilities (net)								**(2,084,900)**	(1,937,821)	**(43.02)**	(41.57)
Net assets								**4,848,566**	4,661,149	**100.00**	100.00

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

Investment properties comprise a diverse portfolio of industrial properties that are leased to customers. Most of the leases for multi-tenanted buildings contain an initial non-cancellable period ranging from one to three years. Subsequent renewals are negotiated with the respective lessees.

(a) Independent valuations for 104 (2013: 102) properties were undertaken by the following valuers on the dates stated below:

Valuers	2014 Valuation date	2013 Valuation date
DTZ Debenham Tie Leung (SEA) Pte Ltd	31 March 2014	31 March 2013
CBRE Pte. Ltd.	31 March 2014	31 March 2013
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 March 2014	31 March 2013
Cushman & Wakefield VHS Pte Ltd	31 March 2014	31 March 2013
Knight Frank Pte Ltd	31 March 2014	31 March 2013
Jones Lang LaSalle Property Consultants Pte Ltd	31 March 2014	31 March 2013
Cushman & Wakefield Valuation Advisory Services (HK) Ltd	31 March 2014	–
CBRE HK Limited	–	31 March 2013

These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach and discounted cash flow analysis. As at 31 March 2014, the valuations adopted for investment properties and property held for sale amounted to $6,923.0 million (2013: $6,319.6 million) and $10.5 million (2013: $Nil) respectively. The net increase in valuation of $131.1 million (2013: $72.8 million) has been recognised in the Statements of Total Return. In the previous financial year, the investment property under development was valued by the Manager at $151.9 million as at 31 March 2013.

(b) A-REIT City@Jinqiao ("Jinqiao") was acquired in July 2013 through the acquisition of shares in Shanghai (JQ) Investment Holdings Pte. Ltd. ("SHJQ"). SHJQ owns all the paid in capital in A-REIT Shanghai Realty Co., Limited ("ASRC"), which in turn owns the investment property, Jinqiao, in the People's Republic of China ("PRC") (see Note 9).

(c) Nexus@one-north obtained its Temporary Occupation Permit on 4 September 2013 and was transferred from investment property under development to investment properties during the current financial year.

(d) Includes an option for the Trust to renew the land lease for a further term of 30 years upon expiry.

(e) Includes an option for the Trust to renew the land lease for a further term of 28 years upon expiry.

(f) Includes an option for the Trust to renew the land lease for a further term of 17 years upon expiry.

(g) Includes an option for the Trust to renew the land lease for a further term of 24.4 years upon expiry.

(h) Includes an option for the Trust to renew the land lease for a further term of 15 years upon expiry.

(i) Includes an option for the Trust to renew the land lease for a further term of 13 years upon expiry.

(j) Includes an option for the Trust to renew the land lease for a further term of 12 years upon expiry.

(k) At the end of the 30-year lease, the Trust has the option to renew the land lease for Building A for a further term of 26 years and to renew the land lease for Building B for a further term of 16 years, 4 months and 16 days.

(l) In the previous financial year, The Galen was acquired from a related party of the Manager, Singapore Science Park Ltd, and was recorded at the cost incurred upon acquisition as at 31 March 2013.

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2014

@ Portfolio 3 - Properties pledged as securities for the credit facility granted by Emerald Assets Limited in relation to the term loan of $395.0 million (see Note 16).

Portfolio CL - Properties pledged as securities for the credit facility granted by Ruby Assets Pte. Ltd. in relation to the collateral loan of $300.0 million (see Note 17).

+ Block 5006 Techplace II was divested to Venture Corporation Limited for $38.0 million on 31 March 2014. In 2013, Techplace II was released from Portfolio 3 and substituted with Corporation Place, 5 Tai Seng and Nan Wah Building.

& 31 Ubi Road 1 was reclassified from the "Light Industrial Properties" segment to the "Hi-Specifications Industrial Properties" segment with effect from April 2013 to be consistent with its location and building specifications.

^ 6 Pioneer Walk was divested to GKE Private Limited for $32.0 million on 21 June 2013.

* 1 Kallang Place was transferred to property held for sale, following the proposed divestment of the property.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from operating activities			
Net income		**391,033**	307,346
Adjustments for:			
Impairment loss on doubtful receivables	11	**172**	379
Management fees paid/payable in units	22	**7,118**	6,648
Depreciation of plant and equipment	7	**695**	768
Finance income	24	**(30,445)**	(24,899)
Finance costs	24	**66,407**	123,573
Net foreign exchange gain		**(19,730)**	(42,274)
Gain on disposal of investment properties		**(12,057)**	–
Operating income before working capital changes		**403,193**	371,541
Changes in working capital:			
Trade and other receivables		**(12,554)**	(4,878)
Trade and other payables		**17,153**	9,125
Cash generated from operating activities		**407,792**	375,788
Income tax paid		**(757)**	(454)
Net cash from operating activities		**407,035**	375,334
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	A	**(11,117)**	–
Purchase of investment properties	B	**–**	(122,727)
Payment for investment properties and other assets under development		**(50,873)**	(54,135)
Payment for capital expenditure on investment properties		**(102,272)**	(59,779)
Purchase of plant and equipment		**(436)**	(7)
Proceeds from sale of investment properties		**70,000**	–
Investment in debt securities		**(47,750)**	(27,000)
Interest received		**7,505**	7,037
Net cash used in investing activities		**(134,943)**	(256,611)
Cash flows from financing activities			
Issue expenses paid		**(130)**	(7,328)
Proceeds from issue of units		**–**	704,900
Distributions paid to Unitholders		**(325,815)**	(309,376)
Finance costs paid		**(66,988)**	(75,633)
Transaction costs paid in respect of borrowings		**(3,025)**	(1,177)
Proceeds from borrowings		**783,410**	423,066
Repayment of borrowings		**(613,429)**	(853,206)
Net cash used in financing activities		**(225,977)**	(118,754)
Net increase/(decrease) in cash and cash equivalents		**46,115**	(31)
Cash and cash equivalents at beginning of financial year		**19,525**	19,589
Effect of exchange rate changes on cash balances		**288**	(33)
Cash and cash equivalents at end of financial year		**65,928**	19,525

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

Notes:

(A) Net cash outflow on acquisition of subsidiary

Net cash outflow on acquisition of subsidiary in 2014 is set out below:

	Group 2014 $'000
Investment property	**123,611**
Cash	**1,869**
Other assets	**56**
Other liabilities	**(77,644)**
Net identifiable assets acquired	**47,892**
Total consideration	**47,892**
Add: Shareholder's loan assumed	**1,134**
Cash paid through deposits in previous financial years (see Note 10)	**(36,040)**
Cash acquired	**(1,869)**
Net cash outflow	**11,117**

Details of the subsidiary acquired during the year are set out in Note 9.

(B) Net cash outflow on purchase of investment properties (including acquisition costs)

Net cash outflow on purchase of investment properties (including acquisition costs) in 2013 is set out below:

	Group 2013 $'000
Investment properties (including acquisition costs)	127,460
Cash	2,420
Trade and other payables	(3,473)
Net identifiable assets acquired	126,407
Total consideration	126,407
Acquisition costs payable in the form of units	(1,260)
Cash acquired	(2,420)
Net cash outflow	122,727

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

(C) Significant non-cash transactions

Year ended 31 March 2014

During the year, there were the following significant non-cash transactions:

- 3,112,708 units amounting to $6,964,000 were issued at issue prices ranging from $2.1621 to $2.3219 per unit as payment for 20% of the base management fee relating to the period from 1 December 2012 to 30 November 2013.

- 462,860 units amounting to $1,260,000 were issued at an issue price of $2.7222 per unit as payment for the acquisition fee to the Manager in relation to the acquisition of The Galen.

Year ended 31 March 2013

- 2,970,649 units amounting to $6,492,000 were issued at issue prices ranging from $2.0121 to $2.3812 per unit as payment for 20% of the base management fee relating to the period from 1 December 2011 to 30 November 2012.

- 898,247 units amounting to $1,830,000 were issued at an issue price of $2.0373 per unit as payment for the acquisition fee to the Manager in relation to the acquisition of Cintech I, Cintech II and Cintech III & IV.

The issue prices of the units were determined based on the volume weighted average traded price for all trades done on Singapore Exchange Securities Trading Limited ("SGX-ST") in the ordinary course of trading for 10 business days immediately preceding the respective date of issue of the new units.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 2 June 2014.

1 GENERAL

Ascendas Real Estate Investment Trust (the "Trust") is a Singapore-domiciled real estate investment trust constituted pursuant to the trust deed dated 9 October 2002 between Ascendas Funds Management (S) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), as supplemented and amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006 and as sanctioned by Extraordinary Resolutions obtained at a meeting of Unitholders duly convened and held on 28 June 2007 and as restated by the First Amending and Restating Deed dated 11 June 2008, as amended by the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010 and the Eleventh Supplemental Deed dated 14 October 2011 ("Trust Deed").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 November 2002 and was included under the Central Provident Fund ("CPF") Investment Scheme on 15 October 2002.

The principal activity of the Trust is to invest in a diverse portfolio of properties and property related assets with the primary objective of achieving an attractive level of return and long-term capital growth. The principal activities of the subsidiaries are set out in Note 9.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group").

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. As approved by the Unitholders of the Trust during the Extraordinary General Meeting held on 28 June 2012, the Trust has entered into a new property management agreement ("PMA2012") for the properties located in Singapore with effect from 1 October 2012, a China property management agreement ("CPMA2012") for properties located in the PRC with effect from 1 July 2012 and a lease management agreement for all properties with effect from 1 July 2012 ("LMA2012").

The previous property management agreement ("PMA2002") for properties located in Singapore which was entered into with Ascendas Services Pte Ltd ("ASPL") on 10 October 2002 had expired on 18 November 2012.

The fees structures of these services are as follows:

(a) Trustee's fee

Trustee's fee shall not exceed 0.25% per annum of the value of all the gross assets of the Group ("Deposited Property") (subject to a minimum of $10,000 per month) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. Based on the current agreement between the Manager and the Trustee, the Trustee charges 0.03% per annum of the Deposited Property. The Trustee's fee is payable out of the Deposited Property of the Group monthly in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 GENERAL (continued)

(b) Management fees

The Manager is entitled to receive the following remuneration:

(i) a base management fee of 0.5% per annum of the Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) an annual performance fee of:

- 0.1% per annum of the Deposited Property, provided that the annual growth in distribution per unit in a given financial year (calculated before accounting for the performance fee in that financial year) exceeds 2.5%; and

- an additional 0.1% per annum of the Deposited Property, provided that the growth in distribution per unit in a given financial year (calculated before accounting for the performance fee in that financial year) exceeds 5.0%.

(iii) an acquisition fee of 1.0% of the purchase price of investment property acquired by the Trustee on behalf of the Trust.

(iv) a divestment fee of 0.5% of the sale price of investment property sold or divested by the Trustee on behalf of the Trust.

(v) a development management fee, not exceeding 3.0% of the total project cost incurred in development projects undertaken by the Trust. In cases where the market pricing for comparables services is materially lower, the Manager will reduce the development management fees to less than 3.0%. In addition, when the estimated total project cost is greater than $100.0 million, the Trustee and the Manager's independent directors will review and approve the quantum of the development management fee.

With effect from 19 November 2007, the Manager has elected to receive 20.0% of the base management fee in units and 80.0% in cash for all properties.

With effect from 17 November 2004, the Manager may elect to receive performance fee in cash and/or units, in such proportion as may be determined by the Manager. The Manager had elected to receive 100% of the performance fee in the form of cash for the financial year ended 31 March 2013. No performance fee was payable for the financial year ended 31 March 2014.

The cash component of the base management fees will be paid monthly in arrears and the units component will be paid on a six-monthly basis in arrears. The performance fee will be paid within 60 days from the last day of every financial year.

(c) Fees under the property management agreements

(i) Property management services

For property management services pursuant to PMA2012 and CPMA2012, the Group will pay ASPL and Ascendas China Pte Ltd ("ACPL") (jointly the "Property Managers"), for each Fiscal Year (as defined in the PMA2012 and CPMA2012), a fee of 2.0% per annum of the adjusted gross revenue (as defined in the PMA2012 and CPMA2012) of each property, managed by the Property Managers, and in the event that the Property Managers only manage such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Property Managers manage such property divided by the number of days in such year.

For property management services incurred prior to PMA2012, the Trust would pay ASPL, for each Fiscal Year (as defined in PMA2002), a fee of 2.0% per annum of the gross revenue of each property, managed by ASPL.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 GENERAL (continued)

(c) Fees under the property management agreements (continued)

(ii) Marketing services

For marketing services pursuant to PMA2012 and CPMA2012, the Group will pay the Property Managers the following commissions, subject to a refund of 50.0% of the commission paid to the Property Managers if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Trust for the pre-termination (taking into account the loss of income and related expenses), the Property Managers need not refund 50.0% of the commission. If the tenant only compensates the Group for a proportion of the loss, the amount refunded to the Group by the Property Managers would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid:

- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than three years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 2.0 months' gross rent inclusive of service charge for securing a tenancy of five years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than five years with the terms of the lease subject to the prior approval of the Manager, provided that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge;
- if a third party agent secures a tenancy, the Property Managers shall pay to the third party agent the same fees as stated above. Prior approval of the Manager is required for the Property Managers to pay a third party agent a commission that is less than as set out above. For the avoidance of doubt, there will not be double charging of commission payable to the third party agents and the Property Managers as the commissions payable to such third party agents shall be paid out of the Property Managers' fee; and
- an administrative charge of 20.0% of the commission is payable to the Manager or the Property Managers in the case of a new lease take-up which involves a third party agent for the marketing support and administrative services to be rendered either by the Manager or the Property Managers.

For marketing services incurred prior to PMA2012, the Trust will pay ASPL the following commissions:

- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years or less;
- 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years;
- if a third party agent secures a tenancy, ASPL will be responsible for all commissions payable to such third party agent and ASPL will be entitled to a commission of:
  - 1.2 months' gross rent inclusive of service charge for securing a tenancy of three years or less; and
  - 2.4 months' gross rent inclusive of service charge for securing a tenancy of more than three years;
- 0.5 month's gross rent inclusive of service charge for securing a renewal of tenancy of three years or less; and
- 1.0 month's gross rent inclusive of service charge for securing a renewal of tenancy of more than three years.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 GENERAL (continued)

(c) Fees under the property management agreements (continued)

(iii) Project management services

For project management services pursuant to PMA2012 and CPMA2012, the Group will pay the Property Managers the following fees for the (i) development or redevelopment (if not prohibited by the Property Funds Appendix or if otherwise permitted by the Monetary Authority of Singapore), refurbishment, retrofitting and renovation works to a property where submission to the relevant authorities for the approval of such works is required or (ii) routine maintenance where the expenses for the routine maintenance of the property results in such expenses being classified as capital expenditure under the Singapore Financial Reporting Standards ("FRS"):

- a fee of 3.00% of the construction costs, where the construction costs are $2.0 million or less in Singapore, or RMB2.0 million or less in the PRC;
- a fee of 2.15% of the construction costs, where the construction costs exceed $2.0 million but do not exceed $12.0 million in Singapore, or exceed RMB2.0 million but do not exceed RMB12.0 million in the PRC;
- a fee of 1.45% of the construction costs, where the construction costs exceed $12.0 million but do not exceed $40.0 million in Singapore, or exceed RMB12.0 million but do not exceed RMB40.0 million in the PRC;
- a fee of 1.40% of the construction costs, where the construction costs exceed $40.0 million but do not exceed $70.0 million in Singapore, or exceed RMB40.0 million but do not exceed RMB70.0 million in the PRC;
- a fee of 1.35% of the construction costs, where the construction costs exceed $70.0 million but do not exceed $100.0 million in Singapore, or exceed RMB70.0 million but do not exceed RMB100.0 million in the PRC; and
- a fee to be mutually agreed by the parties, where the construction costs exceed $100.0 million in Singapore, or exceed RMB100.0 million in the PRC.

For purpose of calculating the fees payable to the Property Managers, construction costs means all construction costs and expenditure valued by the quantity surveyor engaged by the Group for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and goods and services tax.

For project management services incurred prior to PMA2012, the Trust will pay ASPL the following fees for the development or redevelopment (if not prohibited by the Property Funds Appendix or if otherwise permitted by the Monetary Authority of Singapore) the refurbishment, retrofitting and renovation works on a property:

- a fee of 3.0% of the construction costs, where the construction costs are $2.0 million or less;
- a fee of 2.15% of the construction costs, where the construction costs exceed $2.0 million but do not exceed $12.0 million;
- a fee of 1.45% of the construction costs, where the construction costs exceed $12.0 million but do not exceed $40.0 million;
- a fee of 1.40% of the construction costs, where the construction costs exceed $40.0 million but do not exceed $70.0 million;
- a fee of 1.35% of the construction costs, where the construction costs exceed $70.0 million but do not exceed $100.0 million; and
- a fee to be mutually agreed by the parties, where the construction costs exceed $100.0 million.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 GENERAL (continued)

(c) Fees under the property management agreements (continued)

(iv) Energy audit services

For energy audit services pursuant to PMA2012 and CPMA2012, the Group will pay the Property Managers $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property located in Singapore (being the base energy audit fee) and RMB10,000 per chiller in a property located in the PRC. In addition to these fees, the Trust will pay ASPL 40.0% of the cost savings achieved in each property during the first three years after the completion of the works in such property, subject to a maximum of $40,000 per property for properties located in Singapore (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

For energy audit services incurred prior to PMA2012, the Trust will pay ASPL $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in the property. In addition to these fees, the Trust will share with ASPL 40.0% of the cost savings achieved in each property subject to a maximum of $40,000 per property within a period of 3 years.

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees in relation to properties located in Singapore with effect from 1 July 2012:

- in relation to the car parks located at certain 33 properties as set out in the PMA2012 ("Managed Car Parks"), a management fee of $2.16 million per annum ("Base Car Park Fee") and 40.0% of hourly parking collections for such car parks (excluding goods and services tax). For the avoidance of doubt, any hourly car park rebates given to car park users will not be included in the hourly car park collections for the computation of fees.

- in the event that additional car parks are added or subsequently removed from the Managed Car Parks, the Base Car Park Fee shall be adjusted as follows:

    - in relation to a property which has up to 100 car park lots – the Base Car Park Fee shall be increased or decreased by $35 per car park lot per month multiplied by the number of car park lots in such property.

    - in relation to a property which has more than 100 car park lots – the Base Car Park Fee shall be increased or decreased by $25 per car park lot per month multiplied by the number of car park lots in such property.

Under CPMA2012, ACPL is not required to provide any car park management services.

In the current financial year, 9 properties were added to the Managed Car Parks and the Base Car Park Fee was adjusted accordingly.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 GENERAL (continued)

(d) Fees under the lease management agreement

(i) Lease management services

For lease management services pursuant to LMA2012, the Group will pay the Manager or its nominees (as the Manager may direct), for each Fiscal Year (as defined in the LMA2012), a fee of 1.0% per annum of the adjusted gross revenue (as defined in the LMA2012) of each property. In addition to the above fee, the Group will pay the Manager or its nominees the following fees, subject to a refund of 50.0% of the commission paid to the Manager or its nominees if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Group for the pre-termination (taking into account the loss of income and related expenses), the Manager or its nominees need not refund 50.0% of the commission. If the tenant only compensates the Group for a proportion of the loss, the amount refunded to the Group by the Manager or its nominees would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.

In relation to a tenancy which is renewed, the Group will pay the Manager or its nominees, the following fees:

- pro-rated based on 0.5 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than one year;
- 0.5 month's gross rent inclusive of service charge for securing a tenancy of one year or more but less than or equivalent to three years;
- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of five years; and
- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of more than five years, provided that the commission payable shall not exceed a sum equivalent to one and a half months' gross rent inclusive of service charge.

In relation to any new take-up of space by an existing tenant or where the space is taken up by a new tenant introduced by an existing tenant, the Group will pay the Manager or its nominees, the following fees:

- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than three years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 2.0 months' gross rent inclusive of service charge for securing a tenancy of five years; and
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than five years, provided that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge.

For lease management services incurred prior to LMA2012, the Trust will pay ASPL pursuant to PMA2002, for each Fiscal Year (as defined in PMA2002), a fee of 1.0% per annum of the gross revenue of each property.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 GENERAL (continued)

(d) Fees under the lease management agreement (continued)

(ii) Property tax services

For property tax services pursuant to LMA2012, the Manager or its nominees (as the Manager may direct) are entitled to the following fees if as a result of the Manager's or the nominees' objections to the tax authorities, the proposed annual value is reduced resulting in property tax savings for the property:

- a fee of 7.5% of the property tax savings, where the proposed reduction in annual value is $1.0 million or less in Singapore, or RMB1.0 million or less in the PRC;
- a fee of 5.5% of the property tax savings, where the proposed reduction in annual value is more than $1.0 million but does not exceed $5.0 million in Singapore, or more than RMB1.0 million but does not exceed RMB5.0 million in the PRC; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million in Singapore, or more than RMB5.0 million in the PRC.

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period less the expenses incurred to obtain the property tax savings and is not payable to the Manager if the Manager's objections are not successful or if the reduction in annual value results from an appeal to the valuation review board.

For property tax services incurred prior to LMA2012, in relation to properties located in Singapore, the fees payable to ASPL were identical to the fees payable to the Manager as defined under the LMA2012 except that the scope of property tax services has been increased in LMA2012.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. Under RAP 7, accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

(b) Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(c) Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties and investment properties under development, and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

2 BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3(j) – Estimates of current and deferred taxes;
- Note 4 – Valuation of investment properties;
- Note 5 – Valuation of investment properties under development; and
- Note 32 – Valuation of financial instruments

(e) Changes in accounting policies

RAP 7 (2012)

From 1 April 2013, the Group and the Trust have adopted the revised RAP 7 issued by the Institute of Singapore Chartered Accountants in June 2012.

The adoption of RAP 7 (2012) affects only the disclosures made in the financial statements. There is no financial effect on the financial position, total return or distributable income of the Group and the Trust for the current and previous financial years. Accordingly, the adoption of RAP 7 (2012) has no impact on earnings and distributions per unit.

Fair value measurement

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 April 2013, in accordance with the transitional provisions of FRS 113, the Group and the Trust have applied the new fair value measurement guidance prospectively and have not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the assets and liabilities of the Group and the Trust. The additional disclosures necessary as a result of the adoption of this standard have been included in Notes 32 and 33. The change had no significant impact on the measurements of the Group’s and the Trust’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies of the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries in the separate financial statements

Interest in a subsidiary is stated in the Trust's Balance Sheet at cost less accumulated impairment losses.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the Statement of Total Return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation.

Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency (continued)

Foreign operations (continued)

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in Unitholders' funds. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the Statement of Total Return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in the translation reserve in Unitholders' funds.

(c) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or for both, but not for sale in the ordinary course of business. Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

(i) in such manner and frequency required under the CIS Code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of the investment properties.

Subsequent expenditure on investment properties is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continuing maintenance and are regularly revalued on the basis described above. For income tax purposes, the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

(d) Investment properties under development

Investment properties under development are properties constructed or developed for future use as investment properties. Investment properties under development are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. Upon completion of the development, the carrying amounts are reclassified to investment properties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Non-current assets held for sale

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets and liabilities are measured in accordance with applicable FRSs. Thereafter, the assets or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell except for non-current assets that are accounted for in accordance with the fair value model in FRS 40 *Investment Property.*

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

Non-current assets held for sale comprise property held for sale.

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefit in excess of the originally assessed standard of performance of the existing asset will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is provided on the straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Furniture and fixtures	5 - 7 years
Equipment	5 - 10 years
Computers and office equipment	1 - 5 years

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return on the date of retirement or disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

(g) Finance leases

Leases which the Group has substantially transferred all the risks and rewards incidental to ownership of the asset to the lessee are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised as finance lease receivable on the Balance Sheet. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned interest income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned interest income. The interest income is recognised in the Statement of Total Return on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in the Statement of Total Return as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the Statement of Total Return.

Financial assets designated at fair value through profit or loss comprise investment in debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, cash and cash equivalents, finance lease receivables and other financial assets.

Cash and cash equivalents comprise cash at bank and fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or when they expire.

Financial assets and liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss

Upon initial recognition, financial liabilities are measured at fair value and attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, the financial liabilities are measured at fair value, with changes recognised in the Statement of Total Return as finance income or finance costs.

Financial liabilities at fair value through profit or loss comprise the collateral loan.

Other financial liabilities

Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables, security deposits, medium term notes, term loans and short term borrowings.

(iii) Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect total return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(iii) Derivative financial instruments and hedging activities (continued)

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in fair value of the derivative is taken to the hedging reserve in Unitholders' funds. Any ineffective portion of changes in fair value of the derivative is recognised immediately in the Statement of Total Return.

When the hedged item is a non-financial asset, the amount accumulated in the Unitholders' funds is reclassified to the Statement of Total Return in the same period or periods during which the non-financial item affects total return. In other cases as well, the amount accumulated in the Unitholders' funds is reclassified to the Statement of Total Return in the same period that the hedged item affects total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in Unitholders' funds is reclassified to the Statement of Total Return.

Other derivative financial instruments

Changes in the fair value of derivative financial instruments that are not designated in a hedge relationship that qualifies for hedge accounting are recognised immediately in the Statement of Total Return.

(i) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment (continued)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the Statement of Total Return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Total Return.

(ii) Non-financial assets

The carrying amounts of Group's non-financial assets, other than investment properties and investment properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in the Statement of Total Return if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return, unless it reverses a previous revaluation credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Reversals of impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) **Taxation**

Taxation on the returns for the year comprises current and deferred tax. Current and deferred tax are recognised in the Statement of Total Return, except to the extent that they relate to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties and investment properties under development that are measured at fair value in Singapore, the presumption that the carrying amounts will be recovered through sale has not been rebutted. This presumption is rebutted for investment properties in the PRC held within a business model whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its public listing on SGX-ST. Subject to meeting the terms and conditions of the tax ruling, the Trustee will not be assessed to tax on the taxable income of the Trust distributed in the same financial year. Instead, the Trustee and the Manager will deduct income tax (if required) at the prevailing corporate tax rate of 17.0% from the distributions made to Unitholders that are made out of the taxable income of the Trust in that financial year.

However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to the extent that the beneficial Unitholders are:

(i) Individuals (whether resident or non-resident) who receive such distributions as investment income (excluding income received through a Singapore partnership);

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation (continued)

(ii) Companies incorporated and tax resident in Singapore;

(iii) Singapore branches of foreign companies which have presented a letter of approval from the IRAS granting waiver from tax deducted at source in respect of distributions from the Trust;

(iv) Non-corporate Singapore constituted or registered entities (e.g. town councils, statutory boards, charitable organisations, management corporations, clubs and trade and industry associations constituted, incorporated, registered or organised in Singapore);

(v) Central Provident Fund ("CPF") members who use their CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts; and

(vi) Individuals who use their Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts.

The Trustee and the Manager will deduct tax at the reduced concessionary rate of 10.0% from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to beneficial Unitholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and:

(i) Who does not have a permanent establishment in Singapore; or

(ii) Who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the units in the Trust are not obtained from that operation.

The reduced concessionary tax rate of 10.0% will expire for distributions made after 31 March 2015 unless this concession is extended.

(k) Distribution policy

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

(l) Issue expenses

Issue expenses represent expenses incurred in the issuance and placement of additional units in the Trust. The expenses are deducted directly against Unitholders' funds, as stipulated in the Trust Deed.

(m) Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of total rental income over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (continued)

Dividend

Dividend income is recognised on the date that the Group's right to receive payment is established.

Other income

Other income comprises interest income received from finance lease receivable, car park charges, utilities income and sundry income. Interest income received from finance lease receivable is recognised on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Except for interest income received from finance lease receivable, other income is recognised when the right to receive payment is established, after services have been rendered.

(n) Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are fees incurred under the Property Management Agreements and Lease Management Agreement which are based on the applicable formula stipulated in Note 1(c) and Note 1(d) respectively.

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the Statement of Total Return on a straight-line basis over the term of leases.

Management fees

Management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(b).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is based on the applicable formula stipulated in Note 1(a).

(o) Finance income and finance costs

Finance income comprises interest income from financial institutions and investment in debt securities, fair value gains on financial instruments measured at fair value through profit or loss and accretion adjustments on security deposits. Interest income is recognised as it accrues in the Statement of Total Return, using the effective interest method.

Finance costs comprise interest expense on borrowings, amortisation of borrowing-related transaction costs, transaction costs directly attributable to financial liabilities measured at fair value through profit or loss, fair value losses on financial instruments measured at fair value through profit or loss, and accretion adjustments on security deposits.

Interest expense on borrowings, amortisation of borrowing-related transaction costs and accretion adjustments on security deposits are recognised in the Statement of Total Return using the effective interest method over the period of borrowings, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Earnings per unit

The Group presents basic and diluted earnings per unit data for its units. Basic earnings per unit is calculated by dividing the total return for the year attributable to Unitholders of the Trust by the weighted average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return for the year after tax attributable to Unitholders of the Trust and the weighted average number of units outstanding, for the effects of all dilutive potential units arising from the collateral loan.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(r) New standards, interpretations and revised recommended accounting practice not yet adopted

A number of new standards, amendments to standards and interpretations that have been issued as of the reporting date but are not yet effective for the financial year ended 31 March 2014 have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations that are expected to have a significant effect on the financial statements of the Group in future financial periods, and which the Group does not plan to early adopt, are set out below.

Applicable for the Group's financial statements for the year ending 31 March 2015

- FRS 110 *Consolidated Financial Statements*, which changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principle of control.

  The Group has re-evaluated its involvement with Ruby Assets Pte. Ltd. ("Ruby Assets") and Emerald Assets Limited ("Emerald Assets") (see Note 16 and 17) under the new control model. Although the Group does not own any equity interests in Ruby Assets and Emerald Assets, the Manager has determined that the Group has *de facto* control over both entities. As a consequence, the Group will consolidate both entities with effect from 1 April 2014.

  These changes will be applied retrospectively and prior periods in the Group's FY2014/2015 financial statements will be restated. Based on 31 March 2014's financial information, the estimated effect of the application of FRS 110 on the Group's financial statements is an increase in net assets of $35,000 and non-controlling interests of $35,000, as well as a decrease in net income and an increase in fair value of financial derivatives and total return of $17,326,000, $17,358,000 and $32,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

4 INVESTMENT PROPERTIES

	Note	Group 2014 $'000	Group 2013 $'000	Trust 2014 $'000	Trust 2013 $'000
At 1 April		**6,447,054**	6,170,295	**6,378,190**	6,108,574
Acquisition of investment properties		**–**	127,460	**–**	127,460
Acquisition of a subsidiary	9	**123,611**	–	–	–
Transfer from investment property under development	5	**181,313**	–	**181,313**	–
Transfer to property held for sale		**(10,500)**	–	**(10,500)**	–
Capital expenditure incurred		**102,933**	76,710	**101,244**	76,646
Disposals		**(57,100)**	–	**(57,100)**	–
Effects of movement in exchange rates		**4,542**	(190)	**–**	–
		6,791,853	6,374,275	**6,593,147**	6,312,680
Net appreciation on revaluation		**131,113**	72,779	**58,272**	65,510
At 31 March		**6,922,966**	6,447,054	**6,651,419**	6,378,190

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2014. As at 31 March 2013, the investment properties are stated at fair value based on valuations performed by independent valuers as of that date except for The Galen, which was acquired in March 2013 and valued by independent valuers in December 2012.

During the year, Nexus@one-north was transferred from investment properties under development to investment properties, upon completion of the development. In addition, 1 Kallang Place was transferred from investment properties to property held for sale, following the proposed divestment of the property. There is no cumulative income or expense recognised in the Statement of Total Return relating to the property held for sale.

As at the reporting date, investment properties with an aggregate carrying amount of $1,525,110,000 (2013: $1,494,760,000) and $1,088,760,000 (2013: $1,041,110,000) have been pledged as securities for credit facilities granted by Emerald Assets Limited and Ruby Assets Pte. Ltd. respectively, to the Trust (refer to Note 16 and 17).

5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	Note	Group and Trust 2014 $'000	Group and Trust 2013 $'000
At 1 April		**151,916**	121,400
Costs incurred during the financial year		**29,397**	30,516
Transfer to investment properties	4	**(181,313)**	–
At 31 March		**–**	151,916

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

6 INVESTMENT IN DEBT SECURITIES

Investment in debt securities relates to an investment in convertible bonds (the “CB”) due in June 2015 issued by PLC 8 Development Pte Ltd (the “Issuer”). The Issuer is the developer of an integrated industrial mixed use property on a 60-year leasehold land parcel at Kallang Avenue, Singapore (the “Property”).

The CB carries a coupon rate of 2.00% per annum and are secured on the assets of the Issuer but ranked after the security given by the Issuer to secure bank financing for the development of the Property. A conversion option was granted to the Trust to convert the CB to shares in the Issuer at a conversion price of $1.00 at any time upon issuance of Temporary Occupation Permit (“TOP”) of the Property. The TOP of the Property is expected to be received in the first half of FY2014/2015. The CB are accounted for as financial assets designated at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

7 PLANT AND EQUIPMENT

	Furniture and fixtures $'000	Equipment $'000	Computers and office equipment $'000	Total $'000
Group				
Cost				
At 1 April 2012 and 31 March 2013	2,853	5,795	245	8,893
Additions	9	70	43	122
Effects of movement in exchange rates	2	–	6	8
At 31 March 2014	**2,864**	**5,865**	**294**	**9,023**
Accumulated depreciation				
At 1 April 2012	2,816	4,122	195	7,133
Depreciation charge for the year	36	683	49	768
At 31 March 2013	2,852	4,805	244	7,901
At 1 April 2013	2,852	4,805	244	7,901
Depreciation charge for the year	1	690	4	695
Effects of movement in exchange rates	2	–	7	9
At 31 March 2014	**2,855**	**5,495**	**255**	**8,605**
Carrying amount				
At 1 April 2012	37	1,673	50	1,760
At 31 March 2013	1	990	1	992
At 31 March 2014	**9**	**370**	**39**	**418**
Trust				
Cost				
At 1 April 2012, 31 March 2013 and 31 March 2014	2,852	5,795	242	8,889
Accumulated depreciation				
At 1 April 2012	2,816	4,122	194	7,132
Depreciation charge for the year	36	683	48	767
At 31 March 2013	2,852	4,805	242	7,899
At 1 April 2013	2,852	4,805	242	7,899
Depreciation charge for the year	–	687	–	687
At 31 March 2014	**2,852**	**5,492**	**242**	**8,586**
Carrying amount				
At 1 April 2012	36	1,673	48	1,757
At 31 March 2013	–	990	–	990
At 31 March 2014	**–**	**303**	**–**	**303**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

8 FINANCE LEASE RECEIVABLES

Group and Trust	2014 Carrying amount $'000	2014 Face value $'000	2013 Carrying amount $'000	2013 Face value $'000
Finance lease receivables				
- Current	**1,031**	**9,625**	1,901	6,463
- Non-current	**93,844**	**259,980**	63,370	109,578
	94,875	**269,605**	65,271	116,041

Finance leases receivables are receivable from the lessees as follows:

Group and Trust	Gross receivable 2014 $'000	Unearned interest income 2014 $'000	Net receivable 2014 $'000	Gross receivable 2013 $'000	Unearned interest income 2013 $'000	Net receivable 2013 $'000
Within 1 year	**9,625**	**8,594**	**1,031**	6,463	4,562	1,901
After 1 year but within 5 years	**40,874**	**33,730**	**7,144**	24,652	16,910	7,742
After 5 years	**219,106**	**132,406**	**86,700**	84,926	29,298	55,628
	269,605	**174,730**	**94,875**	116,041	50,770	65,271

For one of the lessees, the Group has a credit policy in place to monitor its credit rating on an ongoing basis. The lessee would be required to provide a security deposit if the credit rating falls below the agreed terms. For the other lessee, the Group had obtained sufficient security deposits to mitigate credit risk. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

9 INTEREST IN SUBSIDIARIES

	Trust 2014 $'000	Trust 2013 $'000
Equity investment, at cost	**43,607**	30,953
Loans to subsidiaries	**126,420**	17,965
	170,027	48,918

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

9 INTEREST IN SUBSIDIARIES (continued)

Details of interest in subsidiaries:

Name of subsidiary	Country of incorporation	Effective equity held by the Trust	
		2014	2013
		%	%
(i) Direct subsidiaries			
Ascendas ZPark (Singapore) Pte. Ltd. ("AZPark")	Singapore	**100**	100
Shanghai (JQ) Investment Holdings Pte Ltd ("SHJQ")	Singapore	**100**	–
(ii) Indirect subsidiaries			
Ascendas Hi-Tech Development (Beijing) Co., Limited ("AHTDBC")	PRC	**100**	100
A-REIT (Shanghai) Realty Co., Ltd ("ASRC")	PRC	**100**	–

The principal activity of AZPark is that of an investment holding company. AZPark owns all the paid in capital of AHTDBC, which in turn, owns the investment property, Z-Link.

On 12 July 2013, the Trust acquired 100% equity interest in SHJQ. The principal activity of SHJQ is that of an investment holding company. SHJQ owns all the paid in capital of ASRC, which in turn, owns the investment property, Jinqiao.

The loans to subsidiaries are interest-free and unsecured. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses.

10 OTHER ASSETS

In the previous financial year, other assets comprise interest receivable on the investment in debt securities of $2,465,000, refundable deposits of $36,040,000 paid for the forward purchase contract of a business space property located in Jinqiao Economic and Technological Zone in Shanghai, PRC and payments made on the development of a built-to-suit investment property of $30,605,000.

The refundable deposits of $36,040,000 have been taken against the total consideration paid for the Trust's acquisition of SHJQ in July 2013.

The built-to-suit investment property was leased out to a tenant upon completion of the development in April 2013 and the costs incurred had been transferred to finance lease receivable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

11 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables, gross	**3,548**	3,131	**3,545**	2,878
Impairment losses	**(654)**	(391)	**(654)**	(391)
Trade receivables, net	**2,894**	2,740	**2,891**	2,487
Deposits	**2,337**	2,188	**2,286**	2,188
Interest receivables	**6,646**	902	**6,646**	902
Other receivables	**5,951**	6,731	**5,381**	6,452
	17,828	12,561	**17,204**	12,029
Lease incentives	**22,359**	16,704	**20,938**	16,681
Prepayments	**25,352**	18,036	**23,752**	17,943
	65,539	47,301	**61,894**	46,653

The Group's primary exposure to credit risk arises through its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk for trade receivables at reporting date, by operating segments, is as follows:

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Business & Science Park	**1,283**	1,508	**1,280**	1,255
Hi-Specifications Industrial Properties	**333**	304	**333**	304
Light Industrial Properties	**432**	434	**432**	434
Logistics & Distribution Centres	**846**	494	**846**	494
	2,894	2,740	**2,891**	2,487

The amounts represented in the table above are fully secured by way of bankers' guarantees, insurance bonds or cash security deposits held by the Group, except for trade receivable balance which are impaired.

Included in the trade receivables balance of the Group and the Trust is an amount of $363,000 (2013: $273,000) due from one tenant as at the reporting date.

During the financial year, $512,000 (2013: $2,085,000) was drawn down from bankers' guarantees and $167,000 (2013: $526,000) of cash security deposits were forfeited as a result of the default in rental by tenants.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

11 TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade receivables at the reporting date was:

	2014		2013	
	Gross	Impairment loss	Gross	Impairment loss
Group	$'000	$'000	$'000	$'000
Not past due	**276**	**–**	397	–
Past due 1 – 90 days	**2,324**	**107**	2,337	333
Past due over 90 days	**948**	**547**	397	58
	3,548	**654**	3,131	391
Trust				
Not past due	**273**	**–**	342	–
Past due 1 – 90 days	**2,324**	**107**	2,262	333
Past due over 90 days	**948**	**547**	274	58
	3,545	**654**	2,878	391

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	2014	2013
Group and Trust	$'000	$'000
At 1 April	**391**	12
Impairment losses recognised during the year	**263**	379
At 31 March	**654**	391

The Manager believes that no impairment loss is necessary in respect of the remaining trade receivables as these amounts mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantees, insurance bonds or cash security deposits.

12 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash at bank	**65,928**	16,575	**57,952**	12,544
Fixed deposits	**–**	2,950	**–**	–
	65,928	19,525	**57,952**	12,544

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

13 TRADE AND OTHER PAYABLES

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade payables	**11,228**	31,191	**9,856**	31,147
Trade amounts due to:				
- the Manager	**8,796**	9,535	**8,164**	9,535
- the Property Manager	**9,591**	2,422	**9,591**	2,422
- the Trustee	**552**	516	**552**	516
- other related parties	**407**	738	**407**	738
Accruals	**45,974**	43,746	**45,242**	43,603
Other payables	**17,670**	14,105	**15,348**	13,594
Interest payable	**8,383**	9,457	**8,266**	9,199
Rental received in advance	**24,822**	22,937	**23,329**	22,227
	127,423	134,647	**120,755**	132,981

Other payables relate mainly to GST payables.

14 SECURITY DEPOSITS

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Security deposits	**91,622**	80,377	**89,237**	79,036
Less: Unamortised discount	**(5,660)**	(6,093)	**(5,428)**	(6,025)
Security deposits at amortised cost	**85,962**	74,284	**83,809**	73,011
Current security deposits	**28,527**	69,667	**26,827**	68,394
Non-current security deposits	**57,435**	4,617	**56,982**	4,617
Total security deposits	**85,962**	74,284	**83,809**	73,011

15 DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust	
	2014	2013
	$'000	$'000
Current derivative liabilities	**2,658**	885
Non-current derivative liabilities	**90,185**	105,879
Total derivative liabilities	**92,843**	106,764
Current derivative assets	**(1,345)**	(64)
Non-current derivative assets	**(1,348)**	(12,259)
Total derivative assets	**(2,693)**	(12,323)
Total derivative financial instruments	**90,150**	94,441

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

15 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	2014	2013
Group		
Derivative financial instruments as a percentage of net assets	**1.86%**	2.03%
Trust		
Derivative financial instruments as a percentage of net assets	**1.89%**	2.03%

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans and short term borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

Interest rate swaps with a total notional amount of $1,245.2 million (2013: $1,262.9 million) have been entered into to provide fixed rate funding for terms of less than 1 year to 6 years (2013: 1 to 7 years) at a weighted average interest rate of 2.40% (2013: 2.85%) per annum.

Where the interest rate swaps are designated as hedging instruments in qualifying cash flow hedges, the changes in fair value of the interest rate swaps relating to the effective portion are recorded in Unitholders' funds. For the financial year ended 31 March 2014, a net change in fair value of $17.3 million (2013: $11.1 million) relating to the effective portion of cash flow hedges were recognised in Unitholders' funds. Fair value changes relating to the ineffective portion are recognised in the Statement of Total Return.

During the financial year, following the repayment of certain floating rate term loans, hedge accounting was discontinued in respect of interest rate swaps with a total notional amount of $130.0 million (2013: $567.9 million). In addition, hedge accounting was discontinued in respect of interest rate swaps with a total notional amount of $328.4 million (2013: $126.0 million), which expired during the financial year. The changes in the fair value of these interest rate swaps, amounting to a loss of $4.0 million (2013: gain of $1.3 million), were reclassified from Unitholders' funds to the Statement of Total Return.

The Group had also entered into offsetting interest rate swaps (receive fixed, pay floating), with an aggregate notional amount of $457.0 million (2013: $567.7 million) to mainly mitigate the effects arising from the unmatched floating for fixed interest rate swaps. These offsetting interest rate swaps have terms of less than 1 year to 8 years (2013: 1 to 9 years) at a weighted average interest rate of 1.89% (2013: 1.61%) per annum.

As at 31 March 2014 and 31 March 2013, the Group had entered into cross currency swaps ("CCS") with notional amounts of JPY24.6 billion (2013: JPY19.6 billion) to manage its foreign currency risk arising from its foreign currency borrowings. The Group is required to make semi-annual interest payments calculated at fixed interest rates of between 4.07% to 4.09% per annum and at a margin of 1.53% above six-month Swap Offer Rate ("SOR") on its JPY10.0 billion and JPY9.6 billion CCS respectively. The Group is also required to make quarterly interest payments calculated at a margin of 0.97% above three-month SOR on its JPY5.0 billion CCS. On maturity, an aggregate of $364.4 million (2013: $302.1 million) payable will be swapped into JPY24.6 billion (2013: JPY19.6 billion) for the repayment of the underlying foreign currency borrowings.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

15 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include derivative assets and derivative liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Balance Sheet.

The Group entered into International Swaps and Derivatives Association (ISDA) Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances, following the occurrence of a termination event as set out in the ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only a single net amount is due or payable in settlement of all transactions.

In accordance with accounting standards, the swaps presented below are not offset in the Balance Sheet as the right of set–off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

	Gross amounts of recognised financial assets/ liabilities	Gross amounts of recognised financial liabilities/ assets offset in the Balance Sheet	Net amounts of financial assets/ liabilities presented in the Balance Sheet	Related amounts not offset in the Balance Sheet Financial instruments	Net amount
Group and Trust	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2014					
Types of financial assets					
Derivative assets	**2,643**	**–**	**2,643**	**(2,643)**	**–**
Types of financial liabilities					
Derivative liabilities	**58,501**	**–**	**58,501**	**(2,643)**	**55,858**
2013					
Types of financial assets					
Derivative assets	12,323	–	12,323	(12,323)	–
Types of financial liabilities					
Derivative liabilities	75,950	–	75,950	(12,323)	63,627

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Balance Sheets at their fair values.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

15 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities **(continued)**

The tables below reconcile the 'Net amounts of financial assets and financial liabilities presented in the Balance Sheet', as set out above, to the line items presented in the Balance Sheets.

Types of financial assets	Net amounts	Line item in Balance Sheet	Carrying amount in Balance Sheet	Financial assets not in scope of offsetting disclosures
	$'000		$'000	$'000
2014				
Derivative assets	**2,643**	Derivative assets	**2,693**	**50**
2013				
Derivative assets	12,323	Derivative assets	12,323	–

Types of financial liabilities	Net amounts	Line item in Balance Sheet	Carrying amount in Balance Sheet	Financial liabilities not in scope of offsetting disclosures
	$'000		$'000	$'000
2014				
Derivative liabilities	**58,501**	Derivative liabilities	**92,843**	**34,342**
2013				
Derivative liabilities	75,950	Derivative liabilities	106,764	30,814

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

16 LOANS AND BORROWINGS

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current				
Short term bank borrowings	**210,000**	110,000	**210,000**	110,000
Less: Unamortised transaction costs	**(210)**	(290)	**(210)**	(290)
	209,790	109,710	**209,790**	109,710
Term loans	**395,000**	–	**395,000**	–
Less: Unamortised transaction costs	**(14)**	–	**(14)**	–
	394,986	–	**394,986**	–
Medium term notes	**–**	125,000	**–**	125,000
Less: Unamortised transaction costs	**–**	(35)	**–**	(35)
	–	124,965	**–**	124,965
Total current loans and borrowings	**604,776**	234,675	**604,776**	234,675
Non-current				
Term loans	**739,283**	933,752	**725,000**	920,000
Less: Unamortised transaction costs	**(7,351)**	(5,081)	**(7,351)**	(5,080)
	731,932	928,671	**717,649**	914,920
Medium term notes	**501,104**	458,328	**501,104**	458,328
Less: Unamortised transaction costs	**(1,947)**	(2,126)	**(1,947)**	(2,126)
	499,157	456,202	**499,157**	456,202
Total non-current loans and borrowings	**1,231,089**	1,384,873	**1,216,806**	1,371,122
Total loans and borrowings	**1,835,865**	1,619,548	**1,821,582**	1,605,797

Maturity of gross loans and borrowings:

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Within 1 year	**605,000**	235,000	**605,000**	235,000
After 1 year but within 5 years	**856,787**	1,060,280	**842,504**	1,046,528
After 5 years	**383,600**	331,800	**383,600**	331,800
	1,845,387	1,627,080	**1,831,104**	1,613,328

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

16 LOANS AND BORROWINGS (continued)

Short term bank borrowings and term loans

The Group has the following credit facilities:

- Loan facility granted by a special purpose vehicle, Emerald Assets.

  A term loan of $395.0 million was granted by Emerald Assets to the Trust on 14 May 2007, at an interest rate of 0.20% above the Singapore SOR which will mature on 14 May 2014. As security for this credit facility granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets the following:

  (i) a mortgage over the properties making up "Portfolio 3". Portfolio 3 includes 38 (2013: 38) properties with a total carrying amount of $1,525,110,000 (2013: $1,494,760,000) as at the reporting date;

  (ii) an assignment and charge of the rental proceeds and tenancy agreements in the Portfolio 3 properties;

  (iii) an assignment of the insurance policies relating to the Portfolio 3 properties; and

  (iv) a fixed and floating charge over certain assets of the Trust relating to the Portfolio 3 properties.

  Emerald Assets established a $5.0 billion Medium Term Note Programme ("MTN Programme") where it may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes"). The maximum aggregate principal amount of the Notes to be issued shall be $5.0 billion. The Notes will be secured by debentures creating fixed and floating charges over certain properties and related assets owned by the Trust. To fund the $395.0 million floating rate term loan granted to the Trust, Emerald Assets has issued Euro 197.5 million of Medium Term Note for a period of seven years to 14 May 2014.

- Credit facilities granted by financial institutions

  As at the reporting date, the Group has in place various bilateral banking credit facilities totalling $2,039.3 million (2013: $1,788.8 million), of which $959.0 million (2013: $648.8 million) has been utilised at the reporting date. Included in the amount of $2,039.3 million (2013: $1,788.8 million) is a sub-limit of $95.0 million (2013: $95.0 million) facility for the issuance of letters of guarantee.

Medium Term Notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN 2009") Programme. Under the MTN 2009 Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue notes in one or more series, on the same or different issue dates, in Singapore dollars or any other currency.

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating, or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN 2009 Programme.

The notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Trust ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Trust.

The maximum aggregate principal amount of the notes outstanding at any time shall be $1.0 billion, or such higher amount as may be determined pursuant to the MTN 2009 Programme.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

16 LOANS AND BORROWINGS (continued)

Medium Term Notes **(continued)**

The aggregate principal amount of the notes outstanding as at 31 March 2014, is $200.0 million (2013: $325.0 million) and $301.1 million (JPY24.6 billion) (2013: $258.3 million (JPY19.6 billion)), consisting of:

(i) $117.5 million (JPY9.6 billion) (2013: $126.5 million (JPY9.6 billion)) Series 003 Notes (formerly known as MTN 3). The Series 003 Notes will mature on 24 February 2018 and bear an interest rate of 2.11% per annum, payable semi-annually in arrear.

(ii) $200.0 million (2013: $200.0 million) Series 004 Notes (formerly known as MTN 4). The Series 004 Notes will mature on 3 February 2022 and bear an interest rate of 4.00% per annum, payable semi-annually in arrear.

(iii) $122.4 million (JPY10.0 billion) (2013: $131.8 million (JPY10.0 billion)) Series 005 Notes (formerly known as MTN 5). The Series 005 Notes will mature on 23 April 2024 and bear an interest rate of 2.55% per annum, payable semi-annually in arrear.

(iv) $61.2 million (JPY5.0 billion) (2013: $Nil) Series 006 Notes. The Series 006 Notes will mature on 29 March 2021 and bear an interest rate of 3-month JPY LIBOR plus 0.50% per annum, payable quarterly in arrear.

$125.0 million Series 002 Notes (formerly known as MTN 2) which bore an interest rate of 5.00% per annum had been repaid upon maturity in July 2013.

The Group's weighted average all-in cost of borrowings, including margins charged on the loans and amortised annual costs of loans and borrowings as at 31 March 2014 is 2.75% (2013: 3.32%) per annum. Total borrowings have a weighted average term remaining of 3.3 years (2013: 3.9 years).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

16 LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
2014				
Short term bank borrowings	SOR / COF^ + margin	2014 to 2016	**210,000**	**209,790**
Term loans	SOR / COF^ + margin	2014 to 2018	**1,134,283**	**1,126,918**
Medium term notes	2.11 – 4.00 / JPY LIBOR + 0.5%	2018 to 2024	**501,104**	**499,157**
			1,845,387	**1,835,865**
2013				
Short term bank borrowings	SOR + margin	2016	110,000	109,710
Term loans	SOR / COF^ + margin	2014 to 2017	933,752	928,671
Medium term notes	2.11 – 5.00	2013 to 2024	583,328	581,167
			1,627,080	1,619,548

Trust				
2014				
Short term bank borrowings	SOR / COF^ + margin	2014 to 2016	**210,000**	**209,790**
Term loans	SOR + margin	2014 to 2018	**1,120,000**	**1,112,635**
Medium term notes	2.11 – 4.00 / JPY LIBOR + 0.5%	2018 to 2024	**501,104**	**499,157**
			1,831,104	**1,821,582**
2013				
Short term bank borrowings	SOR + margin	2016	110,000	109,710
Term loans	SOR + margin	2014 to 2017	920,000	914,920
Medium term notes	2.11 – 5.00	2013 to 2024	583,328	581,167
			1,613,328	1,605,797

^ COF denotes lender's cost of funds

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

17 COLLATERAL LOAN

	Group and Trust	
	2014	2013
	$'000	$'000
At 1 April	**359,517**	307,608
Change in fair value during the year	**(18,426)**	51,909
At 31 March	**341,091**	359,517

In March 2010, a collateral loan of $300.0 million was granted by a special purpose vehicle, Ruby Assets, to the Trust. The maturity date of the collateral loan is 1 February 2017 and it bears a fixed interest rate of 1.60% per annum. The collateral loan may be called in whole or in part, at the option of Ruby Assets, on 1 February 2015 at the early repayment amount. The collateral loan may also be repaid in whole but not in part, at the option of the Trust, on or at any time after 1 February 2015, but not less than 7 business days prior to 1 February 2017 at the early repayment amount (subject to the satisfaction of certain conditions). The early repayment amount represents the principal amount of the collateral loan, together with any accrued but unpaid interest up to but excluding the date of repayment.

The collateral loan is convertible by Ruby Assets into the Units at the adjusted conversion price of $2.1770 (2013: $2.2392), at any time on and after 6 May 2010 up to the close of business on 23 January 2017, or if the collateral loan has been called for redemption before 1 February 2017, then up to the close of business on a date no later than 7 business days prior to the date fixed for redemption thereof. The Trustee has the option to pay cash in lieu of delivering the Units.

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

(i) a mortgage over the properties making up "Portfolio CL". Portfolio CL includes 19 (2013: 19) properties with a total carrying amount of $1,088,760,000 (2013: $1,041,110,000) as at the reporting date;

(ii) an assignment and charge of the rental proceeds and tenancy agreements in the Portfolio CL properties;

(iii) an assignment of the insurance policies relating to the Portfolio CL properties; and

(iv) a fixed and floating charge over certain assets of the Trust relating to the Portfolio CL properties.

In order to fund the $300.0 million collateral loan to the Trust, Ruby Assets issued $300.0 million Exchangeable Collateralised Securities ("ECS") on 26 March 2010. The ECS bear a fixed coupon of 1.60% per annum and have a legal maturity date of 1 February 2019.

The ECS may be redeemed by Ruby Assets, in whole or in part, at the option of the ECS Holders, on 1 February 2015 at the early redemption amount of the ECS. The ECS may also be redeemed, in whole but not in part, at the option of Ruby Assets on or any time after 1 February 2015 but not less than 7 business days prior to 1 February 2017 (subject to the satisfaction of certain conditions). The early redemption amount represents the redemption price upon maturity which is equal to the principal amount, together with any accrued but unpaid interest up to but excluding the date of redemption.

The ECS are exchangeable by ECS Holders into the Units at the adjusted exchange price of $2.1770 (2013: $2.2392), at any time on and after 6 May 2010 up to the close of business on 23 January 2017, or if such ECS has been called for redemption before 1 February 2017, then up to the close of business on a date no later than 7 business days prior to the date fixed for redemption thereof. Ruby Assets has the option to pay cash in lieu of delivering the Units.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

18 DEFERRED TAX LIABILITIES

The movements in the deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	At 1 April 2012 $'000	Recognised in Statement of Total Return (Note 25) $'000	Exchange differences $'000	At 31 March 2013 $'000	Recognised in Statement of Total Return (Note 25) $'000	Exchange differences $'000	At 31 March 2014 $'000
Group							
Deferred tax assets							
Unutilised capital allowances	(5,830)	5,830	–	–	–	–	**–**
Deferred tax liabilities							
Finance lease receivable	7,624	(7,624)	–	–	–	–	**–**
Investment property	431	1,818	110	2,359	21,188	128	**23,675**
	8,055	(5,806)	110	2,359	21,188	128	**23,675**
Trust							
Deferred tax assets							
Unutilised capital allowances	(5,830)	5,830	–	–	–	–	**–**
Deferred tax liabilities							
Finance lease receivable	7,624	(7,624)	–	–	–	–	**–**

As at 31 March 2014, deferred tax liabilities amounting to $764,000 (2013: $417,000) for temporary differences of $7,640,000 (2013: $4,170,000) relating to the unremitted earnings of overseas subsidiaries were not recognised for taxes as the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown on the Balance Sheets:

	2014 $'000	2013 $'000
Group		
Deferred tax liabilities	**23,675**	2,359
Trust		
Deferred tax liabilities	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

19 UNITS IN ISSUE AND TO BE ISSUED

	2014 ('000)	2013 ('000)
Group and Trust		
Units issued:		
At the beginning of the financial year	**2,398,946**	2,085,077
Issue of new units:		
- as payment of base management fee	**3,113**	2,971
- as payment of acquisition fee	**463**	898
- pursuant to private placements	**–**	310,000
At the end of the financial year	**2,402,522**	2,398,946
Units to be issued:		
Management fee payable in units	**1,085**	871
Acquisition fee payable in units	**–**	492
	1,085	1,363
Total units issued and to be issued at the end of the financial year	**2,403,607**	2,400,309

During the year, the following were issued:

- 3,112,708 (2013: 2,970,649) new units amounting to $6,964,000 (2013: $6,492,000) were issued at issue prices ranging from $2.1621 to $2.3219 (2013: $2.0121 to $2.3812) per unit, in respect of the payment of the base management fee to the Manager in units.

- 462,860 (2013: 898,247) new units amounting to $1,260,000 (2013: $1,830,000) were issued at an issue price of $2.7222 (2013: $2.0373) per unit as payment of the acquisition fee for The Galen (2013: Cintech I, Cintech II and Cintech III & IV).

In addition, during the previous year ended 31 March 2013, the following were issued pursuant to private placements:

- 160,000,000 new units were issued on 19 March 2013 at an issue price of $2.5400 per unit. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 18 March 2013 received an advance distribution on 25 April 2013, of 2.69 cents per unit for the period from 1 January 2013 to 18 March 2013. Thereafter, the 160,000,000 new units rank *pari passu* in all respects with the units in issue prior to 19 March 2013, including the entitlements to all future distributions.

- 150,000,000 new units were issued on 14 May 2012 at an issue price of $1.9900 per unit. Unitholders on the register with CDP on 11 May 2012 received an advance distribution on 15 June 2012, of 1.73 cents per unit for the period from 1 April 2012 to 13 May 2012. Thereafter, the 150,000,000 new units rank *pari passu* in all respects with the units in issue prior to 14 May 2012, including the entitlements to all future distributions.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;

- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or any part thereof) or of any estate or interest in any asset (or any part thereof) of the Trust;

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

19 UNITS IN ISSUE AND TO BE ISSUED (continued)

- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the issued units) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and

- One vote per unit at a Unitholders' meeting.

The restrictions to a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and

- A Unitholder has no right to request for redemption of their units while the units are listed on SGX-ST.

20 GROSS REVENUE

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Property rental income	**545,992**	521,897	**538,163**	516,276
Other income	**67,600**	53,940	**67,529**	53,908
	613,592	575,837	**605,692**	570,184

21 PROPERTY OPERATING EXPENSES

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Land rent	**26,050**	24,058	**26,050**	24,058
Maintenance and conservancy	**25,579**	21,933	**24,653**	21,508
Property service fees	**20,986**	18,774	**20,763**	18,681
Property tax	**42,878**	40,377	**42,525**	40,038
Utilities	**46,871**	48,675	**46,499**	48,636
Depreciation of plant and equipment	**687**	719	**687**	719
Other operating expenses	**14,568**	12,491	**13,241**	11,882
	177,619	167,027	**174,418**	165,522

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

22 MANAGEMENT FEE

Management fee relates to base management fee of $35,594,000 (2013: $33,246,000). Included in management fee is an aggregate of 3,236,380 (2013: 2,803,524) units amounting to approximately $7,118,000 (2013: $6,648,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in units at unit prices ranging from $2.1621 to $2.3219 (2013: $2.0121 to $2.5622) per unit.

23 TRUST EXPENSES

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Auditors' remuneration				
- audit fees	**294**	243	**218**	208
- non-audit fees	**97**	88	**97**	88
Professional fees	**606**	701	**458**	509
Trustee's fee	**2,146**	2,000	**2,146**	2,000
Other expenses*	**2,028**	1,827	**1,966**	1,786
	5,171	4,859	**4,885**	4,591

* Other expenses for the Group and Trust include depreciation of plant and equipment of $8,000 (2013: $49,000) and $Nil (2013: $48,000), respectively.

24 FINANCE INCOME AND FINANCE COSTS

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Interest income	**10,730**	9,614	**10,638**	9,458
Change in fair value of debt securities	**1,289**	15,285	**1,289**	15,285
Change in fair value of collateral loan	**18,426**	–	**18,426**	–
Finance income	**30,445**	24,899	**30,353**	24,743
Interest expense	**65,970**	73,369	**65,137**	72,321
Net accretion adjustments for security deposits	**437**	(1,705)	**597**	(1,778)
Change in fair value of collateral loan	**–**	51,909	**–**	51,909
Finance costs	**66,407**	123,573	**65,734**	122,452

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

25 TAX EXPENSE/(CREDIT)

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current tax expense				
Current year	**2,056**	836	**1,703**	375
Deferred tax expense				
Origination and reversal of temporary differences	**21,188**	1,818	**–**	–
Overprovision in prior periods	**–**	(1,794)	**–**	(1,794)
	21,188	24	**–**	(1,794)
Tax expense/(credit)	**23,244**	860	**1,703**	(1,419)
Reconciliation of effective tax rate				
Total return for the year before tax	**505,212**	337,146	**428,365**	326,953
Tax calculated using Singapore tax rate of 17% (2013: 17%)	**85,886**	57,315	**72,822**	55,582
Effect of different tax rate in foreign jurisdiction	**7,071**	792	**–**	–
Non-tax deductible items, net	**4,786**	17,913	**4,786**	17,913
Income not subject to tax	**(17,225)**	(21,589)	**(18,631)**	(21,343)
Overprovision in prior periods	**–**	(1,794)	**–**	(1,794)
Tax transparency	**(57,274)**	(51,777)	**(57,274)**	(51,777)
	23,244	860	**1,703**	(1,419)

26 EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

(a) Basic earnings per unit

The calculation of basic earnings per unit is based on the total return for the year and weighted average number of units during the year:

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Total return for the year	**481,968**	336,286	**426,662**	328,372

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

26 EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (continued)

(a) Basic earnings per unit (continued)

	Group and Trust Number of Units	
	2014 ('000)	2013 ('000)
Weighted average number of units:		
- outstanding during the year	**2,401,014**	2,225,593
- to be issued as payment for management fee payable in units	**3**	4
	2,401,017	2,225,597

	Group		Trust	
	2014	2013	2014	2013
Basic earnings per unit (cents)	**20.07**	15.11	**17.77**	14.75

(b) Diluted earnings per unit

In calculating diluted earnings per unit, the total return for the year and weighted average number of units during the year are adjusted for the effects of all dilutive potential units:

	Group		Trust	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Total return for the year	**481,968**	336,286	**426,662**	328,372
Interest expense on collateral loan	**4,800**	–	**4,800**	–
Change in fair value of collateral loan	**(18,426)**	–	**(18,426)**	–
	468,342	336,286	**413,036**	328,372

	Group and Trust Number of Units	
	2014 ('000)	2013 ('000)
Weighted average number of units		
Weighted average number of units used in calculation of basic earnings per unit	**2,401,017**	2,225,597
Effect of conversion of collateral loan	**137,804**	–
Weighted average number of units (diluted)	**2,538,821**	2,225,597

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

26 EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (continued)

(b) Diluted earnings per unit (continued)

	Group		Trust	
	2014	**2013**	**2014**	**2013**
Diluted earnings per unit (cents)	**18.45**	15.11	**16.27**	14.75

The conversion option embedded in the collateral loan could potentially dilute basic earnings per unit in the future. Based on the adjusted conversion price of $2.1770 (2013: $2.2392), the collateral loan is convertible into approximately 137,804,317 (2013: 133,976,420) Units, representing 5.7% (2013: 5.6%) of the total number of Units in issue as at 31 March 2014.

For the current financial year, the diluted earnings per unit is computed on the basis that the collateral loan was converted at the beginning of the year. In the previous financial year, the impact of the conversion of the collateral loan was anti-dilutive and was excluded from the calculation of diluted earnings per unit.

(c) Distribution per unit

The calculation of distribution per unit for the financial year is based on:

	2014	2013
	$'000	$'000
Group and Trust		
Total amount available for distribution	**342,005**	305,557

	2014	2013
Group and Trust		
Distribution per unit (cents)	**14.24**	13.74

27 ISSUE EXPENSES

In the previous financial year, issue expenses of $7,465,000 in relation to equity fund raising had been deducted directly against Unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

28 COMMITMENTS

(a) The Trust is required to pay JTC Corporation ("JTC") and the Housing Development Board ("HDB") annual land rent (including licence fee payable for development projects) in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreement limits any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC and HDB amounted to $35,263,000 (2013: $34,847,000) and $3,103,000 (2013: $2,486,000), respectively, in relation to 76 (2013: 75) properties for the financial year ended 31 March 2014 (including amounts that have been directly recharged to tenants).

(b) The Group and the Trust lease out their investment properties under operating lease agreements. Non-cancellable operating lease rental receivables are as follows:

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Within 1 year	**540,927**	488,774	**531,176**	484,959
After 1 year but within 5 years	**1,141,220**	990,082	**1,117,622**	988,351
After 5 years	**821,049**	645,493	**809,298**	645,493
	2,503,196	2,124,349	**2,458,096**	2,118,803

(c) As at 31 March 2014, the Group and the Trust had $92.0 million (2013: $161.1 million) and $91.2 million (2013: $161.1 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

29 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of a significant Unitholder of the Trust.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Acquisition fee paid/payable to the Manager	**1,223**	1,260	**1,223**	1,260
Acquisition of properties from related parties of the Manager	**–**	126,000	**–**	126,000
Car park income received/receivable from ASPL	**(297)**	(1,187)	**(297)**	(1,187)
Car park management fee paid/payable to ASPL	**4,001**	2,652	**4,001**	2,652
Development management fee paid/payable to the Manager	**336**	1,110	**336**	1,110
Divestment fee paid to the Manager	**350**	–	**350**	–
Incentive payment received/receivable from a related party of the Manager	**(1,098)**	(935)	**(1,098)**	(935)
Land premium paid to a related party of the Manager	**–**	4,100	**–**	4,100
Lease rental, utilities income, car park income and deposits received/receivable from :				
- the Manager	**(436)**	(117)	**(391)**	(117)
- a related party of the Manager	**(2,722)**	(832)	**(2,722)**	(832)
Lease rental and deposits received/receivable from ASPL	**(47)**	–	**(47)**	–
Lease service fees paid/payable to the Manager	**13,001**	4,152	**12,055**	4,152
Management fee paid/payable to the Manager	**35,594**	33,246	**35,594**	33,246
Performance fee paid/payable to the Manager	**–**	6,959	**–**	6,959
Property service fees, service charge and reimbursements paid/payable to :				
- ASPL	**18,839**	23,026	**18,839**	23,026
- related parties of the Manager	**4,069**	4,384	**3,895**	4,215
Recovery of expenses paid on behalf of the Manager	**(826)**	(8)	**(826)**	(8)
Reimbursements paid/payable to the Manager	**20**	12	**20**	12
Rental of meeting rooms, compensation of loss of rental and recovery of expenses paid on behalf of related parties of the Manager	**(294)**	(247)	**(294)**	(247)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

30 FINANCIAL RATIOS

	Group	
	2014	2013
	%	%
Ratio of expenses to weighted average net asset value [(1)]	**1.35**	0.92
Ratio of expenses to weighted average net asset value [(2)]	**1.35**	1.09
Portfolio turnover rate [(3)]	**1.48**	–

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, borrowing costs and performance component of management fees.

(2) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation are the same as in (1) above except that performance fee has been included.

(3) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

31 FINANCIAL RISK MANAGEMENT

Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt and equity instruments, whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing, interest service coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's debt and capital management as well as financing policy regularly so as to optimise the Group's and the Trust's funding structure. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the Deposited Property. The Aggregate Leverage of a property fund may exceed 35.0% of the Deposited Property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35.0% of the Deposited Property. The Trust currently has an issuer rating of A3 by Moody's (2013: A3). The Group and the Trust have complied with the Aggregate Leverage limit of 60.0% during the financial year.

As at the reporting date, the gross amounts of the Group's loans and borrowings (including collateral loan) as a percentage of net assets of the Group is 45.1% (2013: 42.3%).

There was no change in the Group's and the Trust's approach to capital management during the current financial year.

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Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

Overview of risk management

Risk management is integral to the whole business of the Group. The Manager of the Trust has a system of controls in place to create an acceptable balance between the benefits derived from managing risks and the cost of managing those risks. The Manager also monitors the Group's risk management process closely to ensure an appropriate balance between control and business objectives is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit Committee of the Manager oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's exposure to those risks. The Audit Committee's oversight role is assisted by an internal audit function which is outsourced to an independent professional firm ("Internal Audit"). Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group, to settle its financial and contractual obligations, as and when they fall due.

The Manager has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Manager before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees, insurance bonds or cash security deposits are obtained prior to the commencement of the lease.

The Manager establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific tenants or counterparties.

The allowance account is used to provide for impairment losses. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated.

As at the reporting date, except as disclosed in Note 11, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the Balance Sheet.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The Group strives to maintain available banking facilities at a reasonable level to meet its investment opportunities. The Group has in place various bilateral banking credit facilities totalling $2,039.3 million (2013: $1,788.8 million), of which $959.0 million (2013: $648.8 million) has been utilised as at 31 March 2014. In addition, the Trust has in place a $1.0 billion Multicurrency Medium Term Note Programme which was established in March 2009 to diversify sources of funds for the Trust. As at 31 March 2014, medium term notes amounting to $200.0 million (2013: $325.0 million) and $301.1 million (JPY24.6 billion) (2013: $258.3 million (JPY19.6 billion)) which were issued under this programme are still outstanding.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Total contractual cash flows	Cash flows: Within 1 year	Cash flows: After 1 year but within 5 years	Cash flows: After 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
2014					
Non-derivative financial liabilities					
Loans and borrowings	**1,835,865**	**2,167,528**	**637,562**	**1,062,682**	**467,284**
Collateral loan	**341,091**	**304,037**	**304,037**	**–**	**–**
Trade and other payables [1]	**102,601**	**102,601**	**102,601**	**–**	**–**
Security deposits	**85,962**	**91,622**	**28,812**	**53,593**	**9,217**
	2,365,519	**2,665,788**	**1,073,012**	**1,116,275**	**476,501**
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	**8,548**	**9,365**	**7,085**	**2,280**	**–**
Other interest rate swaps (net-settled)	**26,680**	**29,437**	**7,867**	**12,150**	**9,420**
Cross currency swaps (net-settled)	**57,615**	**62,313**	**4,305**	**46,858**	**11,150**
	92,843	**101,115**	**19,257**	**61,288**	**20,570**
	2,458,362	**2,766,903**	**1,092,269**	**1,177,563**	**497,071**
2013					
Non-derivative financial liabilities					
Loans and borrowings	1,619,548	1,842,506	264,759	1,169,462	408,285
Collateral loan	359,517	308,837	4,800	304,037	–
Trade and other payables [1]	111,710	111,710	111,710	–	–
Security deposits	74,284	80,377	75,385	4,456	536
	2,165,059	2,343,430	456,654	1,477,955	408,821
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	30,255	32,283	14,266	18,410	(393)
Other interest rate swaps (net-settled)	33,362	34,908	11,382	24,468	(942)
Cross currency swaps (net-settled)	43,147	47,080	2,915	29,614	14,551
	106,764	114,271	28,563	72,492	13,216
	2,271,823	2,457,701	485,217	1,550,447	422,037

[1] Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

	Carrying amount $'000	Total contractual cash flows $'000	------Cash flows------ Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust					
2014					
Non-derivative financial liabilities					
Loans and borrowings	**1,821,582**	**2,019,308**	**631,819**	**920,205**	**467,284**
Collateral loan	**341,091**	**304,037**	**304,037**	**–**	**–**
Trade and other payables [(1)]	**97,426**	**97,426**	**97,426**	**–**	**–**
Security deposits	**83,809**	**89,237**	**27,075**	**53,150**	**9,012**
	2,343,908	**2,510,008**	**1,060,357**	**973,355**	**476,296**
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	**8,548**	**9,365**	**7,085**	**2,280**	**–**
Other interest rate swaps (net-settled)	**26,680**	**29,437**	**7,867**	**12,150**	**9,420**
Cross currency swaps (net-settled)	**57,615**	**62,313**	**4,305**	**46,858**	**11,150**
	92,843	**101,115**	**19,257**	**61,288**	**20,570**
	2,436,751	**2,611,123**	**1,079,614**	**1,034,643**	**496,866**
2013					
Non-derivative financial liabilities					
Loans and borrowings	1,605,797	1,827,124	264,085	1,154,754	408,285
Collateral loan	359,517	308,837	4,800	304,037	–
Trade and other payables [(1)]	110,754	110,754	110,754	–	–
Security deposits	73,011	79,036	74,044	4,456	536
	2,149,079	2,325,751	453,683	1,463,247	408,821
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	30,255	32,283	14,266	18,410	(393)
Other interest rate swaps (net-settled)	33,362	34,908	11,382	24,468	(942)
Cross currency swaps (net-settled)	43,147	47,080	2,915	29,614	14,551
	106,764	114,271	28,563	72,492	13,216
	2,255,843	2,440,022	482,246	1,535,739	422,037

(1) Excludes rental received in advance.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

Currency risk

As at 31 March 2014, the Group's exposure to fluctuations in foreign currency rates relates primarily to its JPY24.6 billion Series 003 Notes, Series 005 Notes and Series 006 Notes (2013: JPY19.6 billion Series 003 Notes and Series 005 Notes). The Group uses CCS to manage its foreign currency risk. In relation to foreign currency risk arising from Series 003 Notes, Series 005 Notes and Series 006 Notes (2013: Series 003 Notes and Series 005 Notes), the Group had concurrently entered into CCS of notional amount JPY24.6 billion (2013: JPY19.6 billion), whereby $364.4 million (2013: $302.1 million) payable will be swapped into JPY24.6 billion (2013: JPY19.6 billion) payable at maturity of the CCS.

Exposure to currency risk

As at 31 March 2014, the Group's Singapore dollars equivalent exposure to foreign currency risk arising from Japanese Yen are as follows:

Group and Trust	Carrying amount $'000
2014	
Medium term notes	**300,027**
Cross currency swaps	**57,615**
	357,642
2013	
Medium term notes	257,184
Cross currency swaps	43,147
	300,331

Sensitivity analysis

A 5% (2013: 1%) strengthening of Singapore dollars against Japanese Yen at reporting date would increase/(decrease) total return (before any tax effects) by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Group and Trust	Increase/ (decrease) in total return $'000
2014	
Medium term notes	**15,055**
Cross currency swaps	**(17,226)**
	(2,171)
2013	
Medium term notes	2,583
Cross currency swaps	(4,721)
	(2,138)

A 5% (2013: 1%) weakening of Singapore dollars against Japanese Yen would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

The Group's exposure to fluctuations in interest rates relates primarily to loans and borrowings. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

As at 31 March 2014, the Group has interest rate swaps and offsetting interest rate swaps with total notional amount of $1,245.2 million (2013: $1,262.9 million) and $457.0 million (2013: $567.7 million) respectively, whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between the floating rate pegged to the Singapore dollar SOR and fixed rate interest amounts calculated by reference to the agreed notional amounts of the loans and borrowings. $407.0 million (2013: $695.0 million) of the interest rate swaps have been used to hedge the exposure to changes in the variability of interest rate fluctuations of its loans and borrowings. The Group classifies these interest rate swaps as hedging instruments in qualifying cash flow hedges.

The Group had entered into CCS with notional amounts of JPY24.6 billion whereby the Group is required to make semi-annual interest payments calculated at fixed interest rates between 4.07% to 4.09% per annum and at a margin of 1.53% above six-month SOR on its JPY10.0 billion and JPY9.6 billion respectively. The Group is also required to make quarterly interest payments at a margin of 0.97% above three-month SOR on its JPY5.0 billion CCS.

At the reporting date, the interest rate profile of the interest-bearing financial instruments that are subject to interest rate risk was:

	Group		Trust	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Fixed rate instrument at fair value through profit or loss				
Investment in debt securities	**194,574**	145,535	**194,574**	145,535
Variable rate instruments				
Loans and borrowings	**(1,405,483)**	(1,043,752)	**(1,391,200)**	(1,030,000)
Interest rate swaps	**(788,200)**	(695,200)	**(788,200)**	(695,200)
Cross currency swaps	**(210,678)**	(148,368)	**(210,678)**	(148,368)
	(2,404,361)	(1,887,320)	**(2,390,078)**	(1,873,568)

Sensitivity analysis

A 100 basis points ("bp") movement in interest rates at the reporting date would increase/(decrease) total return and Unitholders' funds (before any tax effects) as shown in the table below. This analysis has not taken into account the effects of qualifying borrowing costs which are capitalised as part of investment property under development and assumes that all other variables remain constant. The analysis was performed on the same basis for 2013.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

Sensitivity analysis (continued)

	Statement of Total Return		Unitholders' Funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
2014				
Fixed rate instruments at fair value through profit or loss				
Investment in debt securities				
- Change in fair value of debt securities	7	(7)	–	–
Variable rate instruments				
Loans and borrowings				
- Finance costs	(14,055)	14,055	–	–
Interest rate swaps				
- Finance costs	7,882	(7,882)	–	–
- Change in fair value of financial derivatives	11,517	(11,517)	5,651	(5,651)
Cross currency swaps				
- Change in fair value of financial derivatives	(5,564)	5,564	–	–
	(213)	213	5,651	(5,651)
2013				
Fixed rate instruments at fair value through profit or loss				
Investment in debt securities				
- Change in fair value of debt securities	140	(140)	–	–
Variable rate instruments				
Loans and borrowings				
- Finance costs	(10,438)	10,438	–	–
Interest rate swaps				
- Finance costs	6,952	(6,952)	–	–
- Change in fair value of financial derivatives	1,649	(1,649)	15,676	(15,676)
Cross currency swap				
- Change in fair value of financial derivative	(7,502)	7,502	–	–
	(9,199)	9,199	15,676	(15,676)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

Sensitivity analysis **(continued)**

	Statement of Total Return		Unitholders' Funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Trust				
2014				
Fixed rate instruments at fair value through profit or loss				
Investment in debt securities				
- Change in fair value of debt securities	7	(7)	–	–
Variable rate instruments				
Loans and borrowings				
- Finance costs	(13,912)	13,912	–	–
Interest rate swaps				
- Finance costs	7,882	(7,882)	–	–
- Change in fair value of financial derivatives	11,517	(11,517)	5,651	(5,651)
Cross currency swaps				
- Change in fair value of financial derivatives	(5,564)	5,564	–	–
	(70)	70	5,651	(5,651)
2013				
Fixed rate instruments at fair value through profit or loss				
Investment in debt securities				
- Change in fair value of debt securities	140	(140)	–	–
Variable rate instruments				
Loans and borrowings				
- Finance costs	(10,300)	10,300	–	–
Interest rate swaps				
- Finance costs	6,952	(6,952)	–	–
- Change in fair value of financial derivatives	1,649	(1,649)	15,676	(15,676)
Cross currency swap				
- Change in fair value of financial derivative	(7,502)	7,502	–	–
	(9,061)	9,061	15,676	(15,676)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

31 FINANCIAL RISK MANAGEMENT (continued)

Market price risk

Market price risk arises from the Group's collateral loan which was accounted for as a financial liability at fair value through profit or loss. The fair value of the collateral loan is determined based on the method described in Note 33. Changes in the market price of the ECS will result in changes in the fair value of the collateral loan. As at the reporting date, a 1% increase in the ECS market price will result in a decrease on the Statement of Total Return of $3,411,000 (2013: $3,595,000) in relation to the change in fair value of the collateral loan. A 1% decrease in the ECS market price would have an equal but opposite effect on the Statement of Total Return. The analysis was performed on the same basis for 2013 and assumes that all other variables remain the same.

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities, together with the carrying amounts shown on the Balance Sheets, are as follows:

	Note	Fair value through profit or loss	Loans and receivables	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000
Group						
2014						
Investment in debt securities	6	194,574	–	–	194,574	194,574
Finance lease receivables	8	–	94,875	–	94,875	149,441
Trade and other receivables	11	–	17,828	–	17,828	17,828
Cash and cash equivalents	12	–	65,928	–	65,928	65,928
Derivative assets	15	2,693	–	–	2,693	2,693
		197,267	178,631	–	375,898	430,464
Trade and other payables [(1)]	13	–	–	(102,601)	(102,601)	(102,601)
Security deposits	14	–	–	(85,962)	(85,962)	(88,062)
Derivative liabilities	15	(92,843)	–	–	(92,843)	(92,843)
Term loans and short term bank borrowings	16	–	–	(1,336,708)	(1,336,708)	(1,336,708)
Medium term notes	16	–	–	(499,157)	(499,157)	(532,139)
Collateral loan	17	(341,091)	–	–	(341,091)	(341,091)
		(433,934)	–	(2,024,428)	(2,458,362)	(2,493,444)

(1) Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Note	Fair value through profit or loss	Loans and receivables	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000
Group						
2013						
Investment in debt securities	6	145,535	–	–	145,535	145,535
Finance lease receivable	8	–	65,271	–	65,271	95,971
Other assets (1)	10	–	38,505	–	38,505	38,505
Trade and other receivables	11	–	12,561	–	12,561	12,561
Cash and cash equivalents	12	–	19,525	–	19,525	19,525
Derivative assets	15	12,323	–	–	12,323	12,323
		157,858	135,862	–	293,720	324,420
Trade and other payables (2)	13	–	–	(111,710)	(111,710)	(111,710)
Security deposits	14	–	–	(74,284)	(74,284)	(78,306)
Derivative liabilities	15	(106,764)	–	–	(106,764)	(106,764)
Term loans and short term bank borrowings	16	–	–	(1,038,381)	(1,038,381)	(1,038,381)
Medium term notes	16	–	–	(581,167)	(581,167)	(599,641)
Collateral loan	17	(359,517)	–	–	(359,517)	(359,517)
		(466,281)	–	(1,805,542)	(2,271,823)	(2,294,319)

(1) Excludes payment made on development of a built–to–suit investment property of $30,605,000 (see Note 10).

(2) Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Note	Fair value through profit or loss	Loans and receivables	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000
Trust						
2014						
Investment in debt securities	6	194,574	–	–	194,574	194,574
Finance lease receivables	8	–	94,875	–	94,875	149,441
Trade and other receivables	11	–	17,204	–	17,204	17,204
Cash and cash equivalents	12	–	57,952	–	57,952	57,952
Derivative assets	15	2,693	–	–	2,693	2,693
		197,267	170,031	–	367,298	421,864
Trade and other payables [(1)]	13	–	–	(97,426)	(97,426)	(97,426)
Security deposits	14	–	–	(83,809)	(83,809)	(85,785)
Derivative liabilities	15	(92,843)	–	–	(92,843)	(92,843)
Term loans and short term bank borrowings	16	–	–	(1,322,425)	(1,322,425)	(1,322,425)
Medium term notes	16	–	–	(499,157)	(499,157)	(532,139)
Collateral loan	17	(341,091)	–	–	(341,091)	(341,091)
		(433,934)	–	(2,002,817)	(2,436,751)	(2,471,709)

(1) Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Note	Fair value through profit or loss	Loans and receivables	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000
Trust						
2013						
Investment in debt securities	6	145,535	–	–	145,535	145,535
Finance lease receivable	8	–	65,271	–	65,271	95,971
Other assets [(1)]	10	–	38,505	–	38,505	38,505
Trade and other receivables	11	–	12,029	–	12,029	12,029
Cash and cash equivalents	12	–	12,544	–	12,544	12,544
Derivative assets	15	12,323	–	–	12,323	12,323
		157,858	128,349	–	286,207	316,907
Trade and other payables [(2)]	13	–	–	(110,754)	(110,754)	(110,754)
Security deposits	14	–	–	(73,011)	(73,011)	(76,979)
Derivative liabilities	15	(106,764)	–	–	(106,764)	(106,764)
Term loans and short term bank borrowings	16	–	–	(1,024,630)	(1,024,630)	(1,024,630)
Medium term notes	16	–	–	(581,167)	(581,167)	(599,641)
Collateral loan	17	(359,517)	–	–	(359,517)	(359,517)
		(466,281)	–	(1,789,562)	(2,255,843)	(2,278,285)

(1) Excludes payment made on development of a built–to–suit investment property of $30,605,000 (see Note 10).

(2) Excludes rental received in advance.

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes, pricing services or external valuations, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Interest rates used in determining fair values

The interest rates used to discount the estimated cash flows were as follows:

	Group and Trust	
	2014	2013
	%	%
Finance lease receivables	**2.65**	2.19
Security deposits	**1.67**	1.07
Medium term notes	**1.00 – 3.52**	1.06 – 3.74

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities carried at fair value, financial assets and financial liabilities not carried at fair value but for which fair values are disclosed, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

Financial assets and financial liabilities carried at fair value

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group and Trust				
2014				
Investment in debt securities	–	–	194,574	194,574
Derivative assets	–	2,693	–	2,693
Derivative liabilities	–	(92,843)	–	(92,843)
Collateral loan	–	(341,091)	–	(341,091)
	–	(431,241)	194,574	(236,667)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy **(continued)**

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group and Trust				
2013				
Investment in debt securities	–	–	145,535	145,535
Derivative assets	–	12,323	–	12,323
Derivative liabilities	–	(106,764)	–	(106,764)
Collateral loan	–	(359,517)	–	(359,517)
	–	(453,958)	145,535	(308,423)

During the financial year ended 31 March 2014 and 31 March 2013, there were no transfers from Level 1, Level 2 or Level 3, or vice versa.

*Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed**

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
2014				
Finance lease receivables	**–**	**–**	**149,441**	**149,441**
Security deposits	**–**	**(88,062)**	**–**	**(88,062)**
Medium term notes	**–**	**(532,139)**	**–**	**(532,139)**
	–	**(620,201)**	**149,441**	**(470,760)**
Trust				
2014				
Finance lease receivables	**–**	**–**	**149,441**	**149,441**
Security deposits	**–**	**(85,785)**	**–**	**(85,785)**
Medium term notes	**–**	**(532,139)**	**–**	**(532,139)**
	–	**(617,924)**	**149,441**	**(468,483)**

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Level 3 fair values

The following table shows a reconciliation from the beginning balance to the ending balance for fair value measurement in Level 3 of the fair value hierarchy:

	Investment in debt securities $'000
Group and Trust	
2014	
At 1 April 2013	**145,535**
Additions	**47,750**
Change in fair value recognised in Statement of Total Return	**1,289**
At 31 March 2014	**194,574**
2013	
At 1 April 2012	103,250
Additions	27,000
Change in fair value recognised in Statement of Total Return	15,285
At 31 March 2013	145,535

Type	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
Group and Trust		
Investment in debt securities	Discount rate (17.1%)	The lower the discount rate, the estimated fair value will increase.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

33 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non–financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment properties and property held for sale

Investment properties and property held for sale are stated at fair values based on valuations by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return.

(ii) Investment property under development

Investment property under development as at 31 March 2013 was stated at fair value based on the Manager's internal valuation as at reporting date using the income and residual method of valuation. The key assumptions used included market-corroborated capitalisation yield, prevailing market costs of construction and cost of finance.

(iii) Derivative financial instruments

The fair value of interest rate swaps and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties to the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(iv) Finance lease receivables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at market interest rate for instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

(v) Investment in debt securities

The fair value of debt securities is determined using an option pricing valuation technique which involves mainly the use of market–based equity and debt discount rates and other assumptions at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

33 DETERMINATION OF FAIR VALUES (continued)

(vi) Security deposits

The fair values of security deposits are calculated based on the present value of future cash outflows, discounted at the market interest rate at the reporting date.

(vii) Term loans and short term borrowings

The carrying amounts of interest–bearing borrowings which are repriced within 3 months from the reporting date approximate the corresponding fair values.

(viii) Medium term notes

The fair values of the medium term notes relating to the $200.0 million Series 004 Notes and JPY10.0 billion Series 005 Notes were obtained from market quotes.

The fair value of JPY9.6 billion Series 003 Notes and JPY5.0 billion Series 006 Notes are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

(ix) Collateral loan

The fair value of the collateral loan approximates the fair value of the ECS issued by Ruby Assets, which is used as a proxy for the purpose of determining the fair value of the collateral loan as the key features of the two instruments are identical. Valuation adjustments, if significant, are made to account for the differences in features between the collateral loan and the ECS. The fair value of the ECS was obtained from market quotes.

(x) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities approximate their fair values as at reporting date.

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 32.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

33 DETERMINATION OF FAIR VALUES (continued)

Fair value hierarchy **(continued)**

Non-financial assets carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2014				
Investment properties	–	–	6,922,966	6,922,966
Property held for sale	–	–	10,500	10,500
	–	–	6,933,466	6,933,466

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2014				
Investment properties	–	–	6,651,419	6,651,419
Property held for sale	–	–	10,500	10,500
	–	–	6,661,919	6,661,919

During the financial year ended 31 March 2014, there were no transfers from Level 1, Level 2 or Level 3, or vice versa.

The reconciliation from the beginning balance to the ending balance for fair value measurement in Level 3 of the fair value hierarchy is set out in Note 4.

The following table shows the key unobservable inputs used in the valuation models:

Type	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
Investment properties and property held for sale	**Group** • Capitalisation rates (5.25% to 8.00%) • Discount rates (7.50% to 10.43%) **Trust** • Capitalisation rates (5.50% to 8.00%) • Discount rates (7.50% to 8.75%)	The lower the capitalisation rate and discount rate, the estimated fair value will increase.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

34 OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's CODM reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance. In addition, the CODM monitors the non–financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, performance fee trust expenses, finance income, finance costs and related assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

34 OPERATING SEGMENTS (continued)

Information regarding the Group's reportable segments is presented in the tables below.

Operating segments

Property income and expenses

	Business & Science Park		Hi–Specifications Industrial Properties		Light Industrial Properties		Logistics & Distribution Centres		Warehouse Retail Facilities		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Gross rental income	**186,886**	174,933	**135,300**	131,791	**90,521**	86,594	**118,296**	113,587	**14,989**	14,992	**545,992**	521,897
Other income	**32,595**	21,018	**23,967**	23,079	**3,339**	2,856	**7,698**	6,984	**1**	3	**67,600**	53,940
Gross revenue	**219,481**	195,951	**159,267**	154,870	**93,860**	89,450	**125,994**	120,571	**14,990**	14,995	**613,592**	575,837
Property operating expenses	**(75,889)**	(64,276)	**(45,761)**	(49,338)	**(22,985)**	(22,073)	**(31,214)**	(28,937)	**(1,770)**	(2,403)	**(177,619)**	(167,027)
Segment net property income	**143,592**	131,675	**113,506**	105,532	**70,875**	67,377	**94,780**	91,634	**13,220**	12,592	**435,973**	408,810
Gain on disposal of investment properties	**–**	–	**–**	–	**4,852**	–	**7,205**	–	**–**	–	**12,057**	–
Finance income											**30,445**	24,899
Finance costs											**(66,407)**	(123,573)
Unallocated net expenses											**(21,035)**	(2,790)
Net income											**391,033**	307,346
Net change in fair value of financial derivatives											**(16,934)**	(42,979)
Net appreciation/ (depreciation) on revaluation of investment properties	**34,170**	46,459	**65,651**	21,660	**15,873**	35,458	**15,682**	(31,198)	**(263)**	400	**131,113**	72,779
Total return for the year before tax											**505,212**	337,146
Tax (expense)/credit	**(23,244)**	(2,278)	**–**	1,794	**–**	–	**–**	–	**–**	–	**(23,244)**	(484)
Unallocated tax expense											**–**	(376)
Total return for the year											**481,968**	336,286

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

34 OPERATING SEGMENTS (continued)

Operating segments

	Business & Science Park $'000	Hi–Specifications Industrial Properties $'000	Light Industrial Properties $'000	Logistics & Distribution Centres $'000	Warehouse Retail Facilities $'000	Total $'000
Group						
31 March 2014						
Assets and liabilities						
Segment assets	**2,813,164**	**1,779,491**	**1,001,158**	**1,346,680**	**152,899**	**7,093,392**
Unallocated assets						**264,101**
Total assets						**7,357,493**
Segment liabilities	**137,274**	**29,358**	**28,035**	**31,699**	**71**	**226,437**
Unallocated liabilities:						
– loans and borrowings (including collateral loan)						**2,176,956**
– others						**105,534**
Total liabilities						**2,508,927**
Other segmental information						
Capital expenditure						
– investment properties	**37,536**	**25,689**	**24,837**	**14,808**	**63**	**102,933**
– investment property under development	**29,397**	**–**	**–**	**–**	**–**	**29,397**
Depreciation	**–**	**–**	**687**	**–**	**–**	**687**
Impairment loss on trade receivables	**83**	**–**	**–**	**89**	**–**	**172**
31 March 2013						
Assets and liabilities						
Segment assets	2,566,278	1,658,028	1,023,049	1,338,362	153,610	6,739,327
Unallocated assets						219,700
Total assets						6,959,027
Segment liabilities	91,415	32,592	34,913	27,801	662	187,383
Unallocated liabilities:						
– loans and borrowings (including collateral loan)						1,979,065
– others						131,430
Total liabilities						2,297,878
Other segmental information						
Capital expenditure						
– investment properties	995	9,830	31,417	34,468	–	76,710
– investment property under development	30,516	–	–	–	–	30,516
Depreciation	32	–	687	–	–	719
Impairment loss on trade receivables	5	192	–	182	–	379

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

34 OPERATING SEGMENTS (continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of tenants. Segment assets are based on the geographical location of the assets. Information regarding the Group's geographical segments is presented in the tables below.

	Singapore		China		Total	
	2014	2013	2014	2013	2014	2013
Group	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	**605,692**	570,184	**7,900**	5,653	**613,592**	575,837
Non–current assets [(1)]	**6,651,722**	6,561,701	**271,662**	68,866	**6,923,384**	6,630,567

(1) Exclude financial assets.

35 SUBSEQUENT EVENTS

On 14 May 2014, the Group repaid the $395.0 million term loan granted by Emerald Assets. Concurrently, Emerald Assets redeemed the Euro 197.5 million Medium Term Notes issued under the $5.0 billion Medium Term Note Programme. Following the redemption, the assignments, charges and mortgage over the properties making up "Portfolio 3" that the Trust granted to Emerald Assets were discharged (see Note 16).

On 16 May 2014 and 21 May 2014, the Group issued a total of $95.0 million Series 007 Notes under the MTN 2009 Programme. The notes will mature on 16 May 2019 and will bear a fixed interest rate of 2.50% per annum, payable semi-annually in arrear.

On 21 May 2014, the Group completed the divestment of the property located at 1 Kallang Place for $12.6 million. The estimated gain on disposal (excluding disposal costs) is $2.1 million, based on the carrying amount of $10.5 million as at 31 March 2014.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID-UP UNITS

2,402,521,658 units (Voting rights: one vote per unit)
Market Capitalisation S$5,693,976,329 (based on closing price of $2.37 as at 20 May 2014)

TOP 20 UNITHOLDERS AS AT 20 MAY 2014

As listed in the Register of Unitholders

	Name of Unitholder	No. of Units	% of Units in Issue
1	DBS NOMINEES (PRIVATE) LIMITED	567,279,621	23.61%
2	CITIBANK NOMINEES SINGAPORE PTE LTD	507,732,378	21.13%
3	ASCENDAS LAND (SINGAPORE) PTE LTD	367,904,000	15.31%
4	HSBC (SINGAPORE) NOMINEES PTE LTD	301,510,970	12.55%
5	DBSN SERVICES PTE. LTD.	278,547,455	11.59%
6	RAFFLES NOMINEES (PTE) LIMITED	75,573,749	3.15%
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	54,071,576	2.25%
8	ASCENDAS FUNDS MANAGEMENT (S) LIMITED	43,272,624	1.80%
9	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	23,154,226	0.96%
10	DB NOMINEES (SINGAPORE) PTE LTD	19,110,405	0.80%
11	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	10,451,955	0.44%
12	BANK OF SINGAPORE NOMINEES PTE. LTD.	5,764,678	0.24%
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,439,980	0.23%
14	CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,665,000	0.19%
15	SOCIETE GENERALE, SINGAPORE BRANCH	3,700,610	0.15%
16	ABN AMRO NOMINEES SINGAPORE PTE LTD	3,301,883	0.14%
17	MERRILL LYNCH (SINGAPORE) PTE LTD	2,234,889	0.09%
18	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,210,448	0.09%
19	OCBC SECURITIES PRIVATE LIMITED	2,159,000	0.09%
20	E M SERVICES PTE LTD	2,064,000	0.09%
	TOTAL	**2,280,149,447**	**94.90%**

UNITHOLDERS DISTRIBUTION AS AT 20 MAY 2014

Size of holdings	No. of Unitholders	No. of Units
1 - 999	50	9,235
1,000 - 10,000	6,326	30,343,535
10,001 - 1,000,000	2,136	89,368,491
1,000,001 and above	22	2,282,800,397
GRAND TOTAL	**8,534**	**2,402,521,658**

STATISTICS OF UNITHOLDINGS

Pursuant to Listing Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0% of its listed securities is at all times held by the public. Based on the information made available to the Manager as at 20 May 2014, about 72.62% of A-REIT's units are held in public hands.

SUBSTANTIAL UNITHOLDERS AS AT 20 MAY 2014

	Direct Interest	Deemed Interest		Percentage
Ascendas Land (Singapore) Pte Ltd	367,904,000	-		15.31%
Ascendas Pte Ltd	-	411,176,624	(1)	17.11%
Jurong Town Corporation	-	411,176,624	(1)	17.11%
Matthews International Capital Management, LLC	-	122,574,204	(2)	5.10%
BlackRock, Inc.	-	124,144,462	(3)	5.17%
The PNC Financial Services Group, Inc.	-	124,144,462	(4)	5.17%

(1) Ascendas Pte Ltd and Jurong Town Corporation are deemed to be interested in the Units held by Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited.
(2) Mathews International Capital Management, LLC manages Units on behalf of its clients, and is deemed interested in these Units.
(3) BlackRock, Inc. is deemed interested in the Units held by its subsidiaries.
(4) The PNC Financial Services Group is deemed interested in the Units held by BlackRock, Inc. subsidiaries.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2014

	Direct Interest	Deemed interest
Mr Koh Soo Keong	-	-
Mr Khiatani Manohar Ramesh	-	-
Mr Henry Tan Song Kok	-	-
Mr Chia Kim Huat	-	-
Mr Teo Eng Cheong	-	-
Mr Marc Teo Choon Chye	25,000	-
Mr Tan Ser Ping	-	-

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the financial year falling under the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS (excluding transactions of less than $100,000 each) are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000) $'000
JTC Corporation	
– Land rent	35,263
Ascendas Pte Ltd and its subsidiaries	
– Property service and other property management fees	23,491
– Service charge and reimbursables	3,138
– Management fee	35,594 (1)
– Acquisition fee	1,223 (2)
– Development management fee	336 (3)
– Divestment fee	350 (4)
– Marketing fees paid during the year	12,491
– Carpark income	(697)
– Incentive income	(1,098)
– Lease rental, service charge and utilities income	(2,619)
– Receipts/recovery of expenses paid on behalf	(1,103)
HSBC Institutional Trust Services (Singapore) Ltd	
– Trustee's fee	2,146
Total	108,515

(1) The Manager's fee comprises:

(i) a base management fee of 0.5% per annum of the Deposited Property. With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.

(ii) an annual performance fee (FY13/14: Nil and FY12/13: paid in cash) of:

- 0.1% per annum of the Deposited Property, provided that the annual growth in distribution per unit in a given financial year (calculated before accounting for the performance fee in that financial year) exceeds 2.5%; and
- an additional 0.1% per annum of the Deposited Property, provided that the growth in distribution per unit in a given financial year (calculated before accounting for the performance fee in that financial year) exceeds 5.0%.

No performance fee was payable for the current financial year

(2) An acquisition fee of 1.0% of the purchase price of investment property acquired by the Trustee on behalf of the Trust.

(3) Development management fee, not exceeding 3.0% of the total project cost incurred in development projects undertaken by the Trust. In cases where the market pricing for comparables services is materially lower, the Manager will reduce the development management fees to less than 3.0%. In addition, when the estimated total project cost is greater than $100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee.

(4) A divestment fee of 0.5% of the sale price of investment property sold or divested by the Trustee on behalf of the Trust. For FY13/14, divestment fee relate to the divestment of 6 Pioneer Walk and Block 5006 Techplace II.

ADDITIONAL INFORMATION

Saved as disclosed above, there were no additional interested person transactions (excluding transactions of less than $100,000 each) entered into up to and including 31 March 2014 nor any material contracts entered into by A-REIT or any of its subsidiaries that involved the interests of the CEO, any Director, or any controlling Unitholder of the Trust.

Please also see Significant Related Party Transactions in Note 29 to the financial statements.

The entry into and the fees payable pursuant to the Trust Deed have been approved by the Unitholders upon purchase of the Units at the initial public offering of A-REIT on the SGX-ST in November 2002 and in an Extraordinary General Meeting held on 28 June 2007 (where the Unitholders approved the amendment of the Trust Deed, inter alia, to allow the Manager to receive development management fees), and are therefore not subject to Rules 905 and 906 of the Listing Manual. The entry into and the fees payable pursuant to the PMA2012, CPMA2012 and LMA2012 have been approved by the Unitholders in an Extraordinary Meeting held on 28 June 2012, and such fees shall not be subject to aggregation or further Unitholders' approval requirement under Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the property management fees and related expenses thereunder which are adverse to A-REIT.

Fees paid to the Manager and the Property Managers

Asset/Fund management fees	**FY13/14 $'000**	**FY12/13 $'000**
- Base fee	35,594	33,246
- Performance fee	-	6,959
Total fees paid to the Manager	35,594	40,205
% of total amount available for distribution (before all fees)	9.12%	11.16%
% of total assets	0.48%	0.58%
- Lease management fee	5,472	5,285
- Property management fee	7,934	7,203
Total fees paid to the Property Managers	13,406	12,488
% of total amount available for distribution (before all fees)	3.43%	3.47%
% of total assets	0.18%	0.18%
Trustee's fee	2,146	2,000
Total fees paid to the Trustee	2,146	2,000
% of total amount available for distribution (before all fees)	0.55%	0.56%
% of total assets	0.03%	0.03%

Major transactional fees	**FY13/14 $'000**	**FY12/13 $'000**
- Acquisition fee	1,223	1,260
- Development management fee	336	1,110
- Divestment fee	350	-
Total transactional fees paid to Manager	1,909	2,370
% of total assets	0.03%	0.03%
- Project management fee	1,625	1,096
Total transactional fees paid to the Property Managers	1,625	1,096
% of total assets	0.02%	0.02%

Listing of A-REIT new units

An aggregate of 3.576 million new Units were issued during the year bringing the total number of Units on issue to 2,402.5 million as at 31 March 2014.

ADDITIONAL INFORMATION

HISTORICAL STATEMENT OF TOTAL RETURN

	2014+ S$'000	2013^ S$'000	2012^ S$'000	2011 S$'000	2010 S$'000	2009 S$'000	2008 S$'000	2007 S$'000	2006 S$'000	2005 S$'000	2004 S$'000	Period from 9/10/02 to 31/3/03 S$'000
Gross revenue	613,592	575,837	503,304	447,634	413,678	396,534	322,270	283,007	227,153	128,987	65,914	22,836
Property operating expenses	(177,619)	(167,027)	(134,967)	(108,208)	(93,690)	(99,916)	(78,780)	(72,660)	(53,595)	(32,873)	(15,604)	(6,325)
Net property income	435,973	408,810	368,337	339,426	319,988	296,618	243,490	210,347	173,558	96,114	50,310	16,511
Management fees	(35,594)	(40,205)	(29,142)	(30,145)	(23,421)	(31,698)	(25,579)	(21,607)	(17,971)	(11,249)	(5,588)	(1,145)
Trust expenses	(5,171)	(4,859)	(4,970)	(3,608)	(2,879)	(4,715)	(2,508)	(1,913)	(1,516)	(1,215)	(809)	(291)
Finance income	30,445	24,899	5,437	3,295	1,650	29	114	332	214	73	20	9
Finance costs	(66,407)	(123,573)	(64,202)	(77,655)	(69,805)	(59,485)	(40,537)	(38,777)	(22,293)	(8,506)	(3,342)	(794)
Foreign exchange gain/(loss)	19,730	42,274	(932)	2,352	-	-	-	-	-	-	-	-
Gain on disposal of investment properties	12,057	-	-	-	-	-	-	-	-	-	-	-
Net income	391,033	307,346	274,528	233,665	225,533	200,749	174,980	148,382	131,992	75,217	40,591	14,290
Net change in fair value of financial derivatives	(16,934)	(42,979)	(4,196)	1,144	(23,878)	-	-	-	-	-	-	-
Net appreciation/ (depreciation) on revaluation of investment properties and investment properties under development	131,113	72,779	224,452	344,777	(53,682)	(115,443)	494,141	188,712	13,188	21,823	7,871	22,317
Total return for the year before tax expense	505,212	337,146	494,784	579,586	147,973	85,306	669,121	337,094	145,180	97,040	48,462	36,607
Tax expense	(23,244)	(860)	(1,616)	(976)	-	-	-	-	-	-	-	-
Total return for the year	481,968	336,286	493,168	578,610	147,973	85,306	669,121	337,094	145,180	97,040	48,462	36,607
Net effect of non (taxable income)/ tax deductible expenses and other adjustments	(11,499)	42,050	13,027	14,120	33,236	10,174	12,289	15,442	10,641	8,948	4,945	892

ADDITIONAL INFORMATION

	2014+ S$'000	2013^ S$'000	2012^ S$'000	2011 S$'000	2010 S$'000	2009 S$'000	2008 S$'000	2007 S$'000	2006 S$'000	2005 S$'000	2004 S$'000	Period from 9/10/02 to 31/3/03 S$'000
Net (appreciation)/ depreciation on revaluation of investment properties and investment properties under development	(131,113)	(72,779)	(224,452)	(344,777)	53,682	115,443	(494,141)	(188,712)	(13,188)	(21,823)	(7,871)	(22,317)
Income available for distribution	339,356	305,557	281,743	247,953	234,891	210,923	187,269	163,824	142,633	84,165	45,536	15,182
Tax-exempt income (prior periods)	1,245	-	-	-	-	-	-	-	-	-	-	-
Distribution from capital (prior periods)	1,404	-	-	-	-	-	-	-	-	-	-	-
Total amount available for distribution	342,005	305,557	281,743	247,953	234,891	210,923	187,269	163,824	142,633	84,165	45,536	15,182
Earnings per unit (cents) *	20.07	15.11	23.74	30.89	8.23	6.11	50.31	26.13	11.84	10.98	8.65	18.36#
Distribution per unit (cents)	14.24	13.74	13.56	13.23	13.10	15.18	14.13	12.75	11.68	9.56	8.16	7.63#

\+ With effect from 2014, results include consolidation of 100% interest in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited and Shanghai (JQ) Investment Holdings Pte. Ltd. and its subsidiary, A-REIT Shanghai Realty Co, Limited, which were acquired on 3 October 2011 and 12 July 2013 respectively.

^ With effect from 2012, results include consolidation of 100% interest in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited, which was acquired on 3 October 2011.

* The Earnings per unit has been calculated using total return for the year and weighted average number of units on issue during the year.

\# Annualised Earnings/Distribution per unit.

GLOSSARY

ACPL	Ascendas (China) Pte Ltd
AFM	Ascendas Funds Management (S) Limited
A-REIT	Ascendas Real Estate Investment Trust
ASPL	Ascendas Services Pte Ltd
Board	Board of Directors of the Manager
CAGR	Compounded Annual Growth Rate
CBP	Changi Business Park
CDP	The Central Depository (Pte) Limited
CIS	The Code of Collective Investment Schemes issued by the Monetary Authority of Singapore
CMBS	Commercial Mortgage Backed Securities
CPF	Central Provident Fund
CPI	Consumer Price Index
CPMA2012	The agreement made between the Manager, the Trustee and ACPL pursuant to which ACPL will provide property management, marketing and project management services relating to all properties of A-REIT located in the PRC with effect from 1 July 2012.
DPU	Distribution per unit
ECS	Exchangeable Collateralised Securities
EDB	Economic Development Board
EPU	Earnings per unit
GDP	Gross Domestic Product
GFA	Gross Floor Area which includes net lettable area and common areas, such as common corridors
Group	A-REIT and its subsidiaries
IBP	International Business Park
Interbank GIRO	General Interbank Recurring Order
IPT	Interested Person Transaction
Interested Person Transaction	Transactions made between the Trustee (as trustee of A-REIT) and an “interested person”, under the Listing Manual and the Property Funds Appendix
LMA2012	The agreement made between the Trustee and the Manager, AFM, pursuant to which AFM will provide lease management services to all properties held by A-REIT located in Singapore and the PRC with effect from 1 October 2012.
Listing Manual	The Listing Manual of SGX-ST
Manager	Ascendas Funds Management (S) Limited, as manager of A-REIT
MAS	Monetary Authority of Singapore
Net Lettable Area	Consists of the total gross floor area less the common areas, such as corridors, amenities’ area and management offices
PMA2002	The agreement made between the Manager, the Trustee and ASPL pursuant to which ASPL will provide certain property management, lease management, marketing and project management services to A-REIT and extended by a letter dated 19 November 2007, which expired on 18 November 2012.
PMA2012	The agreement made between the Manager, the Trustee and ASPL pursuant to which ASPL will provide certain property management, marketing, project management and car park management services relating to all properties of A-REIT located in Singapore with effect from 1 October 2012.
PRC	People’s Republic of China
Property Funds Appendix	Appendix 6 of the CIS Code issued by the MAS in relation to REITs
Property Managers	ASPL and ACPL
REIT	Real Estate Investment Trust
RMB	Chinese Yuan Renminbi
SFA	Securities and Futures Act, Chapter 289 of Singapore
SGS	Singapore Government Securities
SGX-ST	Singapore Exchange Securities Trading Ltd
SOR	Swap Offer Rate
Sqm	Square metres
S-REIT	Singapore-listed REIT
SRS	Supplementary Retirement Scheme
STI	Straits Times Index
Trust Deed	The Trust Deed dated 9 October 02 made between the Trustee and the Manager constituting A-REIT, as amended, modified, re-stated or supplemented, from time to time
Trustee	HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT
Unit(s)	An undivided interest in A-REIT as provided for in the Trust Deed
Unitholder(s)	The Depositor whose securities account with CDP is credited with Unit(s)

CORPORATE DIRECTORY

THE MANAGER
Ascendas Funds Management (S) Limited
Company registration number:
200201987K

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Mr Khiatani Manohar Ramesh,
Vice Chairman (Non-executive Director)
Mr Henry Tan Song Kok,
Independent Director
Mr Chia Kim Huat,
Independent Director
Mr Teo Eng Cheong,
Independent Director
Mr Marc Teo Choon Chye,
Independent Director
Mr Tan Ser Ping,
Executive Director & CEO

COMPANY SECRETARIAT
Ms Mary Judith de Souza,
Company Secretary
Mr Edwin Kung Wee Tack,
Company Secretary

AUDIT COMMITTEE
Mr Henry Tan Song Kok,
Chairman
Mr Chia Kim Huat
Mr Teo Eng Cheong
Mr Marc Teo Choon Chye

**NOMINATING,
HUMAN RESOURCE &
REMUNERATION COMMITTEE**
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Chairman
Mr Khiatani Manohar Ramesh
Mr Henry Tan Song Kok

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Mr Koh Soo Keong
Mr Teo Eng Cheong
Mr Tan Ser Ping

OPERATIONAL RISK MANAGEMENT COMMITTEE
Mr Koh Soo Keong
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Mr Khiatani Manohar Ramesh
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Mr Tan Ser Ping

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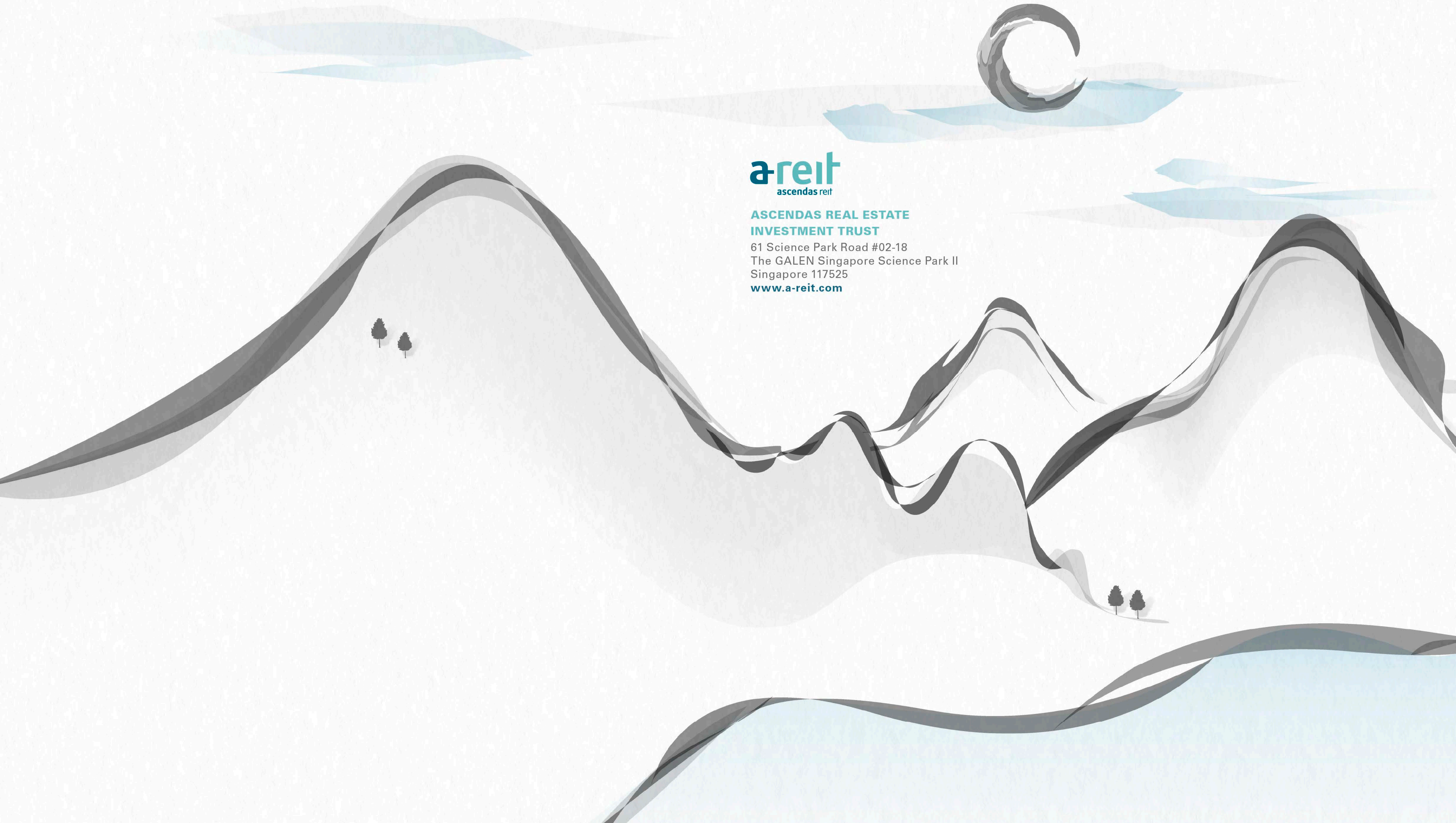
(Since the financial year ended
31 March 2013)

SGX CODE
Ascendasreit

STOCK SYMBOL
A17U.SG



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