IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), TO ANY U.S. PERSON.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your Representation: In respect of any offering of securities under Category 2 of Regulation S of the Securities Act, in order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular you shall be deemed to have represented to us that (1) the electronic mail address that you gave us and to which this e-mail has been delivered or being accessed is not located in the United States, and, in respect of any offering of securities under Category 2 of Regulation S of the Securities Act, you are not a U.S. person nor are you acting on behalf of a U.S. person and, to the extent you purchase the securities described in the attached document, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of the Offering Circular and any amendments and supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you: (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; and (B) agree to be bound by the limitations and restrictions described herein. Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust), Ascendas Funds Management (S) Limited (in its capacity as manager of Ascendas Real Estate Investment Trust), Oversea-Chinese Banking Corporation Limited (as "**Arranger**"), the Dealers (as defined in the Offering Circular) or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR



ASCENDAS REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 October 2002 (as amended))

Managed by

Ascendas Funds Management (S) Limited

(Incorporated in the Republic of Singapore on 13 March 2002)
(Company Registration No. 200201987K)

S$7,000,000,000
Euro Medium Term Securities Programme

Under this S$7,000,000,000 Euro Medium Term Securities Programme (the "**Programme**"), HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Real Estate Investment Trust ("**Ascendas Reit**") (the "**Issuer**" or the "**Ascendas Reit Trustee**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") or perpetual securities (the "**Perpetual Securities**" and together with the Notes, the "**Securities**") denominated in any currency as agreed between the Issuer and the relevant Dealer (as defined below).

Notes and Perpetual Securities may be issued in bearer or registered form (respectively "**Bearer Notes**", "**Registered Notes**", "**Bearer Perpetual Securities**" and "**Registered Perpetual Securities**"). The maximum aggregate nominal amount of all Notes and Perpetual Securities from time to time outstanding under the Programme will not exceed S$7,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes and Perpetual Securities may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes or Perpetual Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes or Perpetual Securities.

An investment in Notes or Perpetual Securities issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, and quotation of, any Notes or Perpetual Securities that may be issued pursuant to the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval in-principle from, and the admission of any Notes or Perpetual Securities to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, Ascendas Reit, the Ascendas Reit Manager (as defined herein), their respective subsidiaries (if any), their respective associated companies (if any), the Programme, the Notes or the Perpetual Securities.

Notice of the aggregate nominal amount of Notes or Perpetual Securities, interest (if any) or distribution (if any) as the case may be, payable in respect of Notes or Perpetual Securities, the issue price of Notes or Perpetual Securities and any other terms and conditions not contained herein which are applicable to each Tranche of Notes or Perpetual Securities (as defined under "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the Perpetual Securities*", respectively), will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes or Perpetual Securities to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of listing of the Notes or Perpetual Securities of such Tranche.

The Programme provides that Notes and Perpetual Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue Notes or Perpetual Securities which are unlisted and/or not admitted to trading on any market.

Each Tranche of Notes or Perpetual Securities of each Series (as defined in "*Form of the Notes*" and "*Form of the Perpetual Securities*", respectively) in bearer form will be represented on issue by (i) in the case of Notes, a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") and (ii) in the case of Perpetual Securities, a temporary global perpetual security in bearer form (each a "**Temporary Global Perpetual Security**") or a permanent global perpetual security in bearer form (each a "**Permanent Global Perpetual Security**"). Securities in registered form (other than Securities denominated in Australian dollars issued in the Australian domestic wholesale capital market (the "**AMTNs**")) will initially be represented by (i) in the case of Notes, a global note in registered form (each a "**Registered Global Note**" and together with any Temporary Global Notes and Permanent Global Notes, the "**Global Notes**" and each a "**Global Note**") and (ii) in the case of Perpetual Securities, a global perpetual security in registered form (each a "**Registered Global Perpetual Security**", and together with any Temporary Global Perpetual Securities and Permanent Global Perpetual Securities, the "**Global Perpetual Securities**" and each a "**Global Perpetual Security**"). Global Notes and Global Perpetual Securities may be deposited on the issue date with a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A ("**Clearstream, Luxembourg**"). Global Notes and Global Perpetual Securities may also be deposited with The Central Depository (Pte) Limited ("**CDP**"). AMTNs, which include Perpetual Securities denominated in Australian dollars issued in the Australian domestic wholesale capital market (the "**Perpetual AMTNs**"), will be issued in registered certificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system ("**Austraclear System**") operated by Austraclear Ltd ("**Austraclear**"). Each Tranche of AMTNs will be represented by a certificate without coupons (each an "**AMTN Certificate**"), which shall be issued by the Issuer in respect of each Tranche of AMTNs.

The Notes and Perpetual Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" and "*Form of the Perpetual Securities*" for descriptions of the manner in which the Notes and the Perpetual Securities will be issued. The Notes and the Perpetual Securities are subject to certain restrictions on transfer, see "*Subscription and Sale*".

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes or Perpetual Securities may not be circulated or distributed, nor may the Notes or Perpetual Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes or Perpetual Securities may be issued in a form not contemplated by, as the case may be, the Terms and Conditions of the Notes or the Terms and Conditions of the Perpetual Securities, in which event a supplemental Offering Circular (including by way of a Pricing Supplement), if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes or Perpetual Securities.

Notes or Perpetual Securities issued under the Programme may be rated or unrated. Where an issue of a certain series of Notes or Perpetual Securities is rated, its rating will not necessarily be the same as the rating (if any) applicable to the Programme and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Credit ratings in respect of the Securities, the Issuer or Ascendas Reit are for distribution to a person (i) who is not a "retail client" within the meaning of section 761G of the Corporations Act (as defined below) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (ii) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.

Arranger and Dealer

OCBC Bank

The date of this Offering Circular is 11 August 2020

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all information relating to HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") which is material in the context of the Programme and the issue and offering of the Securities, that the information contained herein relating to HSBCIT is true and accurate in all material respects, and that there are no other facts relating to HSBCIT the omission of which in the context of the issue and offering of the Securities would make any such information misleading in any material respect. The Issuer accepts full responsibility for the information relating to HSBCIT contained in this Offering Circular.

Ascendas Funds Management (S) Limited, in its capacity as manager of Ascendas Reit (the "**Ascendas Reit Manager**"), having made all reasonable enquiries, confirms that this Offering Circular contains all information (other than those relating to HSBCIT) which is be material in the context of the Programme and the issue and offering of the Securities, that the information contained herein (other than those relating to HSBCIT) is true and accurate in all material respects, the opinions, expectations and intentions expressed in this Offering Circular have been carefully considered, and that there are no other facts (other than those relating to HSBCIT) the omission of which in the context of the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect. The Ascendas Reit Manager accepts full responsibility for the information (other than those relating to HSBCIT) contained in this Offering Circular.

Each Tranche of Notes or Perpetual Securities will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Perpetual Securities*" respectively, as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes or Perpetual Securities, must be read and construed together with the applicable Pricing Supplement.

References in this Offering Circular to "**Conditions**" shall, when made in respect of Notes, mean the Conditions set out in the "*Terms and Conditions of the Notes*" and, when made in respect of Perpetual Securities, mean the Conditions set out in the "*Terms and Conditions of the Perpetual Securities*".

No person is or has been authorised by the Issuer, the Ascendas Reit Manager, the Trustee, the Arranger or any of the Dealers to give any information or to make any representations other than those contained in this Offering Circular in connection with the Programme, the Notes or the Perpetual Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Ascendas Reit Manager, the Trustee, the Arranger or any of the Dealers. Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes or Perpetual Securities are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers, as the case may be.

Copies of Pricing Supplements will be available from the registered office of the Ascendas Reit Manager and the specified office set out below of the Issuing and Paying Agent or the Australian Agent (each as defined below), as applicable (save that a Pricing Supplement relating to an unlisted Note or Perpetual Security will only be available for inspection by a holder of such Note or Perpetual Security and such holder must produce evidence satisfactory to the Issuer, the Issuing and Paying Agent or the Australian Agent, as applicable, as to its holding of Notes or Perpetual Securities, as the case may be, and its identity).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Arranger, the Dealers and the Trustee have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law none of the Arranger, the Dealers or the Trustee makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. None of the Arranger, the Dealers or the Trustee accepts any responsibility for the contents of this Offering Circular. Each of the Arranger, the Dealers and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any financial statements included or incorporated herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Ascendas Reit Manager, the Group, the Arranger, any Dealer or the Trustee that any recipient of this Offering Circular or any such financial statements should purchase the Notes or the Perpetual Securities. Each potential investor should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, Ascendas Reit, the Group and the risks involved. The purchase of Notes or Perpetual Securities by investors should be based upon their investigation as they deem necessary. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes or Perpetual Securities constitutes an offer or invitation by or on behalf of the Issuer, the Ascendas Reit Manager, the Group, the Trustee, the Arranger or any Dealer to any person to subscribe for or to purchase any Notes or Perpetual Securities.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes or Perpetual Securities shall in any circumstances imply that the information contained herein concerning the Issuer, Ascendas Reit or its subsidiaries is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, Ascendas Reit or its subsidiaries during the life of the Programme or to advise any investor or potential investor in the Notes or Perpetual Securities of any information coming to their attention.

Neither this Offering Circular nor any applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Notes or Perpetual Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes or Perpetual Securities may be restricted by law in certain jurisdictions. None of the Issuer, the Ascendas Reit Manager, the Group, the Arranger, the Dealers and the Trustee represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes or Perpetual Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Ascendas Reit Manager, the Group, the Arranger, the Dealers or the Trustee which would permit a public offering of any Notes or Perpetual Securities or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, no Notes or Perpetual Securities may be offered or sold, directly or indirectly, and neither this Offering Circular nor any applicable Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular, any Pricing Supplement or any Notes or Perpetual Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular, any Pricing Supplement and the offering and sale of Notes or Perpetual Securities. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes or Perpetual Securities in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore, the People's Republic of China and Australia. See "*Subscription and Sale*".

The Notes and the Perpetual Securities have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. The Notes and the Perpetual Securities may not be offered or sold in the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Accordingly, the Notes and the Perpetual Securities are being offered and sold only outside the United States in reliance on Regulation S of the Securities Act (see "*Subscription and Sale*").

This Offering Circular has been prepared for use in connection with the offer and sale of the Notes or Perpetual Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes or Perpetual Securities, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States, in respect of any offering of Notes or Perpetual Securities under Category 2 of Regulation S of the Securities Act, to any U.S. person, or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to, in respect of any offering of Notes or Perpetual Securities under Category 2 of Regulation S of the Securities Act, any such U.S. person or other person within the United States, is prohibited.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Ascendas Reit Manager, the Group, the Arranger, any of the Dealers, the Trustee or the Agents makes any representation as to the accuracy of that information.

IMPORTANT – EEA AND UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes or Perpetual Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes and Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes and Perpetual Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes and Perpetual Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes or Perpetual Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and Perpetual Securities and which channels for distribution of the Notes and Perpetual Securities are appropriate. Any person subsequently offering, selling or recommending the Notes and Perpetual Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and Perpetual Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes or Perpetual Securities is a manufacturer in respect of such Notes or Perpetual Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

SECTION 309B(1)(C) NOTIFICATION

Unless otherwise stated in the Pricing Supplement in respect of any Notes or Perpetual Securities, all Notes and Perpetual Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Group has been derived from the audited consolidated financial statements of the Group for the financial years ended 31 March 2018, 31 March 2019 and 31 December 2019 (the "**Financial Statements**"). The reviewed interim consolidated financial statements of the Group for the six-month periods ended 30 June 2019 and 30 June 2020 have been derived from the Group's 1H FY2020 Results Announcement and Business Update (as defined below) included in this Offering Circular.

Ascendas Reit changed its financial year end from 31 March to 31 December in July 2019. Therefore, the 2019 financial year is a nine-month period from 1 April 2019 to 31 December 2019. Thereafter, Ascendas Reit's financial year will be a 12-month period ending on 31 December each year.

The Financial Statements have been prepared in accordance with the recommendations of The Statement of Recommended Accounting Practice 7 ("**RAP 7**"*) "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards. The interim financial statements for the six-month periods ended 30 June 2019 and 30 June 2020 have been prepared in accordance with RAP 7 recommendations as relevant to interim financial information.

Rounding adjustments have been made in calculating some of the financial and other numerical information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

SUITABILITY OF INVESTMENT

The Notes and Perpetual Securities may not be a suitable investment for all investors. Each potential investor in the Notes or Perpetual Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes or Perpetual Securities, the merits and risks of investing in the Notes or Perpetual Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or Perpetual Securities and the impact the Notes or Perpetual Securities will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or Perpetual Securities, including Notes or Perpetual Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes or Perpetual Securities and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes or Perpetual Securities are legal investments for it, (2) Notes or Perpetual Securities can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes or Perpetual Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes or Perpetual Securities under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward looking statements. Forward looking statements include statements concerning Ascendas Reit's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should", "future", "can" and any similar expressions generally identify forward looking statements. The Issuer and the Ascendas Reit Manager have based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer and the Ascendas Reit Manager believe that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those which the Issuer and the Ascendas Reit Manager have identified in this Offering Circular under the section "*Risk Factors*", or if any of the Issuer's or the Ascendas Reit Manager's underlying assumptions prove to be incomplete or inaccurate, Ascendas Reit's and the Group's actual results of operation may vary from those expected, estimated or predicted.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of Ascendas Reit to be materially different from the future results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Offering Circular, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Ascendas Reit Manager, the Group, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of Ascendas Reit will be as discussed in those statements.

Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, each of the Issuer, the Ascendas Reit Manager, the Group, the Arranger and any Dealer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

STABILISATION

In connection with the issue of any Tranche of Securities (other than AMTNs and/or in circumstances where such action would reasonably be expected to affect the price of the Securities traded within Australia or on a financial market, as defined in the Corporations Act (as defined below), operated within Australia), the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may, outside Australia and on any financial market operated outside Australia, over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules and may only be conducted outside Australia and on any financial market operated outside Australia.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) each Pricing Supplement;

(b) the most recently published audited consolidated financial statements of the Group (including the Auditors' report thereon and notes thereto) and any unaudited consolidated interim financial statements of the Group (if published), in each case published subsequently to the date of this Offering Circular from time to time; and

(c) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. Copies of the documents listed in (b) above which are deemed to be incorporated by reference in this Offering Circular may be obtained at the SGX-ST's website at www.sgx.com.

Any unaudited interim financial statements which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited by the auditors of the Group. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

The full version of the Group's audited consolidated financial statements published from time to time can be obtained from www.ascendas-reit.com.

The above website and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer and the Group may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any applicable Pricing Supplement and none of the Issuer, the Ascendas Reit Manager, the Group, the Trustee, the Arranger and the Dealers accepts any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Notes or Perpetual Securities.

DEFINITIONS

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Perpetual Securities*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

"**1H FY2020**"	First financial half of FY 2020.
"**1H FY2020 Results Announcement and Business Update**"	The announcement by the Ascendas Reit Manager on 23 July 2020 providing an update on Ascendas Reit's business in 1H FY2020, as well as details on the impact of the COVID-19 pandemic.
"**1Q FY2020**"	First financial quarter of FY2020.
"**1Q FY2020 Business Update**"	The announcement by the Ascendas Reit Manager on 28 April 2020 providing an update on Ascendas Reit's business in 1Q FY2020, as well as details on the impact of the COVID-19 pandemic.
"**2Q FY2020**"	Second financial quarter of FY2020.
"**AEI**"	Asset enhancement initiatives.
"**Agency Agreement**"	The Agency Agreement dated 11 August 2020 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP calculation agent, CDP transfer agent and CDP registrar, (3) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as non-CDP transfer agent and non-CDP registrar, and (5) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Agent**"	Each of the Issuing and Paying Agent, the Registrar, the Transfer Agents, the CDP Issuing and Paying Agent, the CDP Registrar, CDP Transfer Agent, the Calculation Agent, the CDP Calculation Agent, the Australian Agent, the other Paying Agents, or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement or, as the case may be, the Australian Agency Agreement.

"**AMTNs**"	The Securities denominated in Australian dollars and issued in the Australian domestic wholesale capital market in registered certificated form and constituted by the Australian Note Deed Poll. AMTNs will be represented by an AMTN Certificate. For the avoidance of doubt, references to "AMTNs" shall be deemed to include references to "Perpetual AMTNs", unless the context requires otherwise.
"**AMTN Certificate**"	A certificate without coupons which shall be issued by the Issuer in respect of each Tranche of AMTNs.
"**Arranger**"	Oversea-Chinese Banking Corporation Limited.
"**Ascendas Reit**"	Ascendas Real Estate Investment Trust.
"**Ascendas Reit Manager**"	Ascendas Funds Management (S) Limited, as manager of Ascendas Reit.
"**Ascendas Reit Trust Deed**"	The trust deed constituting Ascendas Reit dated 9 October 2002 made between (1) the Ascendas Reit Manager, as manager of Ascendas Reit, and (2) the Issuer, as trustee of Ascendas Reit, as supplemented by a First Supplemental Deed dated 16 January 2004, a Second Supplemental Deed dated 23 February 2004, a Third Supplemental Deed dated 30 September 2004, a Fourth Supplemental Deed dated 17 November 2004, a Fifth Supplemental Deed dated 20 April 2006, a First Amending & Restating Deed dated 11 June 2008, a Seventh Supplemental Deed dated 22 January 2009, an Eighth Supplemental Deed dated 17 September 2009, a Ninth Supplemental Deed dated 31 May 2010, a Tenth Supplemental Deed dated 22 July 2010, an Eleventh Supplemental Deed dated 14 October 2011, a Twelfth Supplemental Deed dated 19 October 2015, a Thirteenth Supplemental Deed dated 26 January 2016, a Second Amending & Restating Deed dated 10 August 2017, a Fifteenth Supplemental Deed dated 20 August 2018, a Sixteenth Supplemental Deed dated 24 July 2019 and a Seventeenth Supplemental Deed dated 3 April 2020 (in each case made between the same parties) and as further amended, modified or supplemented from time to time.
"**Ascendas US Holdco**"	Ascendas US Holdco Pte. Ltd.
"**ASIC**"	Australian Securities and Investments Commission.
"**Asset & Property Managers**"	Ascendas Services Pte Ltd, Ascendas Funds Management (Australia) Pty Ltd, CL International Management (UK) Ltd and CapitaLand International (USA) LLC.
"**Austraclear**"	Austraclear Ltd.
"**Austraclear System**"	The clearing system operated by Austraclear.

"**Australian Agency Agreement**"	The Australian Agency Agreement dated 11 August 2020 made between (1) the Issuer, as issuer and (2) the Australian Agent, as paying agent and registrar in respect of the AMTNs.
"**Australian Agent**"	BTA Institutional Services Australia Limited as paying agent and registrar under the Australian Agency Agreement in respect of each Series of AMTNs, which expression shall include any successor Australian agent appointed in accordance with the Australian Agency Agreement.
"**Australian Note Deed Poll**"	The deed poll dated 11 August 2020 executed by the Issuer constituting the AMTNs.
"**Australian dollars**" or "**A$**"	The lawful currency of the Commonwealth of Australia.
"**BBSW**"	Australia Bank Bill Swap Rate.
"**Board**"	Board of Directors of the Ascendas Reit Manager.
"**Business Day**"	A day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and, in respect of Securities cleared through Euroclear or Clearstream, Luxembourg, London.
"**Calculation Agent**"	In relation to any Series of Securities, unless the Issuing and Paying Agent or, as the case may be, the CDP Issuing and Paying Agent is acting as Calculation Agent in accordance with the provisions of clause 2.1 of the Agency Agreement or the Australian Agent is acting as Calculation Agent in accordance with the provisions of clause 2.1 of the Australian Agency Agreement in respect of the AMTNs, the person appointed as calculation agent in relation to such Series of Securities pursuant to the terms of a Calculation Agency Agreement or, as the case may be, Australian Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of such Series of Securities.
"**CapitaLand**" or the "**Sponsor**"	CapitaLand Limited.
"**CapitaLand Group**"	Members of the CapitaLand group of companies.
"**CDP**" or the "**Depository**"	The Central Depository (Pte) Limited.
"**CDP Calculation Agent**"	The Bank of New York Mellon, Singapore Branch as CDP calculation agent under the Agency Agreement in respect of Securities cleared through CDP, which expression shall include any successor CDP calculation agent appointed in accordance with the Agency Agreement.

"**CDP Deed of Covenant**"	The deed of covenant dated 11 August 2020 relating to the Securities to be cleared through CDP executed by the Ascendas Reit Trustee.
"**CDP Issuing and Paying Agent**"	The Bank of New York Mellon, Singapore Branch as CDP issuing and paying agent under the Agency Agreement in respect of each Series of Securities cleared through CDP, which expression shall include any successor CDP issuing and paying agent appointed in accordance with the Agency Agreement.
"**CDP Registrar**"	The Bank of New York Mellon, Singapore Branch as CDP registrar under the Agency Agreement in respect of each Series of Registered Securities cleared through CDP, which expression shall include any successor CDP registrar in relation to all or any Series of such Registered Securities.
"**CDP Transfer Agent**"	The Bank of New York Mellon, Singapore Branch as CDP transfer agent under the Agency Agreement in respect of each Series of Registered Securities cleared through CDP, which expression shall include any successor or additional CDP transfer agent appointed in accordance with the Agency Agreement.
"**CFIUS**"	Committee on Foreign Investment in the United States.
"**China**" or "**PRC**"	The People's Republic of China.
"**CIS Code**"	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time or time.
"**Clearstream, Luxembourg**"	Clearstream Banking S.A.
"**CMS Licence**"	Capital market services licence for REIT management.
"**CNH HIBOR**"	The offshore Renminbi Hong Kong interbank offered rate.
"**Common Depositary**"	In relation to a Series of Notes (other than AMTNs) or a Series of Perpetual Securities (other than Perpetual AMTNs), a depositary common to Euroclear and Clearstream, Luxembourg.
"**Companies Act**"	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	The terms and conditions of the Notes or the Perpetual Securities, as the case may be, as scheduled to the Trust Deed, and any reference to a numbered "Condition" is to the correspondingly numbered provision thereof.

"**Corporations Act**"	Corporations Act 2001 (Cth) of Australia.
"**COVID-19**"	Coronavirus disease 2019, an infectious disease caused by the novel coronavirus SARS-CoV-2.
"**CPI**"	The consumer price index compiled on a monthly basis by the Singapore Department of Statistics.
"**Dealers**"	Oversea-Chinese Banking Corporation Limited and any additional Dealer appointed under the Programme from time to time by the Issuer.
"**Deposited Property**"	All the assets of the Ascendas Reit, including all its Authorised Investments (as defined in the Ascendas Reit Trust Deed) for the time being held or deemed to be held upon the trusts of the Ascendas Reit Trust Deed.
"**DPU**"	Distribution per unit.
"**English Law Trust Deed**"	The Trust Deed constituting the English law governed Notes dated 11 August 2020 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**EURIBOR**"	The Euro-zone interbank offered rate.
"**Euro**" or "**€**"	The currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.
"**Euroclear**"	Euroclear Bank SA/NV.
"**F&B**"	Food and beverage.
"**Federal Reserve**"	The Federal Reserve Bank of New York.
"**FSMA**"	Financial Services and Markets Act 2000.
"**FY**"	Financial year.
"**FY 16/17**"	FY ended 31 March 2017.
"**FY 17/18**"	FY ended 31 March 2018.
"**FY 18/19**"	FY ended 31 March 2019.
"**FY 2019**"	The nine-month period from 1 April 2019 to 31 December 2019.

"**FY 2020**"	The 12-month financial year from 1 January 2020 to 31 December 2020.
"**GFA**"	Gross floor area.
"**Group**"	Ascendas Reit and its subsidiaries (if any).
"**HKD**" or "**Hong Kong dollar**"	The lawful currency of the Hong Kong Special Administrative Region.
"**IDAR**"	Integrated development, amenities & retail.
"**IRAS**"	Inland Revenue Authority of Singapore.
"**IRC**"	US Internal Revenue Code of 1986, as amended from time to time.
"**IRS**"	US Internal Revenue Services.
"**Issuer**" or "**Ascendas Reit Trustee**"	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit.
"**Issuing and Paying Agent**"	The Bank of New York Mellon, London Branch as issuing and paying agent in respect of each Series of Securities cleared through Euroclear and/or Clearstream, Luxembourg and any successor issuing and paying agent appointed in accordance with the Agency Agreement.
"**ITA**"	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**JPY**"	Japanese Yen.
"**JTC**"	JTC Corporation.
"**Latest Practicable Date**"	27 July 2020.
"**LIBOR**"	The London interbank offered rate.
"**Listing Manual**"	The listing manual of the SGX-ST.
"**MAS**"	Monetary Authority of Singapore.
"**Moody's**"	Moody's Investors Service and its affiliates.

"**MTN Programme**"	The S$1,000,000,000 Multicurrency Medium Term Note Programme of the Issuer, established on 20 March 2009 and subsequently updated to a S$5,000,000,000 Medium Term Note Programme pursuant to which the Issuer may from time to time issue notes.
"**NAV**"	Net asset value.
"**NLA**"	Net lettable area.
"**Noteholders**"	The holders of the Notes.
"**Notes**"	The notes (including AMTNs) to be issued by the Issuer under the Programme.
"**OFAC**"	Office of Foreign Assets Control of the United States Department of the Treasury.
"**Parent US REIT**"	Ascendas US REIT LLC.
"**Paying Agent**"	In relation to the Securities of any Series, the several institutions (including where the context permits the Issuing and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Securities by the Issuer pursuant to the Agency Agreement or the Australian Agency Agreement (as the case may be) and/or, if applicable, any successor paying agents in relation to such Securities.
"**Perpetual AMTNs**"	The Perpetual Securities denominated in Australian dollars and issued in the Australian domestic wholesale capital market in registered certificated form and constituted by the Australian Note Deed Poll. Perpetual AMTNs will be represented by an AMTN Certificate.
"**Perpetual Securityholders**"	The holders of the Perpetual Securities.
"**Perpetual Securities**"	The perpetual securities (including Perpetual AMTNs) to be issued by the Issuer under the Programme.
"**Pricing Supplement**"	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Offering Circular, specifying the relevant issue details in relation to such Tranche or Series, as the case may be.
"**Programme**"	The S$7,000,000,000 Euro Medium Term Securities Programme of the Issuer.

"**Programme Agreement**"	The Programme Agreement dated 11 August 2020 made between (1) the Issuer, as issuer, (2) the Ascendas Reit Manager, as manager of Ascendas Reit, (3) the Arranger, as arranger, and (4) Oversea-Chinese Banking Corporation Limited, as dealer, as amended, varied or supplemented from time to time.
"**Properties**" or "**Portfolio**"	The properties of the Group.
"**Property Holding Companies**"	The holding companies of the property companies.
"**Property Funds Appendix**"	Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts as may be modified, amended, supplemented, revised or replaced from time to time.
"**Registrar**"	In relation to all or any Series of Registered Securities (other than Registered Securities cleared through CDP and AMTNs), The Bank of New York Mellon SA/NV, Luxembourg Branch which expression shall include any successor registrar in relation to all or any Series of the Registered Securities.
"**Regulation S**"	Regulation S under the Securities Act.
"**REIT**"	Real estate investment trust.
"**Renminbi**" and "**RMB**"	The lawful currency of the PRC.
"**Rights Units**"	The new Units issued by the Ascendas Reit Manager pursuant to the renounceable rights issue of 498,040,904 Units pursuant to the offer information statement dated 1 November 2019.
"**S-REIT**"	Singapore REIT.
"**Securities**"	The Notes and Perpetual Securities.
"**Securities Act**"	U.S. Securities Act of 1933, as amended.
"**Series**"	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.

"**SFA**"	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	The Singapore Exchange Securities Trading Limited.
"**SIBOR**"	The Singapore Dollar interbank offered rate.
"**Singapore dollars**", "**SGD**" or "**S$**" and "**cents**"	The lawful currency of Singapore.
"**Singapore Law Trust Deed**"	The Trust Deed constituting the Singapore law governed Notes dated 11 August 2020 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**SOR**"	The Singapore Dollar swap offer rate.
"**Sterling**" or "**£**"	The lawful currency of the United Kingdom.
"**subsidiary**"	Any company which is for the time being, a subsidiary within the meaning of Section 5 of the Companies Act, and, in relation to Ascendas Reit, means any company, corporation, trust, fund or other entity (whether or not a body corporate): (i) which is controlled, directly or indirectly, by Ascendas Reit (through its trustee); (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by Ascendas Reit (through its trustee); or (iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies, and for these purposes, any company, corporation, trust, fund, or other entity (whether or not a body corporate) shall be treated as being controlled by Ascendas Reit if Ascendas Reit (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
"**sqm**"	Square metres.
"**TERP**"	Theoretical ex-rights price.
"**Tranche**"	Securities which are identical in all respects (including as to listing).

"**Transfer Agent**"	In relation to all or any Series of Registered Securities (other than Registered Securities cleared through CDP and AMTNs), The Bank of New York Mellon SA/NV, Luxembourg Branch, which expression shall include any successor transfer agents at their respective specified offices in relation to all or any Series of Registered Securities.
"**Trust Deed**"	The English Law Trust Deed or the Singapore Law Trust Deed.
"**Trustee**"	The Bank of New York Mellon, London Branch (in respect of Securities other than AMTNs).
"**UK**"	The United Kingdom.
"**Unit**"	One undivided share in Ascendas Reit.
"**United States**" or "**U.S.**" or "**USA**"	United States of America.
"**Unitholders**"	The holders of the Units.
"**US Acquisition Agreement**"	The conditional sale and purchase agreement entered into on 1 November 2019 between Perpetual Asia Limited (as trustee of Ascendas US REIT) and the Ascendas Reit Trustee in relation to the sale and purchase of the US Properties.
"**US Properties**"	The 28 business park properties located in the United States acquired by Ascendas Reit in FY 2019.
"**US Property-Holding Entities**"	San Diego 1 LLC, San Diego 2 LLC, Raleigh 1 LP, Portland 1 LLC and Portland 2 LLC.
"**US REIT**"	U.S. real estate investment trust.
"**U.S. dollars**" or "**US$**"	The lawful currency of the United States of America.
"**WALE**"	Weighted average lease to expiry.
"**%**"	Per cent.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Offering Circular shall be a reference to Singapore time unless otherwise stated. Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Offering Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

OVERVIEW OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes or Perpetual Securities, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes or Perpetual Securities shall be issued in a form other than that contemplated in the Conditions, in which event, in the case of listed Notes or Perpetual Securities only and if appropriate, a supplemental Offering Circular will be published. Words and expressions defined in "Form of the Notes", "Form of the Perpetual Securities", "Terms and Conditions of the Notes" and "Terms and Conditions of the Perpetual Securities" shall have the same meanings in this summary.

Issuer:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit)
Issuer Legal Entity Identifier (LEI):	549300ILIBAEMQZK3L20
Description:	Euro Medium Term Securities Programme
Dealers:	Oversea-Chinese Banking Corporation Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes or Perpetual Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee:	The Bank of New York Mellon, London Branch
Issuing and Paying Agent and Calculation Agent for Notes and Perpetual Securities to be cleared through Euroclear and Clearstream, Luxembourg:	The Bank of New York Mellon, London Branch

Registrar and Transfer Agent in respect of Notes and Perpetual Securities to be cleared through Euroclear and Clearstream, Luxembourg:	The Bank of New York Mellon SA/NV, Luxembourg Branch
CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Registrar and CDP Transfer Agent:	The Bank of New York Mellon, Singapore Branch
Paying Agent and Registrar in respect of AMTNs:	BTA Institutional Services Australia Limited
Programme Size:	Up to S$7,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes or Perpetual Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. Notes or Perpetual Securities will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest or distribution, if any), the Notes or Perpetual Securities of each Series being intended to be interchangeable with all other Notes or Perpetual Securities of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific dates of each Tranche of the Notes or Perpetual Securities (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest or distribution and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes or Perpetual Securities may be denominated in euro, Sterling, U.S. dollars, Singapore dollars, Renminbi, Australian dollars and any other currency agreed between the Issuer and the relevant Dealer.

Maturities:	Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by any laws or regulations applicable to the Issuer or the relevant Specified Currency. Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the Conditions of the Perpetual Securities or as otherwise specified in the applicable Pricing Supplement.
Issue Price:	Notes and Perpetual Securities may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes and Perpetual Securities:	The Notes (other than the AMTNs) will be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") and the AMTNs will be issued in registered certificated form only, each as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and vice versa. The Perpetual Securities (other than the Perpetual AMTNs) will be issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**") and the Perpetual AMTNs will be issued in registered certificated form only, each as described in "*Form of the Perpetual Securities*". Bearer Perpetual Securities will not be exchangeable for Registered Perpetual Securities and vice versa. AMTNs, including Perpetual AMTNs, will be issued in registered certificated form and will take the form of entries on a register established and maintained by the Australian Agent (as registrar in Australia in respect of the AMTNs) in Sydney unless otherwise agreed with the Australian Agent (pursuant to the Australian Agency Agreement) and may be lodged with the Austraclear System. Each Tranche of AMTNs will be represented by an AMTN Certificate.
Denomination of Notes and Perpetual Securities:	Notes and Perpetual Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note or Perpetual Security will be such as may be allowed or required from time to time by the central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Securities issued in, or into Australia, may be issued in such denominations as may be agreed and AMTNs will be issued in a single denomination as specified in the Pricing Supplement, save that:

(i) the aggregate consideration payable to the Issuer by each offeree is at least A$500,000 (or the equivalent in any other currency and disregarding any moneys lent by the Issuer or its associates to the purchaser) or the issuance results from an offer or invitation of those Securities which otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;

(ii) the issuance is not made to a "retail client" for the purposes of Section 761G of the Corporations Act;

(iii) the issuance complies with all other applicable laws; and

(iv) the issuance does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

Listing:

Application has been made to the SGX-ST for permission to deal in, and quotation of, any Notes or Perpetual Securities that may be issued pursuant to the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes or Perpetual Securities of any Series will be approved. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST.

For so long as any Notes or Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes or Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies.

The Notes or Perpetual Securities may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes or Perpetual Securities.

Series of Notes or Perpetual Securities which are unlisted and/or not admitted to trading on any market may also be issued pursuant to the Programme.

The applicable Pricing Supplement will state whether or not the relevant Notes or Perpetual Securities are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange(s) and/or markets.

Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes and Perpetual Securities issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes or Perpetual Securities issued under the Programme and risks relating to the structure of a particular Series of Notes or Perpetual Securities issued under the Programme. All of these are set out under "*Risk Factors*".
Ratings:	Tranches of Notes or Perpetual Securities may be rated or unrated. Where a Tranche of Notes or Perpetual Securities is to be rated, such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency. Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Offering Circular and anyone who receives the Offering Circular must not distribute it to any person who is not entitled to receive it.
Clearing Systems:	Euroclear, Clearstream, Luxembourg, CDP, the Austraclear System and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes"* or *"Form of the Perpetual Securities"*.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes or Perpetual Securities in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore, the PRC and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes or Perpetual Securities, see "*Subscription and Sale"*.
United States Selling Restrictions:	Regulation S, Category 1 or 2 as specified in the applicable Pricing Supplement; TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

NOTES

Fixed Rate Notes:

Fixed interest will be payable on Fixed Rate Notes on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in Condition 5.1 of the Notes) as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series);

(b) on the basis of a reference rate set out in the applicable Pricing Supplement; or

(c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Notes:

The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Notes redeemable in instalments:

The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Other Notes:

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption of Notes:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default (as defined in Condition 10.1 of the Notes)) or that such Notes will be redeemable, whether at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer, or (in the case of cessation or suspension in trading of the Units (as defined in Condition 7.6 of the Notes) in Ascendas Reit) as provided in Condition 7.6 of the Notes, or (in the case of a minimal outstanding amount of the Notes) as provided in Condition 7.7 of the Notes. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year"* above.
Taxation:	All payments of principal and interest in respect of the Notes, Receipts and Coupons (each as defined in the Conditions of the Notes) by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 8 of the Notes, unless such withholding or deduction is required by law. In such event, the Issuer will, save in certain limited circumstances provided in Condition 8 of the Notes, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 of the Notes.
Events of Default of the Notes:	The terms of the Notes will contain certain events of default, including a cross default provision, as further described in Condition 10 of the Notes.
Status of the Notes:	The Notes and any related Receipts and Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 of the Notes) unsecured obligations of the Issuer, ranking *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Governing Law:

The Notes (other than AMTNs), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Notes (other than AMTNs), the Receipts and the Coupons will be governed by, and shall be construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement.

The AMTNs will be governed by the laws in force in New South Wales, Australia.

PERPETUAL SECURITIES

Fixed Rate Perpetual Securities:

Fixed distributions will be payable on Fixed Rate Perpetual Securities on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in Condition 4.1 of the Perpetual Securities) as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Perpetual Securities:

Floating Rate Perpetual Securities will confer a right to receive distributions, in each case at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities of the relevant Series);

(b) on the basis of a reference rate set out in the applicable Pricing Supplement; or

(c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Perpetual Securities.

Floating Rate Perpetual Securities may also have a maximum distribution rate, a minimum distribution rate or both.

Dual Currency Perpetual Securities:

Payments (whether in respect of principal or distributions or otherwise) in respect of Dual Currency Perpetual Securities will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Perpetual Securities:

The Issuer may issue Perpetual Securities in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Other Perpetual Securities: The Issuer may agree with any Dealer and the Trustee that Perpetual Securities may be issued in a form not contemplated by the Conditions of the Perpetual Securities, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Optional Deferral of Distributions: The applicable Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to defer any distribution (in whole and not in part) which is otherwise scheduled to be paid on a Distribution Payment Date (as defined in Condition 4.2 of the Perpetual Securities) by giving a Deferral Election Notice (as defined in Condition 4.6(a) of the Perpetual Securities) to the Perpetual Securityholders in accordance with Condition 13 of the Perpetual Securities, the Trustee and the Agents or, in the case of Perpetual AMTNs, the Australian Agent not more than 15 nor less than five business days prior to a scheduled Distribution Payment Date. If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any distribution if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Pricing Supplement, a Compulsory Distribution Payment Event (as defined in Condition 4.6(a) of the Perpetual Securities) has occurred.

Cumulative Deferral of Distributions: The applicable Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6 of the Perpetual Securities) further defer any Arrears of Distribution (as defined in Condition 4.6(d) of the Perpetual Securities) by complying with the notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4.6 of the Perpetual Securities by complying with such notice requirement except that Condition 4.6(d) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Non-Cumulative Deferral of Distributions: If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to Condition 4.6 of the Perpetual Securities is non-cumulative and will not accrue Distribution. The Issuer is not under any obligation to pay that or any other Distributions that have not been paid in whole or in part.

Optional Distribution:

If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution (as defined in Condition 4.6(f) of the Perpetual Securities) at any time by giving irrevocable notice of such election to the Perpetual Securityholders (in accordance with Condition 13 of the Perpetual Securities), the Trustee and the Issuing and Paying Agent or, in the case of Perpetual AMTNs, the Australian Agent, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Restrictions in the case of Deferral:

If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of Condition 4.6 of the Perpetual Securities, the Issuer shall not, and shall procure that none of its Subsidiaries (as defined in the Trust Deed) shall, in respect of the Issuer's or, as the case may be, the relevant Subsidiary's Junior Obligations (as defined in Condition 3(b) of the Perpetual Securities) or the Issuer's Parity Obligations (as defined in Condition 3(b) of the Perpetual Securities):

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

  a. if the relevant Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or

  b. if the relevant Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or

(ii) redeem, purchase, cancel, reduce, buy-back or otherwise acquire for any consideration:

  a. if the relevant Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or

  b. if the relevant Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 of the Perpetual Securities has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (C) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders.

Redemption of Perpetual Securities: The applicable Pricing Supplement will indicate that the relevant Perpetual Securities may not be redeemed at the option of the Issuer, or will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Perpetual Securities may be redeemed, whether due to taxation reasons (as described in Condition 6.2 of the Perpetual Securities), upon the occurrence of an Accounting Event (as defined in Condition 6.3 of the Perpetual Securities), upon the occurrence of a Tax Deductibility Event (as defined in Condition 6.4 of the Perpetual Securities), upon the occurrence of a Ratings Event (as defined in Condition 6.5 of the Perpetual Securities), upon the occurrence of a Regulatory Event (as defined in Condition 6.6 of the Perpetual Securities), at the option of the Issuer (as described in Condition 6.7 of the Perpetual Securities), upon the occurrence of a Change of Control Event (as described in Condition 6.8 of the Perpetual Securities) or in the case of a minimal outstanding amount of Perpetual Securities (as provided in Condition 6.9 of the Perpetual Securities).

Taxation: All payments of principal and distribution in respect of the Perpetual Securities and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 7 of the Perpetual Securities, unless such withholding or deduction is required by law. In such event, the Issuer will, save in certain limited circumstances provided in Condition 7 of the Perpetual Securities, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of the Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction.

Enforcement Events – Perpetual Securities:	There are no events of default under the Perpetual Securities. The terms of the Perpetual Securities will contain enforcement events as further described in Condition 9 of the Perpetual Securities.
Status of the Senior Perpetual Securities:	The Senior Perpetual Securities and any related Coupons will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Status of the Subordinated Perpetual Securities:	The Subordinated Perpetual Securities and any related Coupons will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations, from time to time outstanding. The rights and claims of the Perpetual Securityholders are subordinated in the manner as provided in Condition 3(b)(ii) of the Perpetual Securities.
Subordination of the Subordinated Perpetual Securities:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-up (as defined in Condition 3(b) of the Perpetual Securities) of the Issuer or Ascendas Reit, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or Ascendas Reit, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of Ascendas Reit (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) ("**Ascendas Reit Notional Preferred Units**") having an equal right to return of assets in the Winding-Up of the Issuer or Ascendas Reit and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or Ascendas Reit, and so rank ahead of, the holders of Junior Obligations of Ascendas Reit, but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of Ascendas Reit), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under the Conditions of the Perpetual Securities in respect of each Ascendas Reit Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities and/or as otherwise specified in the applicable Pricing Supplement.

Set-off in relation to the Subordinated Perpetual Securities:	Subject to applicable law, no Perpetual Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities and the Coupons relating to them, as the case may be, and each Perpetual Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Perpetual Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, as the case may be, is discharged by set-off, such Perpetual Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up or administration of the Issuer or Ascendas Reit, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, Ascendas Reit) and, until such time as payment is made, shall hold such amount in trust for Ascendas Reit (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, Ascendas Reit) and accordingly any such discharge shall be deemed not to have taken place.
Governing Law:	The Perpetual Securities (other than Perpetual AMTNs) and the Coupons and any non-contractual obligations arising out of or in connection with the Perpetual Securities (other than Perpetual AMTNs) and the Coupons will be governed by, and shall be construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement. In relation to Subordinated Perpetual Securities (other than Perpetual AMTNs) governed by English law, the subordination provisions set out in Condition 3(b) of the Perpetual Securities and Clause 7.3 of the Trust Deed will be governed by, and construed in accordance with, Singapore law. The Perpetual AMTNs will be governed by the laws in force in New South Wales, Australia. In relation to Perpetual AMTNs specified in the applicable Pricing Supplement to be Subordinated Perpetual Securities, the subordination provisions set out in Condition 3(b) of the Perpetual Securities will be governed by, and construed in accordance with, Singapore law.

SUMMARY FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information for FY17/18, FY18/19 and FY2019 has been derived from the Group's consolidated financial statements for FY17/18, FY18/19 and FY2019, respectively, that have been audited by Ernst & Young LLP, and should be read in conjunction with such audited consolidated financial statements and the notes thereto included elsewhere in this Offering Circular. The selected consolidated financial information for the six-month periods ended 30 June 2019 and 1H FY2020 has been derived from the Group's 1H FY2020 Results Announcement and Business Update and is included in this Offering Circular.

In July 2019, Ascendas Reit changed its financial year end from 31 March to 31 December. Consequently, FY2019 is a nine-month period from 1 April 2019 to 31 December 2019. Each of FY17/18 and FY18/19 is a 12-month period from 1 April 2017 to 31 March 2018, and 1 April 2018 to 31 March 2019, respectively. Investors should note that the comparative amounts presented for the statement of total return and distribution statement in relation to the nine-month period for FY2019 would not be directly comparable to the 12-month period for FY17/18 and FY18/19, given that the lengths of financial periods are not similar. Please see "The financial information of the Group for FY2019 is not directly comparable with the corresponding financial information for the previous financial years".

Financial Review for FY2019

Consolidated Statement of Total Return

	Audited			Unaudited	
	FY17/18	FY18/19	FY2019	Six months ended 30 June 2019[2]	1H FY2020
	S$'000	S$'000	S$'000	S$'000	S$'000
Gross revenue	862,111	886,171	699,057	454,732	521,234
Property operating expenses	(232,711)	(236,592)	(161,379)	(105,656)	(133,192)
Net property income	**629,400**	**649,579**	**537,678**	**349,076**	**388,042**
Management fees					
– Base management fee	(50,707)	(54,379)	(43,332)	(27,975)	(32,823)
Trust expenses	(7,714)	(7,675)	(6,997)	(3,441)	(5,711)
Finance income	9,081	10,448	8,159	5,521	1,681
Finance costs	(109,842)	(126,488)	(121,556)	(80,719)	(84,804)
Net foreign exchange differences	7,275	(11,093)	(8,640)	3,975	(31,085)
Gain on disposal of investment properties	5,309	5,088	3,220	–	5,390
Net income	**482,802**	**465,480**	**368,532**	**246,437**	**240,690**
Net change in fair value of financial derivatives	9,805	22,197	(3,784)	18,032	52,693
Net change in fair value of right-of-use assets[1]	–	–	(4,668)	(3,094)	(2,285)
Net change in fair value of investment properties and investment properties held for sale	3,800	29,304	48,059	29,304	–
Share of joint venture's results	514	493	409	219	2,640
Total return for the year before tax	**496,921**	**517,474**	**408,548**	**290,898**	**293,738**
Tax expense	(2,827)	(14,391)	(20,677)	(9,108)	(14,694)
Total return for the year	**494,094**	**503,083**	**387,871**	**281,790**	**279,044**
Attributable to:					
Unitholders and perpetual securities holders	494,118	503,087	387,871	281,790	279,044
Non-controlling interests	(24)	(4)	–	–	–
Total return for the year	**494,094**	**503,083**	**387,871**	**281,790**	**279,044**
Earnings per Unit (cents)					
– Basic and diluted					
As restated to include the effects of the Right Issue	–	15.806	11.682	8.640	7.516
As previously reported	16.396	16.156	–	8.831	–
Distributions per Unit (cents)					
As actually distributed to the Unitholders	15.988	16.035	11.490	8.153	7.270
As restated to include the effects of the Right Issue	–	15.688	11.317	7.973	–

Notes:

(1) The Group applied FRS 116 using the modified retrospective approach. Accordingly, the comparative information presented for FY/1718 and FY18/19 is not adjusted for the effect arising from the adoption of FRS 116 and it is presented, as previously reported, under FRS 17 and related interpretations.

(2) In order to present the financial information for the six months ended 30 June 2019 in a consistent manner as that of 1H FY2020, the Group has re-presented the net property income, the finance cost on the Statement of Total Return for the period from 1 January 2019 to 31 March 2019 by applying the principles of FRS 116 since 1 January 2019. The re-presentation of the comparative period information does not have an impact on the amount available for distribution.

Distribution Statement

	Audited			Unaudited	
	FY17/18 S$'000	FY18/19 S$'000	FY2019 S$'000	Six months ended 30 June 2019 S$'000	1H FY2020 S$'000
Total amount available for distribution to Unitholders at beginning of the financial year	57,694	231,154	253,754	124,731	127,266
Total return for the year attributable to Unitholders and perpetual securities holders	494,118	503,087	387,871	281,790	279,044
Less: Amount reserved for distribution to perpetual securities holders	(14,250)	(14,250)	(10,736)	(7,067)	(7,105)
Distribution adjustments (Note A)	(41,488)	(56,784)	(54,411)	(52,923)	(57,984)
	438,380[(1)]	432,053[(1)]	322,724[(1)]	221,800[(1)]	213,955[(1)]
Tax-exempt income	–	–	4,717	–	1,450
Distribution from capital	29,665	53,630	47,971	31,887	47,780
Total amount available for distribution to Unitholders for the year	468,045	485,683	375,412	253,687	263,185
Distribution of 3.508 cents per unit for the period from 01/10/19 to 31/12/19	–	–	–	–	(126,889)
Distribution of 7.983 cents per unit for the period from 01/04/19 to 30/09/19	–	–	(248,491)	–	–
Distribution of 8.146 cents per unit for the period from 01/10/18 to 31/03/19	–	–	(253,409)	(253,409)	–
Distribution of 0.639 cents per unit for the period from 18/09/18 to 30/09/18	–	(19,863)	–	–	–
Distribution of 7.250 cents per unit for the period from 01/04/18 to 17/09/18	–	(212,456)	–	–	–
Distribution of 7.880 cents per unit for the period from 01/10/17 to 31/03/18	–	(230,764)	–	–	–
Distribution of 8.108 cents per unit for the period from 01/04/17 to 30/09/17	(237,289)	–	–	–	–
Distribution of 1.959 cents per unit for the period from 16/02/17 to 31/03/17	(57,296)	–	–	–	–
	(294,585)	(463,083)	(501,900)	(253,409)	(126,889)
Total amount available for distribution to Unitholders at end of the financial year	231,154	253,754	127,266	125,009	263,562
Distributions per Unit (cents)					
As actually distributed to the Unitholders	15.998	16.035	11.490	8.153	7.270
As restated to include the effects of the Right Issue	–	15.688	11.317	7.973	–
[(1)] Comprises:					
– Taxable income	438,380	432,053	322,724	221,880	213,955
Note A – Distribution adjustments comprise:					
Amount reserved for distribution to perpetual securities holders	14,250	14,250	10,736	7,067	7,105
Management fee paid/payable in Units	10,139	10,873	8,642	5,585	6,549
Trustee fee	2,749	1,993	1,575	1,019	1,159
Others	15,071	29,903	36,877	20,089	28,299
Income from subsidiaries and joint venture	(63,359)	(76,069)	(73,386)	(43,134)	(74,098)
Net change in fair value of financial derivatives	(9,805)	(22,197)	3,784	(18,032)	(52,693)
Net foreign exchange differences	(7,275)	11,093	8,640	(3,975)	31,085
Gain on disposal of investment properties	(5,309)	(5,088)	(3,220)	–	(5,390)
Net change in fair value of investment properties and investment properties held for sale	(3,800)	(29,304)	(48,059)	(29,304)	–
Rollover adjustment from prior years	5,851	7,762	–	7,762	–
Total distribution adjustments	(41,488)	(56,784)	(54,411)	(52,923)	(57,984)

Consolidated Statement of Financial Position

	Audited			Unaudited	
	31 March 2018	31 March 2019	31 December 2019	30 June 2019	30 June 2020
	S$'000	S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment properties	10,118,978	11,143,937	12,743,792	11,086,221	12,746,704
Investment properties under development	95,463	91,595	182,057	119,661	271,105
Finance lease receivables	53,243	50,554	48,331	49,833	46,730
Right-of-use assets[(1)]	–	–	617,639	624,343	613,108
Investment in a joint venture and associate company	123	102	154	135	108,935
Derivative assets	9,129	31,546	20,890	55,755	88,054
	10,276,936	11,317,734	13,612,863	11,935,948	13,874,636
Current assets					
Finance lease receivables	2,385	2,688	2,932	2,768	3,103
Trade and other receivables	28,337	39,635	36,339	34,917	32,648
Derivative assets	819	1,425	17,896	318	23,549
Investment properties held for sale	20,300	–	98,400	23,600	–
Cash and fixed deposits	25,016	52,341	95,705	58,212	361,309
	76,857	96,089	251,272	119,815	420,609
Total assets	**10,353,793**	**11,413,823**	**13,864,135**	**12,055,763**	**14,295,245**
Current liabilities					
Trade and other payables	143,831	158,255	255,836	176,961	218,555
Security deposits	42,095	46,862	93,356	55,727	62,130
Derivative liabilities	616	8	6,279	45	10,031
Short term borrowings	624,700	215,820	215,082	540,681	198,459
Term loans	285,243	301,094	261,829	1,000,000	257,116
Medium term notes	–	94,994	99,966	–	295,110
Lease liabilities[(1)]	–	–	37,509	37,732	37,222
Provision for taxation	7,016	7,934	9,109	8,749	9,698
	1,103,501	824,967	978,966	919,895	1,088,321
Non-current liabilities					
Security deposits	77,985	82,167	65,210	76,916	105,167
Derivative liabilities	62,923	64,112	67,174	60,652	81,733
Term loans	1,008,211	1,595,947	2,239,135	1,685,442	2,517,760
Medium term notes	1,601,066	1,889,936	1,795,636	1,897,249	1,632,188
Lease liabilities[(1)]	–	–	580,130	586,611	575,886
Other payables	–	–	87	–	91
Deferred tax liabilities	1,411	10,701	26,559	11,811	37,755
	2,751,596	3,642,863	4,773,931	4,318,681	4,950,580
Total liabilities	**3,855,097**	**4,467,830**	**5,752,897**	**5,238,576**	**6,038,901**
Net assets	**6,498,696**	**6,945,993**	**8,111,238**	**6,817,187**	**8,256,344**
Represented by:					
Unitholders' funds	6,194,310	6,641,611	7,810,370	6,516,357	7,955,516
Perpetual securities holders' funds	304,382	304,382	300,868	300,830	300,828
Non-controlling interests	4	–	–	–	–
	6,498,696	**6,945,993**	**8,111,238**	**6,817,187**	**8,256,344**
Units in issue ('000)	2,928,504	3,110,842	3,612,694	3,112,756	3,620,237
Net asset value per unit (S$)	2.12	2.13	2.16	2.09	2.20

Note:

(1) The Group applied FRS 116 using the modified retrospective approach. Accordingly, the comparative information presented as at 31 March 2019 and 31 March 2018 is not adjusted for the effect arising from the adoption of FRS 116 and it is presented, as previously reported, under FRS 17 and related interpretations.

FY2019 versus FY18/19

Due to the change in Ascendas Reit's financial year end from 31 March to 31 December, which resulted in a shortened nine-month period for FY2019, the figures presented below are not directly comparable.

Gross revenue

Gross revenue of S$699.1 million for the Group in FY2019 was 21.1% lower than S$886.2 million achieved in FY18/19, mainly due to the additional three months in FY18/19, partially offset by full period contributions from the two UK logistics portfolios (38 properties) acquired in August 2018 and October 2018, contributions from the US business park portfolio (28 properties) and two Singapore business park properties, which were acquired in December 2019.

Net property income

Net property income decreased 17.2% to S$537.7 million in FY2019 from S$649.6 million in FY18/19, mainly due to the additional three months in FY18/19 as well as lower property tax expense as a result of the retrospective downward revision in the annual value of certain properties in FY18/19. This was partially offset by the exclusion of land rent expenses arising from the adoption of FRS 116 since 1 April 2019.

Total amount available for distribution

The total amount available for distribution for FY2019 was S$375.4 million, largely due to contributions from new acquisitions in the UK, the US and Singapore. The Distribution per Unit ("**DPU**") in FY2019 was 11.490 Singapore cents, taking into account the enlarged number of Units in issue after the Rights Issue in December 2019. Included in the amount available for distribution was approximately S$6.9 million (DPU of 0.215 Singapore cents) of income support in relation to certain properties that was received and paid to Unitholders in FY2019.

Investment properties

The increase in investment properties from 171 properties as at 31 March 2019 to 200 properties as at 31 December 2019 is mainly due to the acquisition of a US portfolio of 28 business park properties and two Singapore business park properties, which were completed in FY2019. This was partially offset by the transfer of 25 & 27 Ubi Road 4 in Singapore to investment properties under development ("**IPUDs**"), the divestment of 8 Loyang Way 1 in Singapore and the reclassification of two Singapore properties as properties held for sale. As at 31 December 2019, IPUDs comprise a built-to-suit development in Singapore, Ubix (formerly known as "25 & 27 Ubi Road 4") in Singapore and 254 Wellington Road in Australia.

FY2019 versus nine months ended 31 December 2018

To provide a more meaningful comparison of Ascendas Reit's financial performance, the results of FY2019 are presented against the corresponding nine-month period ended 31 December 2018 ("**9M2018**").

Gross Revenue

Gross revenue for the Group in FY2019 increased 5.7% to S$699.1 million from S$661.1 million in 9M2018. This was mainly attributable to the nine months contributions in FY2019 from the two UK logistics portfolios acquired in August 2018 and October 2018, contributions from the US business park portfolio and two Singapore business park properties, which were acquired in December 2019.

Net property income

Net property income increased 10.6% to S$537.7 million in FY2019 from S$486.1 million in 9M2018. This increase was in tandem with the increase in gross revenue and the exclusion of land rent expenses arising from the adoption of FRS 116 since 1 April 2019.

Total amount available for distribution

The total amount available for distribution for FY2019 increased by 5.2% to S$375.4 million from S$356.7 million in 9M2018. This was largely due to contributions from the new acquisitions in the UK, the US and Singapore. The DPU fell 3.3% in FY2019 to 11.490 Singapore cents from 11.887 Singapore cents in 9M2018, mainly due to the mismatch in timing between the contributions from the newly-acquired business park portfolio in the US and Singapore (i.e. 11 December 2019 to 31 December 2019) and the additional number of Units issued after the Rights Issue which were entitled to the full distributions for the final quarter of FY2019 (1 October 2019 to 31 December 2019). Included in the amount available for distribution was approximately S$6.9 million (DPU of 0.215 Singapore cents) of income support in relation to certain properties that was received and paid to Unitholders in FY2019.

FY18/19 versus FY17/18

Gross Revenue

Gross revenue increased 2.8% to S$886.2 million in FY18/19 from S$862.1 million in FY17/18, mainly attributable to contributions from the acquisition of the 38 logistics properties in the UK, 100 Wickham Street, 108 Wickham Street, 169-177 Australis Drive and Cargo Business Park in Australia, and the completion of the redevelopment of Schneider Electric Building and 20 Tuas Avenue 1 in Singapore. The increases were partially offset by non-renewals in certain properties in Singapore and divestments in Singapore in FY18/19.

Net property income

Net property income increased 3.2% from S$629.4 million in FY17/18 to S$649.6 million in FY18/19, underpinned by the growth in gross revenue and net property tax savings. Property operating expenses in FY18/19 increased mainly due to new acquisitions and higher operating expenses incurred in relation to the deployment of the new operation command centre supporting multiple buildings in Singapore. This was partially offset by lower property tax expenses arising from the retrospective downward revisions in the annual value of certain properties in FY18/19.

Total amount available for distribution

The total amount available for distribution grew 3.8% to S$485.7 million in FY18/19 from S$468.0 million in FY17/18, in tandem with the increase in net property income and due to higher rollover adjustments in FY18/19. Included in the amount available for distribution was approximately S$9.8 million (or DPU of 0.318 Singapore cents) of income support in relation to certain properties that was received and paid to Unitholders in FY18/19. Despite an enlarged number of Units in issue, DPU remained stable at 16.035 Singapore cents in FY18/19 as compared to 15.988 Singapore cents in FY17/18.

Investment properties

The increase in investment properties from FY17/18 to FY18/19 is mainly due to the acquisition of two UK logistics portfolios, acquisitions in Australia and the completion of IPUDs, partially offset by divestments in Singapore. IPUDs as at 31 March 2018 comprise the progress payment made in relation to the fund-through acquisition of 1-7 Wayne Goss Drive in Brisbane, Australia and redevelopment of 20 Tuas Avenue 1. Following the completion of works, 20 Tuas Avenue 1 in Singapore and 1-7 Wayne Goss Drive in Brisbane were reclassified as investment properties in April 2018 and September 2018 respectively.

1H FY2020 versus six months ended 30 June 2019

Gross Revenue

Gross revenue increased 14.6% to S$521.2 million in 1H FY2020 from S$454.7 million in the six months ended 30 June 2019, mainly attributable to contributions from the US Portfolio of 28 business park properties and two Singapore business park properties, which were acquired in December 2019, partially offset by the rent rebate provided for eligible tenants to ease the challenges faced as a result of the COVID-19 pandemic, the divestment of Wisma Gulab in January 2020 and lower occupancies of certain properties.

Net property income

Net property income increased 11.2% from S$349.1 million in the six months ended 30 June 2020 to S$388.0 million in 1H FY2020, underpinned mainly by the growth in gross revenue, but partially offset by the rent rebates provided to tenants equivalent to the property tax rebates received from IRAS.

Total amount available for distribution

The total amount available for distribution grew 3.7% to S$263.2 million in 1H FY2020 from S$253.7 million in the six months ended 30 June 2019, in tandem with the increase in net property income, partially offset by an increase in non-property operating expenses relating to the new acquisitions and higher net finance costs mainly due to higher average debt balances, and the rollover adjustment in the six months ended 30 June 2019. Included in the amount available for distribution was approximately S$2.5 million (or DPU of 0.070 Singapore cents) of income support in relation to certain properties that was received and paid to Unitholders in 1H FY2020. Due to the enlarged number of Units in issue, DPU decreased by 10.8% to 7.270 Singapore cents in 1H FY2020 as compared to 8.153 Singapore cents in the six months ended 30 June 2019. Excluding the rollover adjustment (DPU of 0.25 Singapore cents) in the six months ended 30 June 2019, 1H FY2020 DPU would have decreased by 8.0%.

Investment properties

The investment properties remained stable at S$12,746.7 million as at 30 June 2020 (31 December 2019: S$12,743.8 million). The two Singapore properties classified under investment properties held for sale as at 31 December 2019, namely Wisma Gulab, 190 Macpherson Road and No. 202 Kallang Bahru, were divested on 23 January 2020 and 4 February 2020 respectively.

Change in fair value of Ascendas Reit's properties

Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

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. These valuation methods 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 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 flow method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

As at 31 December 2019, the fair value of investment properties of the Group and Ascendas Reit was S$12,743.8 million (31 March 2019: S$11,143.9 million) and S$9,061.6 million (31 March 2019: S$8,769.5 million), respectively. The fair value of investment properties held for sale of both the Group and Ascendas Reit was S$98.4 million as at 31 December 2019 (31 March 2019: nil). The net fair value gain on investment properties and investment properties held for sale recognised in the Consolidated Statement of Total Return is S$48.1 million as at 31 December 2019 (31 March 2019: S$29.3 million). The fair value of investment properties under development of the Group and Ascendas Reit was S$182.1 million (31 March 2019: S$91.6 million) and S$147.5 million (31 March 2019: S$91.6 million) respectively.

Independent valuations for 198 investment properties and investment properties held for sale as at 31 December 2019 (31 March 2019: 171 properties) were undertaken by the following valuers on the dates stated below:

Valuers	**31 December 2019 Valuation date**	**31 March 2019 Valuation date**
Savills Valuation and Professional Services (S) Pte Ltd	31 December 2019	31 March 2019
CBRE Pte. Ltd.	31 December 2019	31 March 2019
Edmund Tie & Company (SEA) Pte Ltd	31 December 2019	31 March 2019
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2019	31 March 2019
Jones Lang LaSalle Property Consultants Pte Ltd	31 December 2019	31 March 2019
Knight Frank Pte Ltd	31 December 2019	31 March 2019
Knight Frank LLP	31 December 2019	31 March 2019
Jones Lang LaSalle Advisory Services Pty Ltd	31 December 2019	31 March 2019
Newmark Knight Frank Valuation & Advisory, LLC	31 December 2019	Not Applicable

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes and Perpetual Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes and Perpetual Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes and Perpetual Securities issued under the Programme, but the inability of the Issuer to pay interest, distributions, principal or other amounts on or in connection with any Notes or Perpetual Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP

Risks Associated with Ascendas Reit's Business and Operations

Uncertainties and instability in the global financial, credit and capital markets and the economy, as well as changes in regulatory, fiscal and other governmental policies generally have had, and may continue to have, an adverse effect on the business, financial condition and results of operations of Ascendas Reit.

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. There remains a concern that the uncertainty surrounding the monetary policy of the US Federal Reserve will impinge upon the health of the global financial system.

In addition, there is uncertainty arising from the referendum held by the United Kingdom on 23 June 2016 in which a majority voted for the withdrawal of the United Kingdom from the European Union ("**Brexit**") following the results of the referendum held on 23 June 2016 and the invocation of Article 50 of the Treaty on European Union, relating to withdrawal of member states from the European Union, on 31 October 2019 by the Government of the United Kingdom. The transition period for Brexit officially commenced on 31 January 2020. The United Kingdom and the European Union will have a transition period until 31 December 2020 to negotiate, amongst others, trade agreements in detail. Negotiations surrounding Brexit are expected to affect the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets, either during a transitional period or more permanently, in addition to the agreements the United Kingdom makes with potential trading partners. Depending on the final terms of the exit arrangements negotiated between the United Kingdom and the European Union, in particular those governing trade, financial and legal arrangements, economic conditions in the United Kingdom, the European Union and global markets may be adversely affected by reduced growth and increased volatility. Due to a lack of precedent on withdrawals of member states from the European Union, Brexit could have other unpredictable consequences for investment activities, the European Union single market and other important financial relationships.

Such events could adversely affect Ascendas Reit insofar as they result in:

- a negative impact on the ability of the customers of Ascendas Reit to pay their rents in a timely manner or continuing their leases, thus reducing Ascendas Reit's cash flow;

- an increase in counterparty risk; and

- an increased likelihood that one or more of Ascendas Reit's banking syndicate or insurers may be unable to honour their commitments to Ascendas Reit.

There is also uncertainty as to the scale of the downturn in the US or the global economy, the outcome and effects of the recent plunge in oil prices, the decrease in consumer demand and the resultant impact on Singapore's external trade dependent economy. Ongoing involvement by the US in global trade wars may also negatively impact the US economy.

Further, Ascendas Reit and its properties in the US will be subject to US real estate laws, regulations and policies. In addition, any increase in interest rates (by the Federal Reserve or otherwise) may have an adverse effect on the US real estate market, which may in turn lead to a fall in property prices. While there are no current exchange control restrictions and limited restrictions on foreign investment in commercial office properties in the United States, there can be no assurance that regulatory, fiscal, monetary or governmental policies in the United States will not change.

The outbreak of an infectious disease or any other serious public health concerns in Singapore and countries where the Properties are located and elsewhere could adversely impact Ascendas Reit's business, results of operations and financial condition.

The outbreak of an infectious disease such as the avian influenza and severe acute respiratory syndrome ("**SARS**") in Singapore and countries where the Properties are located and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy, and business activities in Singapore and/or countries where the Properties are located, and could thereby adversely impact the revenues and results of operations of Ascendas Reit. The recent COVID-19 pandemic and any future outbreak of an infectious disease or any other serious public health concern in Singapore and/or countries where the Properties are located have adversely affected, and could seriously harm, the Group's business, financial condition and results of operations.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic has resulted in, among other things, ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets. Given the uncertainties as to the development of the COVID-19 pandemic, it is difficult to predict how long such conditions will exist and the extent to which the Group may be affected by such conditions.

As Ascendas Reit has operations in countries such as Singapore, Australia, the United Kingdom and the United States, any outbreak of SARS, Middle East respiratory syndrome, H5N1 or H7N9 avian flu, H1N1 swine flu, COVID-19 or other similar epidemics or pandemics and the resulting adverse impact on economic activity, or the measures taken by the governments of these countries against such an outbreak, could disrupt Ascendas Reit's business and operations and undermine investor confidence, thereby adversely affecting its financial condition or results of operations. In Singapore, the COVID-19 pandemic has resulted in significant disruptions to the Singapore economy and has caused the Singapore Government to revise its economic forecasts for 2020 downward accordingly.

Further, the measures imposed by the governments may affect the business operations of not just Ascendas Reit but also Ascendas Reit's customers, particularly those who are deemed non-essential service providers and who have had to suspend their businesses. This may in turn affect the ability of such customers to meet their contractual obligations to Ascendas Reit in a timely manner.

In particular, with the implementation of the "circuit breaker" measures (the "**Circuit Breaker Measures**") in Singapore and similar movement control measures in the jurisdictions in which the Group operates, many of the Group's customers have had to suspend their businesses (other than those who are deemed as essential services). This may in turn lead to customers requesting for rental rebates or deferral of rental payments or may even result in lower lease renewals. In Singapore, the COVID-19 (Temporary Measures) Act 2020 restricts the rights of landlords to take any court and insolvency proceedings in respect of a tenant's non-performance of obligations and to exercise certain self-help remedies such as rights of re-entry or forfeiture under a lease, and obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants. In addition, landlords are obliged to waive up to two months (for industrial/office properties) or four months (for qualifying commercial properties) of rent for small and medium-sized enterprises who are eligible prescribed tenant-occupiers. Such eligible prescribed tenant-occupiers are also allowed to elect to defer payment of outstanding rent payable in equal instalments in accordance with a statutory repayment schedule. There is no assurance that, in each of the jurisdictions in which the Group operates, the governments in the respective countries will not pass further legislation which impact landlords and owners of properties adversely, for instance, in the form of rental deferrals, rental relief, rent reduction and/or passing on of rebates etc. Any actions taken by Ascendas Reit to support its customers through such rental deferrals, rental relief, rent reduction or passing on of rebates will affect the rental revenue earned from the Properties. The Group also expects the leasing environment to be challenging as leasing activity has been impacted and indications of interest by prospective customers or existing customers looking to expand their premises have been aborted or put on hold.

The Group's AEIs and development projects in Singapore which are at the construction phase have also been impacted by the Circuit Breaker Measures as the relevant contractors are not able to carry out their works in accordance with their contractual obligations during the implementation of the Circuit Breaker Measures given that their works do not qualify as essential services. This may result in an extension to the construction timetable if the contractors fail to accelerate their works to meet their contractual obligations when they return to work after the easing of the Circuit Breaker Measures. The construction costs incurred by the Group for such AEIs and development projects may also increase as a result of the costs of additional safe distancing measures at construction worksites.

As the COVID-19 pandemic is ongoing as at the date of this Offering Circular and evolving rapidly, there is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the COVID-19 pandemic becomes more severe or protracted. This could in turn cause further deterioration in the business, results of operations, financial conditions and prospects of the Group. The actual extent of the COVID-19 pandemic and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, results of operations, financial condition and prospects will depend on, among other things, the duration and impact of the COVID-19 pandemic.

Occurrence of any acts of God, natural disasters, social and political unrest, war and terrorist attacks may adversely and materially affect the business and operations of the Properties.

Acts of God, such as natural disasters, are beyond the control of Ascendas Reit or the Ascendas Reit Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. Ascendas Reit's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any social and political unrest, war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the Properties and hence Ascendas Reit's income available for distribution. For instance, in May 2020, street protests in the US descended into riots that resulted in looting, arson and other incidences of violence. Such events not only caused widespread

business disruptions and damage to properties, which may in turn affect the economy, they are also likely to exacerbate the ongoing COVID-19 pandemic and hinder efforts by governments and health authorities to contain the spread of the disease.

In addition, physical damage to the Properties resulting from fire, earthquakes, flooding or other acts of God may lead to a significant disruption to the business and operation of the Properties. Should such physical damage to the Properties occur, this may result in a material adverse effect on the business, financial condition and results of operations of Ascendas Reit and its capital growth.

Ascendas Reit may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on Ascendas Reit.

Even if Ascendas Reit is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its customer retention and lease and renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet Ascendas Reit's financial, operational and strategic expectations could have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Acquisitions may not yield the returns expected, resulting in disruptions to Ascendas Reit's business and straining of management resources.

Ascendas Reit's external acquisition growth strategy and its asset selection process may not be successful and may not provide positive returns, which could have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Acquisitions may cause disruptions to Ascendas Reit's operations and divert management's attention away from day-to-day operations.

The amount Ascendas Reit may borrow is limited, which may affect the operations of Ascendas Reit.

Under the Property Funds Appendix, prior to 1 January 2022, the aggregate leverage of Ascendas Reit should not exceed 50% of its Deposited Property[1] at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in

1 In response to the COVID-19 pandemic, the MAS had on 16 April 2020, announced that the aforementioned aggregate leverage limit for REITs will be raised from 45.0% to 50.0%, with immediate effect. In addition, the MAS will defer to 1 January 2022, the implementation of the minimum interest coverage requirement it had proposed in its consultation paper on "Proposed Amendments to the Requirements for REITs" published on 2 July 2019 ("**Consultation Paper**"). In the Consultation Paper, the MAS had proposed reviewing the aggregate leverage limit, including introducing the option of allowing a REIT's aggregate leverage to exceed 45.0%, with a higher aggregate leverage limit of 50.0%. The flexibility for a REIT to take on higher leverage in excess of the 45.0% limit would be subject to any requirements which the MAS may impose, such as a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

Units). On or after 1 January 2022, the aggregate leverage limit is 45% of Ascendas Reit's Deposited Property, and Ascendas Reit's aggregate leverage may exceed this limit (up to a maximum of 50%) only if it has a minimum adjusted interest coverage ratio[2] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 30 June 2020, Ascendas Reit's outstanding borrowings (excluding interest) were approximately S$5 billion, including both bank loans and the outstanding notes issued under the MTN Programme. As at 30 June 2020, Ascendas Reit's aggregate leverage was 36.1%, which is within the 50% aggregate leverage limit prior to 1 January 2022 allowed by the MAS under the Property Funds Appendix for property trusts in Singapore. A decline in the value of the Deposited Property may also cause the borrowing limit to be exceeded, thus affecting Ascendas Reit's ability to make further borrowings.

Ascendas Reit may, from time to time, require further debt financing to implement its investment strategies. In the event that Ascendas Reit decides to incur additional borrowings in the future, Ascendas Reit may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to the Properties;
- an inability to fund acquisitions of properties; and
- cash flow shortages which may have an adverse impact on Ascendas Reit's ability to make distributions.

Ascendas Reit may face risks associated with debt financing and the debt covenants which could limit or affect Ascendas Reit's operations.

Ascendas Reit is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet the required payments of principal and interest under such financing or under the Securities. Ascendas Reit may not be able to meet all of its obligations to repay any future borrowings through its cash on hand. Ascendas Reit may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If Ascendas Reit defaults under any debt financing facilities extended to it, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

Ascendas Reit may be subject to the risk that the terms of any refinancing undertaken (which may arise from a change of control provision) will be less favourable than the terms of the original borrowings. As at the date of this Offering Circular, while Ascendas Reit is not subject to covenants that may limit or otherwise adversely affect its operations, the terms of any refinancing undertaken in the future may contain such covenants and other covenants which may also restrict Ascendas Reit's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or require Ascendas Reit to maintain certain financial ratios. The triggering of any of such covenants may have an adverse impact on Ascendas Reit's financial condition.

Ascendas Reit's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the

2 "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

interest expenses relating to such refinanced indebtedness would increase, thereby adversely affecting Ascendas Reit's cash flows and have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit is subject to interest rate fluctuations and may engage in interest rate hedging transactions, which can limit gains and increase costs.

Ascendas Reit may enter into interest rate hedging transactions to protect itself from the effects of interest rate volatilities on floating rate debt. Interest rate hedging activities may not have the desired beneficial impact on the operations or financial condition of Ascendas Reit.

Interest rate hedging could fail to protect Ascendas Reit or adversely affect Ascendas Reit because among others:

- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Ascendas Reit's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the NAV of Ascendas Reit if it is due to downward adjustments.

Interest rate hedging activities involve risks and transaction costs, which may reduce overall returns to Ascendas Reit.

Ascendas Reit faces risks relating to foreign exchange rate fluctuations.

Ascendas Reit's reporting currency for the purposes of its financial statements is Singapore dollars. However, Ascendas Reit also generates revenues and incurs operating costs in non-Singapore dollar denominated currencies. Any revenue and expenses in non-Singapore dollars will have to be converted to Singapore dollars for financial reporting or repatriation purposes. Accordingly, Ascendas Reit may be exposed to risks associated with fluctuations in foreign exchange rates which may adversely affect its reported financial results.

Ascendas Reit may also be subject to the imposition or tightening of exchange control or repatriation restrictions and may encounter difficulties or delays in the receipt of its proceeds from divestments and dividends due to the existence of such restrictions in the jurisdictions in which it operates.

Ascendas Reit is also exposed to fluctuations in foreign exchange arising from the difference in timing between its receipt and payment of funds. To the extent that its sales, purchases, inter-company loans, external debts and operating expenses are not matched in terms of currency and timing, Ascendas Reit will face foreign exchange exposure. Any fluctuation in foreign exchange rates will also result in foreign exchange gains or losses arising from transactions carried out in foreign currencies as well as translation of foreign currency monetary assets and liabilities as at the balance sheet dates.

Ascendas Reit depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

Ascendas Reit's performance depends, in part, upon the continued service and performance of the executive officers of the Ascendas Reit Manager. These key personnel may leave the employment of the Ascendas Reit Manager. If any of the above were to occur, the Ascendas Reit Manager will need to spend time searching for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on the business, financial condition and the results of operations of Ascendas Reit.

There is no assurance that the credit ratings given to Ascendas Reit will be maintained or that the credit ratings will not be reviewed, downgraded, suspended or withdrawn, and credit ratings assigned to Ascendas Reit or any Securities may not reflect all the risks associated with an investment in the Securities.

As at 8 May 2020, Ascendas Reit has been assigned an overall corporate rating of "A3" with a "stable" outlook by Moody's. The credit ratings assigned by Moody's are based on the views of Moody's only.

Credit rating agencies rate Ascendas Reit based on factors that include its operating results, actions that the credit rating agencies take, the credit rating agencies' view of the general outlook for the REIT industry and the economy. Actions taken by the rating agencies can include maintaining, upgrading or downgrading the current rating or placing Ascendas Reit on a watch list for possible future downgrading. Any rating (including rating outlook) changes that could occur may have a negative impact on the market value of the Securities. Downgrading, suspending or withdrawing the credit rating assigned to Ascendas Reit would likely increase Ascendas Reit's cost of financing, thereby adversely affecting Ascendas Reit's cash flows and have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

A rating (including rating outlook) by a rating agency is not a recommendation to buy, sell or hold the Securities, in as much as it does not comment as to the market price or suitability of a particular investor, does not address the likelihood or timing of prepayment, if any, or the receipt of default interest and may be subject to revision or withdrawal at any time by the assigning rating agency.

There may be potential conflicts of interest between Ascendas Reit, the Ascendas Reit Manager, the property manager of Ascendas Reit and CapitaLand.

As at 30 June 2020, CapitaLand, through its wholly-owned subsidiaries, has an aggregate deemed interest in 695,322,612 Units, which is equivalent to approximately 19.2% of the total number of Units in issue.

CapitaLand, its subsidiaries, related corporations and associates are engaged in the investment in, and the development and management of, among other things, property used, or predominantly used for business spaces and industrial uses. Some of these properties compete directly with the Properties for customers. Furthermore, CapitaLand may in the future invest in or sponsor other REITs or private real estate fund which may also compete directly with Ascendas Reit. There can be no assurance that conflicts of interest will not arise between Ascendas Reit on the one hand and CapitaLand on the other, or that Ascendas Reit's interests will not be subordinated to those of CapitaLand, whether in relation to the future acquisition of additional properties in Singapore or elsewhere.

The Ascendas Reit Manager may not be able to successfully implement its investment strategy for Ascendas Reit and may change its investment strategy.

There is no assurance that the Ascendas Reit Manager will be able to implement its investment strategy successfully or that it will be able to expand Ascendas Reit's Portfolio at any specified rate or to any specified size. The Ascendas Reit Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

Ascendas Reit faces active competition in acquiring suitable properties and Ascendas Reit's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected.

Even if Ascendas Reit were able to successfully acquire property or investments, there is no assurance that Ascendas Reit will achieve its intended return on such acquisitions or investments.

There may be significant competition for attractive investment opportunities from other property investors, including other REITs, property development companies and private investment funds. There is no assurance that Ascendas Reit will be able to compete effectively against such entities.

Possible change of investment strategies may adversely affect the business, financial condition and results of operations of Ascendas Reit.

The Ascendas Reit Manager may from time to time amend the investment strategies of Ascendas Reit if it determines that such a change is in the best interest of Ascendas Reit. In the event of a change of investment strategies, the Ascendas Reit Manager may, subject to the relevant laws, regulations and rules (including the Listing Manual of the SGX-ST), alter such investment strategies. The methods of implementing Ascendas Reit's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

Ascendas Reit's investment strategy of principally investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for business space and industrial purposes, as well as real estate related assets will subject Ascendas Reit to risks inherent in concentrating on real estate assets. The level of risks could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

Any economic downturn may lead to a decline in occupancy for properties or real estate related assets in the Properties. This will affect Ascendas Reit's rental income from the Properties, and/or a decline in the capital value of the Properties, which will have an adverse impact on the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit may not be able to control or exercise any influence over entities in which it has minority interests.

Ascendas Reit may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that Ascendas Reit will be able to control such entities or exercise any influence over the assets of such entities or their distributions to Ascendas Reit. Such entities may develop objectives which are different from those of Ascendas Reit and may not be able to make any distribution. The management of such entities may make decisions which could adversely affect the operations of Ascendas Reit. This may in turn affect the Group's business, financial condition, results of operations and prospects.

The Ascendas Reit Manager may not be able to implement its asset enhancement initiatives or successfully carry out its development activities.

The Ascendas Reit Manager may from time to time perform AEIs on some of its Properties. There can be no assurance that the Ascendas Reit Manager will be able to implement any of its proposed AEIs successfully or successfully carry out its development activities or that the carrying out of any AEI or development activities will enhance the value of the relevant Property. Furthermore, the Ascendas Reit Manager may not be able to carry out the proposed AEI or development activities within a desired timeframe, and any benefit or return which is expected from such AEI or development activities may be reduced or lost. Even if the AEI or development is successfully carried out, they may not achieve their desired results or may incur significant costs, which could have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Accounting standards applicable to Ascendas Reit are subject to change in the future.

The financial statements of Ascendas Reit may be affected by the introduction of new or revised accounting standards applicable to Ascendas Reit, which includes Singapore Financial Reporting Standards, recommended accounting practices issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the CIS Code. The extent and timing of changes in applicable

accounting standards are currently unknown and subject to confirmation by relevant authorities. The Ascendas Reit Manager has not qualified the effects of any proposed changes and there can be no assurance that any changes will not have a significant impact on the preparation of Ascendas Reit's financial statements or Ascendas Reit's financial condition and results of operations.

As a condition for tax transparency treatment, applicable Singapore law requires Ascendas Reit to distribute at least 90% of its taxable income (after deduction of applicable expenses) (failing which Ascendas Reit would be liable to pay Singapore tax on its taxable income) and may face liquidity constraints.

As a condition for tax transparency treatment, Ascendas Reit is required to distribute at least 90% of its taxable income to Unitholders, failing which Ascendas Reit would be liable to pay tax on its taxable income (after deduction of applicable expenses).

If Ascendas Reit's taxable income (after deduction of applicable expenses) is greater than its cashflow from operations, it may have to borrow funds to meet ongoing cashflow requirements in order to distribute at least 90% of its taxable income to Unitholders (after deduction of applicable expenses) since it may not have any reserves to draw on. Ascendas Reit's ability to borrow is, however, limited by the Property Funds Appendix.

Failure to make such distributions to Unitholders would put Ascendas Reit in breach of the terms for tax transparency treatment and Ascendas Reit would be liable to pay income tax. This may in turn have an adverse effect on the business, financial condition and results of operations of Ascendas Reit.

If the Ascendas Reit Manager's capital market services licence for REIT management ("CMS Licence") is cancelled or the authorisation of Ascendas Reit as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of Ascendas Reit will be adversely affected.

The CMS Licence issued to the Ascendas Reit Manager is subject to conditions and is valid unless otherwise cancelled or renewed. If the CMS Licence of the Ascendas Reit Manager is cancelled by the MAS, the operations of Ascendas Reit will be adversely affected, as the Ascendas Reit Manager would no longer be able to act as the manager of Ascendas Reit.

Ascendas Reit is authorised as a collective investment scheme and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of Ascendas Reit is suspended, revoked or withdrawn, its operations may be adversely affected.

The termination or retirement of the Ascendas Reit Manager could have an adverse effect on the business, financial condition, results of operations and prospects of Ascendas Reit.

The Ascendas Reit Manager is responsible for, among other things, formulating and executing Ascendas Reit's investment strategy and making recommendations to the Ascendas Reit Trustee on the acquisition and disposal of properties.

As such, the business, financial condition, results of operations and prospects of Ascendas Reit will depend on the performance of the Ascendas Reit Manager. Upon the retirement, removal or termination of the Ascendas Reit Manager, the replacement of the Ascendas Reit Manager on satisfactory terms may not occur in a timely manner, and thus may adversely affect the business, financial condition, results of operations and prospects of Ascendas Reit.

Ascendas Reit also operates through Property Companies and its ability to make payments to Securityholders through the Ascendas Reit Trustee is dependent on the financial position of the Property Companies and Property Holding Companies.

Save for the Properties located in Singapore, which are directly held by Ascendas Reit, the Properties are held by the Property Companies, which are in turn held by Ascendas Reit through the Property Holding Companies. Accordingly, Ascendas Reit also operates through the Property Companies, and relies on payments and other distributions from these Property Companies (which are repatriated to Ascendas Reit through the Property Holding Companies) for its income and cash flows.

In order to make payments to Securityholders, the Ascendas Reit Trustee will rely on the receipt by Ascendas Reit of the distributions or other payments from these Property Companies to the Property Holding Companies or, as the case may be, from the Property Holding Companies to Ascendas Reit. The ability of the Property Companies or, as the case may be, Property Holding Companies, to make such payments may be restricted by, among other things, the Property Companies' or, as the case may be, Property Holding Companies', respective businesses and financial positions, the availability of distributable profits, applicable laws and regulations (which may restrict the payment of dividends by the Property Companies or, as the case may be, Property Holding Companies) or the terms of agreements to which they are, or may become, a party to.

There can be no assurance that the Property Companies or, as the case may be, Property Holding Companies will have sufficient distributable or realised profits or surplus in any future period to pay dividends or make advances to Ascendas Reit. The level of profit or surplus of each Property Company or, as the case may be, each Property Holding Company, available for distribution by way of dividends to Ascendas Reit may be affected by a number of factors, including:

- operating losses incurred by the Property Companies or, as the case may be, Property Holding Companies in any financial year;

- losses arising from a revaluation of any of the Properties following any diminution in value of any of the relevant Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the relevant Property Company or, as the case may be, Property Holding Company may make distributions to Ascendas Reit;

- accounting standards that require profits generated from investment properties to be net of depreciation;

- charges before such profits are distributed to Ascendas Reit;

- changes in accounting standards, taxation regulations, corporation laws and regulations relating hereto; and

- insufficient cash flows received by the Property Companies from the Properties.

The occurrence of these or other factors that affect the ability of the Property Companies or, as the case may be, Property Holding Companies to pay dividends or other distributions to Ascendas Reit may adversely affect the ability of the Ascendas Reit Trustee to make payments to the Securityholders.

Ascendas Reit may from time to time be subject to legal proceedings and government proceedings.

Legal proceedings against Ascendas Reit and/or its subsidiaries, including those relating to property management and disputes over leases or colocation arrangements, may arise from time to time. There can be no assurance that Ascendas Reit and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the business, financial condition, results of operations or cash flows of Ascendas Reit. Any disputes arising in the future may also damage Ascendas Reit's reputation, increase its operational costs or divert time and other resources from the business.

Ascendas Reit and its subsidiaries are regulated by various government authorities and regulations. If any government authority believes that Ascendas Reit or any of its subsidiaries or any of their customers are not in compliance with the relevant regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize the Properties, enjoin future action or (in the case of Ascendas Reit or its subsidiaries not being in compliance with the regulations) assess civil and/or criminal penalties against Ascendas Reit, its subsidiaries, their respective officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flows of Ascendas Reit.

Certain construction risks may arise during the building of any new property.

Construction of new developments entails significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods, epidemics, pandemics and unforeseen cost increases, any of which could give rise to delayed completions or cost overruns. Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction or opening of, new developments. All of these factors may affect the Group's business, results of operations, financial condition and the future cash flows of the Group.

Ascendas Reit relies on third parties to provide various services.

Ascendas Reit engages or will engage third-party contractors to provide various services in connection with any commercial/industrial developments it may have and with the day-to-day operation of its properties and physical asset enhancement works, including construction, building and property fitting-out work, alterations and additions, interior decoration and installation of air-conditioning units and lifts. Ascendas Reit is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and Ascendas Reit may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to Ascendas Reit. There can also be no assurance that the services rendered by such third parties will always be satisfactory or match Ascendas Reit's targeted quality levels. All of these factors could adversely affect Ascendas Reit's business, financial condition and results of operations or cash flows.

Ascendas Reit will rely on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

Ascendas Reit will rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of customers and lease data. Ascendas Reit will rely on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential customer information, such as individually identifiable information relating to financial accounts. Although Ascendas Reit will take steps to protect the security of the data maintained in its

information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of Ascendas Reit's information systems could interrupt its operations, damage its reputation, subject Ascendas Reit to liability claims or regulatory penalties and could materially and adversely affect it.

There is no assurance that Ascendas Reit will be able to leverage on the Sponsor's experience in the operation of its properties or the Sponsor's experience in the management of REITs.

In the event that the Sponsor decides to transfer or dispose of its Units or its shares in the Ascendas Reit Manager, Ascendas Reit may no longer be able to leverage on:

- the Sponsor's experience in the ownership and operation of properties; or
- the Sponsor's financial strength, market reach and network of contacts to further its growth.

This may have a material adverse impact on Ascendas Reit's financial condition and results of operations.

Risks Relating to Investing in Real Estate

There are general risks attached to investments in real estate.

Investments in real estate and therefore the income generated from the Properties are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which Ascendas Reit operates);
- the financial condition of customers;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by Ascendas Reit to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in customer demand for a particular type of property in a given market;
- competition among property owners for customers which may lead to vacancies or an inability to rent space on favourable terms;

- inability to renew leases and colocation arrangements or re-let space as existing leases and colocation arrangements expire;
- inability to collect rents from customers on a timely basis or at all due to bankruptcy or insolvency of the customers or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- increases in the rate of inflation;
- inability of the property managers to provide or procure the provision of adequate maintenance and other services;
- defects affecting the Properties which need to be rectified, or other required repair and maintenance of the Properties, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flows for the maintenance of, and improvements to, the Properties;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Ascendas Reit Manager;
- the attractiveness of the Properties to current and potential customers;
- the cost of regulatory compliance;
- ability to rent out the Properties on favourable terms; and
- power supply failure, acts of God, wars, social and political unrest, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Ascendas Reit's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in the jurisdictions in which the Properties are located, which may adversely affect the financial condition of Ascendas Reit.

For example, the latest independent valuations of the Properties are as at 31 December 2019, and do not take into account the impact of the COVID-19 pandemic. In valuing the Properties, the valuers utilise, among others, the discounted cash flow and income capitalisation methods, which take into account the projected cash flows of the Properties. The COVID-19 pandemic has caused adverse economic conditions, and led to significant market uncertainty, including risks that projected cash flows will not be met or that assumptions underlying the valuation become incorrect due to the changing market conditions. Accordingly, the valuations of the Properties may change significantly and unexpectedly over a relatively short period of time.

Ascendas Reit may be adversely affected by the illiquidity of real estate investments.

Real estate investments are relatively illiquid and such illiquidity may affect Ascendas Reit's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Ascendas Reit may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Ascendas Reit may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Ascendas Reit's financial condition and results of operations.

In addition, if Ascendas Reit defaults on any secured payment obligations, mortgagees to any of the Properties over such which obligations are secured could foreclose or require a forced sale of such Properties with a consequent loss of income and asset value to Ascendas Reit. The amount to be received upon a foreclosure or forced sale of such Properties would be dependent on numerous factors, including the actual fair market valuation of the relevant Property at the time of such sale, the timing and manner of the sale and the availability of buyers. There can be no assurance that the proceeds from any foreclosure or forced sale will be sufficient for Ascendas Reit to meet its secured payment obligations.

The Properties may be subject to increases in direct expenses and other operating expenses.

Ascendas Reit's performance could be adversely affected if direct expenses and other operating expenses increase (save for such expenses which Ascendas Reit is not responsible for pursuant to the lease and colocation arrangements) without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increase in agent commission expenses for procuring new customers;
- increase in property tax or land tax assessments and other statutory charges;
- increase in land rent for the properties under lease hold arrangement with various authorities;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- change in direct or indirect tax policies, laws or regulations;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- defects affecting, or environmental pollution in connection with, the Properties which need to be rectified;
- increase in insurance premiums; and
- increase in cost of utilities.

Any of the above factors could have a material adverse effect on the financial condition and results of operations of Ascendas Reit.

Risks Associated with the Properties

Ascendas Reit is subject to the risk of non-renewal, early termination and non-replacement of leases, and decreased demand for spaces in the Properties.

Any downturn in the businesses, or the bankruptcy or insolvency of a customer of Ascendas Reit may result in such customer deciding not to renew its lease at the end of a lease cycle or to terminate the lease before it expires. Factors that affect the ability of customers to meet their obligations under the leases include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of customers to compete with their competitors;
- in the instance where customers have sub-leased the Properties, the failure of the sub-customers to pay rent; and
- material losses in excess of insurance proceeds.

Certain leases may also grant optional early termination rights to customers subject to certain conditions, including but not limited to the payment of termination fee or at specified points in time, or may grant customers the right to terminate at short notice or in the event of a material casualty to the building which is not restored within an agreed period of time following the casualty.

If a major customer or a significant number of customers terminate their leases or do not renew their leases at expiry, Ascendas Reit's financial condition, results of operations and capital growth may be adversely affected. The amount of rent and the terms on which lease renewals and new leases are agreed may also be less favourable than the current leases and substantial amounts may have to be spent for leasing commissions, customer improvements or customer inducements. Additionally, the demand for spaces in the Properties may be reduced by customers seeking to reduce their leased space at renewal or during the term of the lease by reducing the amount of square footage per employee at leased properties. If replacement customers cannot be found in a timely manner or on terms acceptable to the Ascendas Reit Manager upon a customer's default, non-renewal, early termination or reduction in space, the revenue and financial condition of the relevant property will be adversely affected, and the ability of Ascendas Reit to make payments to the Securityholders may be adversely affected.

The gross revenue earned from, and the value of, the properties in Ascendas Reit's Portfolio may be adversely affected by a number of factors.

The gross revenue earned from, and the value of, the Properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce Ascendas Reit's gross revenue and its ability to recover certain operating costs through service charges;
- the ability of the property managers of Ascendas Reit to collect rent from customers on a timely basis or at all;
- customers requesting rental rebates due to the impact of the COVID-19 pandemic and charges and other similar add-ons to such customers' base rent;

- customers successfully challenging alleged miscalculations or overcharges by the landlords of additional rent charges under their leases for such items as real estate tax escalation charges, operating expense escalation charges, overtime heating, ventilation and air-conditioning;

- customers requesting waiver of interest on late payment of rent;

- events affecting the properties in Ascendas Reit's portfolio which could result in the inability of the relevant customers to operate in such properties and thereby resulting in the inability of such customers to make timely payments of rent;

- customers seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or the termination of the customer's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;

- the amount of rent payable by customers and other terms on which tenancy renewals and new tenancies are secured being less favourable than those under current tenancies;

- the local and international economic climate and real estate market conditions (such as an oversupply of, or reduced demand for, commercial and retail space due to more businesses adopting work-from-home policies and requiring less commercial and retail space as a consequence of the COVID-19 pandemic, or changes in market rental rates and operating expenses for the Properties);

- the Ascendas Reit Manager's ability to provide adequate management and maintenance of the properties or to purchase or put in place adequate insurance;

- competition for customers from other similar properties which may affect rental income or occupancy levels at the Properties;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

- natural disasters, acts of God, wars, social and political unrest, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Ascendas Reit Manager.

The Properties may face increased competition from other properties.

The Properties are, and may be, located in areas where other competing properties are present and new properties may be developed which may compete with the properties. The income from and the market value of the properties will be dependent on the ability of the properties to compete against other properties. If competing properties are more successful in attracting and retaining customers, the income from the properties could be reduced, which may have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Planned amenities and transportation infrastructure near the Properties may be closed, relocated, terminated, delayed or not completed.

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will not be closed, relocated, terminated, delayed or uncompleted. If such an event were to occur, it would adversely impact the accessibility of the relevant Property and the attractiveness and marketability of the relevant Property to customers. This may have a negative impact on the occupancy rate of the relevant Property, which may in turn affect the Ascendas Reit's business, financial condition, results of operations and prospects.

The Properties may require significant capital expenditure periodically and Ascendas Reit may not be able to secure funding.

The Properties may require periodic capital expenditure, refurbishment, renovation for improvements and development in order to remain competitive or income-producing. Ascendas Reit may not be able to fund capital expenditure solely from cash provided from its operating activities and Ascendas Reit may not be able to obtain additional equity or debt financing on favourable terms or at all. If Ascendas Reit is not able to obtain such financing to finance such capital expenditure, the marketability of such Properties may be affected and this may adversely affect the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit's assets might be adversely affected if the Ascendas Reit Manager and the property managers of the Properties do not provide adequate management and maintenance.

As the customers of Ascendas Reit rely on the proper functioning of the Properties for their business operations, should the Ascendas Reit Manager and the property managers of the assets fail to provide adequate management and maintenance, the attractiveness of the properties to such customers might be adversely affected and this may result in a loss of customers, which may have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit could face the risks of declining rental rates.

The amount of cash flow available to Ascendas Reit will depend in part on its ability to continue to let the Properties on economically favourable terms. As most of Ascendas Reit's income generated from the Properties is derived from rentals, the cash flow could be adversely affected by any significant decline in the rental rates at which it is able to lease the Properties and to renew existing leases or attract new customers.

There can be no assurance that rental rates will not decline at some point during the period from each issue of the Securities until their redemption and that such decline will not have an adverse effect on the cash flow of Ascendas Reit.

Loss of customers (in particular, anchor customers) could reduce the future cash flows of Ascendas Reit.

The value of the Properties and the distributions of Ascendas Reit could be adversely affected by the loss of customers (in particular, anchor customers) which may arise as a result of such customers not renewing the lease or such customers filing for bankruptcy or insolvency.

Ascendas Reit may suffer material losses in excess of insurance proceeds or Ascendas Reit may not put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties.

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risks (such as war risk, terrorism and losses caused by contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Any insurance coverage taken out by the Group may also be subject to limits and any damage or loss suffered by the Group may exceed such insured limits.

Should an uninsured loss or a loss in excess of insured limits occur, including loss caused by vandalism or resulting from breaches of security at one of the Properties, Ascendas Reit could be required to pay compensation and/or suffer loss of capital invested in the affected Property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected Property. Ascendas Reit may also be liable for any debt or other financial obligation related to that Property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

Renovation or redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in adverse impact on the financial condition of Ascendas Reit.

The quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, the Properties. The Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning, safety, disability or other laws or regulations. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the Properties may suffer from some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to the Properties may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may trigger customer termination rights if not timely restored and may impose unbudgeted costs on Ascendas Reit and result in an adverse impact on the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit could incur significant costs or liability related to environmental matters.

Ascendas Reit's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including remediation expenses, a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, Ascendas Reit may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate issues relating to contamination, air pollution, noise pollution or dangerous goods may expose Ascendas Reit to liability or materially and adversely affect its ability to sell or let out the real property or to borrow using the real property as collateral. Accordingly, if the Properties are affected by contamination or other environmental effects not previously identified and/or rectified, Ascendas Reit risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditures to remedy such issue and the financial positions of Ascendas Reit's customers may be adversely impacted, affecting their ability to trade and to meet their leasing and colocation obligations.

The due diligence exercise on the properties, leases, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows.

The Ascendas Reit Manager believes that reasonable due diligence investigations with respect to the Properties were, and with respect to future acquisitions will be, conducted prior to their acquisition. There is no assurance that the properties of Ascendas Reit will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on Ascendas Reit's earnings and cash flows. Should any of the Properties or their holding entities not be in compliance with certain laws and regulations, Ascendas Reit may also incur financial or other obligations in relation to such breaches or non-compliance.

Statutory or contractual representations, warranties and indemnities given by any seller of the Properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such defects or deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Ascendas Reit's earnings and cash flows.

Ascendas Reit may be subject to unknown or contingent liabilities related to properties or businesses that it has acquired or may acquire, which may result in damages and investment losses.

Assets and entities that Ascendas Reit has acquired or may acquire in the future may be subject to unknown or contingent liabilities for which Ascendas Reit may have limited or no recourse against the sellers. Unknown or contingent liabilities might include liabilities for clean-up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. In the future Ascendas Reit may enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event Ascendas Reit would have no or limited recourse against the sellers of such properties. While Ascendas Reit typically requires the sellers to indemnify it with respect to breaches of representations and warranties that survive the closing of the transactions, such indemnification is often limited in duration and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that Ascendas Reit will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that Ascendas Reit may incur with respect to liabilities associated with properties and entities acquired may exceed Ascendas Reit's expectations. Any of these matters could have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

The appraisals of the Properties are based on various assumptions and the price at which Ascendas Reit is able to sell a Property in the future may be different from the market value of the Property.

There can be no assurance that the assumptions relied on are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. The independent valuers appointed in respect of the Properties may have included a subjective determination of certain factors relating to the Properties such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the valuation of the Properties may be subjective.

The valuation of any of the Properties does not guarantee a sale price at that value at present or in the future. Hence, the price at which Ascendas Reit may sell a Property may be lower than its purchase price.

The Properties or a part of them may be acquired compulsorily by the respective governments in the countries in which such properties are located.

Under the laws and regulations of each country in which the Group operates, there may be various circumstances under which the respective governments of such countries are empowered to acquire some of the Properties.

In particular, in Singapore, the Land Acquisition Act, Chapter 152 of Singapore, gives the Singapore Government the power to, among other things, acquire any land in Singapore:

- for any public purpose;
- for any work or undertaking which is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

The compensation to be awarded pursuant to any such compulsory acquisition would be based on, amongst other factors:

(i) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of purpose of such land is made by publication in the Government Gazette);

(ii) the market value of the property as at the date of publication in the Government Gazette of the declaration referred to above, where such declaration is made after six months from the notification; and

(iii) any increase in the value of any other land (such as contiguous or adjacent land) of the person interested likely to accrue from the use to which the land acquired will be put.

In the event that the compensation paid for the compulsory acquisition of a Property is less than the market value of the Property, such compulsory acquisitions would have an adverse effect on the revenue of Ascendas Reit and the value of its Portfolio.

The Properties may be revalued downwards.

There can be no assurance that Ascendas Reit will not be required to make downward revaluations of the Properties in the future. Any fall in the gross revenue or net property income earned from the Properties may result in downward revaluation of the Properties.

In addition, Ascendas Reit is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on Ascendas Reit's financial results in the financial years where there is a significant decrease in the valuation of Ascendas Reit's investment properties which will result in revaluation losses that will be charged to its statements of total return.

Some of the Properties are held under leases which contain provisions, or where the relevant landlord may impose conditions, in each case, that may have an adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Some of the Properties are held under a state lease. These state leases contain provisions which may have an adverse effect on the financial condition and results of operations of Ascendas Reit and some of these conditions may include:

- the landlord has a right to re-enter such properties and terminate the state lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the relevant state lease;

- the Ascendas Reit Trustee may be required to surrender free of cost to the landlord portions of such Properties that may be required in the future for certain public uses, such as roads, drainage, railways, rapid transit systems and other public improvements; and

- there are restrictions against the demise, assignment, mortgage, letting, subletting or underletting or granting a licence or parting with or sharing the possession or occupation of the whole or part of such properties without first obtaining the landlord's prior written consent.

In addition, the landlords of such leases may impose additional conditions which may have an adverse effect on the business, financial condition and results of operations of Ascendas Reit and some of these may include:

- granting the landlord a right of first refusal in the case of a sale; and

- prohibition against sale during an initial period of the lease (or the levying of an additional fee if there is a sale during an initial period of the lease) or a minimum occupation period for anchor customers.

There are some Properties which have leases with JTC that contain certain restrictions on subletting and resale, including the requirement for JTC's consent before such properties can be resold, demised or assigned. In addition, JTC's consent is required and the sublet customers must meet certain subletting requirements set out by JTC before such property or any part thereof can be sublet. Some leases with JTC also contains a right of first refusal to JTC to purchase the properties at prevailing market rate based only on the building and excluding the value of the leasehold land. Such restrictions and terms could impair Ascendas Reit's ability to secure customers or to resell the property and could consequently affect its financial condition and results of operations.

These conditions could have an impact on Ascendas Reit's ability to acquire or dispose of properties which are subject to such leases.

Some of the Properties are leased to customers on conditions which may have an adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Some of the leases for the Properties may contain conditions including the following:

- certain customers leasing space in one or more of the buildings located on a particular property granting the right of first offer or a right of first refusal to purchase the entire relevant property in the event such property is sold pursuant to a single-asset sale; and

- restrictions in certain leases which restrict Ascendas Reit from leasing any space in the relevant buildings where these customers are located, to certain competitors of such customers.

These conditions could have an adverse impact on Ascendas Reit's ability to acquire or dispose of Properties which are subject to leases which contain one or more of these conditions.

Ascendas Reit holds certain properties on leasehold title.

Ascendas Reit may not be able to renew its lease of its properties held on leasehold titles when their terms expire, for example if the landlord intends or has agreed to pull down and rebuild, or to reconstruct the premises, and has planning permission for the works or if for any reason the creation of a new lease would not be consistent with good estate management or where renewal options are revoked as a result of a breach by Ascendas Reit of the relevant lease. In addition, Ascendas Reit's leasehold titles to its properties may not be able to be registered if the landlord has not registered its lease title. It may not be possible to carry out comprehensive searches to find out if there are third-party interests in the properties, burdens and/or rights arising prior to the date of Ascendas Reit's leases to the properties and which rank in priority to Ascendas Reit's interests in such leases. If there are any such third-party interests, burdens and/or rights affecting its properties and they are successfully asserted by such third-party or its successors in title, the use or occupation of its properties might be affected and this may have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

The Group is subject to credit risk arising from defaulting counterparties.

Credit risk may arise when counterparties default on their contractual obligations resulting in financial loss to the Group. Although the Group conducts selective credit assessment of its customers prior to entering any transactions and the Group regularly reviews its credit exposure to its customers, credit risks may nevertheless arise from events or circumstances that are difficult to anticipate or detect, including, but not limited to, political, social, legal, economic and foreign exchange risks that may have an impact on its customers' ability to make timely payment and render the Group's enforcement for payments ineffective.

The data centres depend upon the technology industry and the demand for technology-related real estate.

A decline in the technology industry or a decline in outsourcing by corporate clients could lead to a decrease in the demand for data centre real estate, which may affect the Group's business and financial condition adversely. Ascendas Reit is also susceptible to adverse developments in the corporate and institutional data centre and broader technology industries (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, costs of complying with government regulations or increased regulations and other factors) and the technology-related real estate market (such as oversupply of or reduced demand for space).

Amenities and communications and transportation infrastructure near the data centres may be closed, relocated, terminated, delayed or not completed which may in turn adversely impact the demand for data centre space.

Data centres are dependent on access to inexpensive power, major population centres and communications networks, including voice, data and fibre optics networks and infrastructure. There is no assurance that amenities and communications and transportation infrastructure near the data centres will not be closed, relocated, terminated, delayed or completed. If such an event were to occur, it would adversely impact the accessibility of the relevant data centres and the attractiveness and marketability of the relevant data centres to clients. This may then have an adverse effect on the demand and the rental rates for the relevant data centres and adversely affect the Group's business, financial condition, results of operations and prospects.

Future technological developments may disrupt the economics and infrastructure of data centres.

The introduction of new technologies and their impact on data centres cannot be predicted with certainty. Technological developments may have a disruptive impact on the Group's data centres in a variety of ways, including, but not limited to:

- reduced power requirements with an associated reduction in power utilisation by clients, and the resulting revenues generated by clients.

- enhanced computing power with an associated reduction in physical space and increased power density requirements.

- reduced demand for outsourced, dedicated data centre space given the availability of similarly resilient and secure shared space on the cloud. Potential technological developments include but are not limited to cloud level resiliency. For example, software-enabled cloud environments for storing data could evolve and reduce the requirement for infrastructure-based dedicated data centre storage capacity.

Risks Relating to the Jurisdictions which Ascendas Reit operates in

Ascendas Reit may be adversely affected by economic conditions in which the Properties are located.

An economic decline in the jurisdictions in which the Properties are located could adversely affect Ascendas Reit's results of operations and future growth. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. While there have been periods of stability in these markets, the environment has become more unpredictable, with the risk of a potential trade war. Further, as a result of the COVID-19 pandemic, the Ministry of Trade and Industry of Singapore had on 11 August 2020 revised Singapore's GDP growth forecast for 2020 downwards to "-7.0% to -5.0%".

Economic factors including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and availability of debt and equity capital could adversely affect the business, financial condition and results of operations of Ascendas Reit.

These developments could adversely affect Ascendas Reit insofar as they result in:

- increase in the unemployment rate in the jurisdictions in which the Properties are located;

- a negative impact on the ability of the customers to pay their rents or fees in a timely manner or continuing their leases or colocation arrangements, thus reducing Ascendas Reit's cash flows;

- a decline in the demand for leased industrial and business space across the jurisdictions in which the Properties are located and the rents that can be charged when leases are renewed or new leases are entered compared to rents that are currently charged;

- a decline in the market values of the Properties;

- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on Ascendas Reit's ability to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;

- an increase in counterparty risk (being the risk of monetary loss which Ascendas Reit may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- an increased likelihood that one or more of (i) Ascendas Reit's banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or Ascendas Reit's operations or (iii) Ascendas Reit's insurers, may be unable to honour their commitments to Ascendas Reit.

Ascendas Reit's businesses and operations are exposed to fluctuations in economic and market conditions of these countries and an economic recession in any of these countries and other countries in which the Properties are located might have a material adverse effect on the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit is subject to the laws, regulations, policies and accounting standards in the jurisdictions in which the Properties are located.

Ascendas Reit is subject to laws, regulations (including tax laws and regulations) and policies in the jurisdictions in which the Properties are located, which may increase or change. Measures and policies adopted by these governments and regulatory authorities at national, provincial or local levels, such as government control over property investments, foreign exchange regulations or limitations in foreign investment might adversely impact Ascendas Reit. For example, in relation to investments in Australia by Ascendas Reit, the trustee of Ascendas Reit is both a "foreign person" and a "foreign government investor" for the purposes of Australia's foreign investment regime. This means investments in Australia by Ascendas Reit (including acquisitions of Australian land or in Australian entities) may be subject to notice requirements under the Foreign Acquisitions and Takeovers Act 1975 ("**FATA**"). Further, the issue of a prior no objection notification by the Treasurer of the Commonwealth of Australia (which may or may not be given or may be given subject to conditions) under the FATA may be required in respect of relevant acquisitions. The no objection notification is referred to as the Foreign Investment Review Board approval ("**FIRB approval**"). If such FIRB approval is required and not obtained in relation to an investment in Australia, Ascendas Reit may not be able to proceed with that investment. There can be no assurance that any such changes to, or any new, laws, regulations, policies and accounting standards will not materially and adversely affect the business, financial condition and results of operations of Ascendas Reit.

Governments of the countries in which Ascendas Reit operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary, including in relation to foreign investment restrictions. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have retroactive effect. These changes may have a material and adverse impact on the overall performance of the property markets in which Ascendas Reit operates and thus materially and adversely affect the business, financial condition and results of operations of Ascendas Reit.

Ascendas Reit may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.

Ascendas Reit may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that any new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or Ascendas Reit specifically.

If Ascendas Reit is unable to obtain required approvals and licences or renewals thereof in a timely manner, its business and operations may be adversely affected.

Ascendas Reit requires certain approvals, licences, registrations and permissions for its business and operations. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by it or at all. Further, Ascendas Reit cannot assure that the approvals, licences, registrations and permits issued to it would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Failure by Ascendas Reit to renew, maintain or obtain, or any suspension or revocation of, the required permits or approvals at the requisite time may result in the interruption of its operations and may have an adverse effect on its business, financial condition and results of operations.

Ascendas Reit may suffer higher taxes if any of its subsidiaries are treated as having a taxable presence or permanent establishment outside their place of incorporation and tax residency.

If Ascendas Reit or any of its subsidiaries are considered as having a taxable presence or permanent establishment outside its place of incorporation and place of tax residency, income or gains may be subject to additional taxes which may have an adverse impact on Ascendas Reit and its subsidiaries' financial conditions.

Ascendas Reit may be exposed to new or increased risks as it expands the range of services and the geographic scope of its business.

Ascendas Reit has been expanding overseas, such as with the recent acquisitions in the United States and may, in the future, expand into new and/or overseas markets thus increasing its risk profile. By deepening Ascendas Reit's presence in new markets, this may further increase its exposure to the compliance risks and the credit and market risks specific to these markets.

Furthermore, Ascendas Reit may incur expenses necessary to address any regulatory requirements that may be required in these new markets. There may be risks associated with Ascendas Reit's new services and businesses for which Ascendas Reit has limited or no experience.

In addition, Ascendas Reit's business in these countries may not always enjoy the same level of legal rights or protection that it is afforded in countries where it currently operates. There is a risk that Ascendas Reit will not be able to repatriate the income and gains derived from investments in real estate and other assets in these foreign countries.

Further, more stringent or onerous real estate laws may be adopted in the future in the countries where Ascendas Reit may operate its business, and that may restrict Ascendas Reit's ability to operate its business. The risk profile of Ascendas Reit may therefore encompass the risks involved in each of the countries or businesses that Ascendas Reit operates. The business, financial condition, results of operations and prospects of Ascendas Reit may be adversely affected by any of such risks.

Delay by foreign tax authorities in assessing taxes of overseas Properties could affect the amount of payments on the Securities.

In the event the entities holding overseas Properties in the Portfolio are unable to obtain a tax audit clearance by the foreign tax authorities in a timely manner, the ability of Ascendas Reit to make payments on the Securities may be affected and Ascendas Reit may be required to obtain debt or other financing to satisfy payments on the Securities. If Ascendas Reit is unable to obtain financing on terms that are acceptable or Ascendas Reit has reached its aggregate leverage limit imposed by the Property Funds Appendix, the amount (if any) and timing of payments on the Securities could be adversely affected.

Ascendas Reit is exposed to risks relating to the Australian taxation regime.

Australia maintains a complex tax system relating to the taxation of trusts, which is subject to change.

In broad terms, a public unit trust (e.g. trusts beneficially owned by certain listed trusts) will be taxed as a company where the trust's business does not consist wholly of "**eligible investment business**" at any time during an income year (subject to certain safe harbour rules or relevant concessions). Eligible investment business includes, among other things, investing in land for the purpose of deriving rent and investing or trading in units in a unit trust.

Furthermore, where the public unit trust also qualifies as a managed investment trust ("**MIT**"), the public unit trust will lose its MIT status if its business does not consist wholly of eligible investment business at any time during an income year.

These are annual tests. While Ascendas Reit may seek professional advice to ensure that its relevant Australian unit trusts should only engage in eligible investment business, there is no assurance that the Australian Taxation Office will not take a different view.

To qualify as an MIT and to enjoy preferential Australian withholding tax rates, there are also several conditions that must be met and among other requirements, no individual (who is not a resident of Australia) can directly or indirectly hold, control or have the right to acquire an interest of 10% or more in the relevant Australian unit trusts of Ascendas Reit at any time during the income year. While Ascendas Reit will monitor investor percentage holdings to determine whether this requirement is met in respect of each year in which the relevant Australian unit trusts of Ascendas Reit intend to qualify as an MIT, there is also no assurance that they will qualify as MITs.

Where the relevant Australian unit trusts do not qualify for MIT treatment, their distributions may be subject to Australian tax which is currently at 30% (where the unitholder is a company) or 45% (where the unitholder is a trust). This may materially and adversely affect the business, financial condition and results of operations of Ascendas Reit, which may in turn affect the ability of Ascendas Reit to comply with its obligations under the Securities.

Further, Australia has been going through a period of significant tax reform. Tax reform may result in changes to tax legislation which may adversely impact the acquisition and holding structure which Ascendas Reit has adopted in relation to its Properties in Australia.

The performance of the US Properties and future properties in the US is dependent upon the economic climate of the US market.

Ascendas Reit's revenue from the US Properties will be derived from properties located in three states in the US, namely California, North Carolina and Oregon. A downturn in the economies of any of these markets, or the impact that a downturn in the overall national economy may have upon these economies, could result in reduced demand for office space. As the US Properties are primarily office buildings (as compared to a more diversified real estate portfolio across multiple asset classes and industries), a decrease in demand for office space, or volatility in the sectors to which Ascendas Reit's customers operate in, may in turn adversely affect Ascendas Reit's results of operations and its ability to comply with its obligations under the Securities.

Some of the US Properties may be exposed to potential liability arising from their non-compliance with the relevant local zoning regulations in the US.

It is customary for institutional buyers of commercial real estate in the US to procure a third-party company to prepare a zoning report to determine whether a property is in compliance with local zoning standards. In connection therewith, the Ascendas Reit Manager has engaged a third-party consultant that specialises in zoning due diligence to prepare zoning reports for each of the US Properties. Based on the

zoning reports received for the US Properties, some of the US Properties are legally non-conforming, which means that they conformed to the relevant local zoning regulations mainly with regards to building specification matters including, among others, building and parking set-back lines, floor area ratio, lot coverage and parking requirements, at the time they were originally constructed, but do not conform to local zoning regulations that are in effect currently.

Generally, there are no sanctions for legally non-conforming properties and such status does not affect their continued use and operation so long as the non-conforming properties are not expanded or rebuilt. If such properties were expanded or rebuilt, perhaps as a result of a total casualty or the owner's decision to expand or demolish the existing building, the new improvements would need to be constructed in accordance with local zoning regulations that are in effect at the time of the expansion or rebuilding, or the owner would need to obtain a variance from the relevant zoning authority to rebuild the building as-is. If such variance is not granted, the building would need to be rebuilt in compliance with current zoning regulations. As at the date of this Offering Circular, the Ascendas Reit Manager believes that the legally non-conforming status of the affected US Properties would not have a significant adverse impact on Ascendas Reit.

Notwithstanding that there are generally no sanctions for such legally non-conforming properties, there is no assurance that the relevant authorities will not take a different view (or assert that the US Properties do not comply to zoning regulations now in effect) and require Ascendas Reit to remedy any non-conforming aspects of a non-conforming property in the future. In the event that Ascendas Reit is required to ensure the US Properties comply with the relevant local zoning regulations or in the event a building owned by Ascendas Reit needed to be rebuilt after a substantial casualty, additional expenses might be incurred and this may have an adverse effect on the business, financial condition, results of operations and/or prospects of Ascendas Reit and its ability to make payments to the Securityholders.

Consistent with commercial real estate practices in the United States, Ascendas Reit has obtained a title insurance policy for each US Property which insures Ascendas Reit holds title to the US Properties and insures Ascendas Reit against certain risks related to title of the US Properties (for example the Title Company has issued an endorsement providing coverage regarding (i) the zoning classification of the relevant property and (ii) the types of uses allowed under such classification).

The Parent US REIT may lose its status as a US Real Estate Investment Trust ("US REIT").

The Parent US REIT is a private US REIT for purposes of Sections 856-860 of the US Internal Revenue Code of 1986 (as amended) (the "**IRC**"). Subject to meeting certain organisational requirements, income tests, asset tests and annual distribution requirements prescribed in the IRC, a US REIT is generally permitted to deduct dividends paid to its shareholders from its taxable income.

Qualification for taxation as a US REIT depends on satisfying complex statutory requirements for which there are only limited judicial and administrative interpretations. The determination of whether the Parent US REIT continues to qualify as a US REIT requires ongoing satisfaction of certain tests concerning, among other things, the nature of its assets, the sources of its income, and the amounts it distributes to the Ascendas US Holdco. These tests are referred to as asset and income tests. While the Ascendas Reit Manager intends to take reasonable measures to ensure that the Parent US REIT always qualifies as a US REIT, some matters may be outside its control. For example, a US REIT cannot be closely held, i.e. not more than 50% of its outstanding shares can be owned by five or fewer individual investors, regardless of whether such interest is held directly or indirectly.

Further, to qualify as a US REIT, at least 75% of the entity's gross income must be derived from qualifying sources such as rents from real property, and at least 95% of the entity's gross income must be derived from sources qualifying under the 75% gross income test and other qualifying sources of passive income. In order to qualify as rents from real property, the amount of rent received generally must not be based on the income or profits of any person or business but may be based on a fixed percentage or percentages of receipts or sales. The Ascendas Reit Manager believes that none of the rent received by the US

Property-Holding Entities should be treated as based on the income or profits of any person, including customers' payments of pass-through charges, such as the cost of utilities, property taxes and similar items that may be calculated by reference to net expense of the US Property-Holding Entities, but the US Internal Revenue Services (the "**IRS**") or a court may disagree.

Further, amounts otherwise qualifying as such rents of the US Properties will not qualify if the customer is related to Ascendas Reit. The Ascendas Reit Manager intends to take reasonable measures to ensure that any such disqualified rents (together with any other disqualified income) will not exceed 5% of the Parent US REIT's gross income for any applicable year.

Technical or inadvertent breaches may jeopardise the US REIT status of the Parent US REIT. Furthermore, the US Congress or the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings that make it more difficult, or impossible, for the Parent US REIT to remain qualified for taxation as a US REIT. In the event of loss of US REIT status, the Parent US REIT will be subject to US federal and state income tax at regular corporate rates, currently 21% for federal purposes. If the Parent US REIT fails to qualify for taxation as a US REIT, it is estimated that the income tax liability would be significant, thereby reducing amounts available for investments or to pay dividends and distributions to upstream shareholders. Absent of an applicable relief provision, the Parent US REIT will generally be unable to elect US REIT for five years from the year which the Parent US REIT is disqualified as a US REIT. Finally, even if the Parent US REIT is able to utilise relief provisions and thereby avoid disqualification for taxation as a US REIT, relief provisions typically involve paying a penalty tax in proportion to the severity and duration of the non-compliance with US REIT requirements, and these penalty taxes could be significant. Thus, whether or not a relief provision is applicable, failure to satisfy the various statutory tests could have a material adverse effect on the US Properties' financial condition, cash flows, results of operations and consequentially may have an adverse effect on Ascendas Reit's ability to comply with its obligations under the Securities.

The acquisition of the US Properties marks Ascendas Reit's first foray into the US market and there may be country specific practices and regulations which Ascendas Reit may not be familiar with.

Prior to the acquisition of the US Properties, Ascendas Reit had a predominant focus on Singapore, Australia and United Kingdom. The acquisition of the US Properties marks Ascendas Reit's first foray into the US market and hence, there may be country-specific practices and regulations which Ascendas Reit may not be familiar with. Failing to understand such practices and/or to comply with regulations may adversely affect Ascendas Reit's results of operations and its ability to comply with its obligations under the Securities.

The representations, warranties and indemnities granted in favour of Ascendas Reit by the vendors of the US Properties are subject to limitations as to their scope, amount and timing of claims which can be made thereunder.

The representations and warranties granted in favour of Ascendas Reit, as purchaser, in the US Acquisition Agreement is subject to limitations as to the scope, amount and the timing of claims which can be made thereunder. Also consistent with commercial real estate practices in the United States, Ascendas Reit will obtain a title insurance policy for each US Property which will insure Ascendas Reit against certain risks related to title to the US Properties of the agreed value attributed to each US Property.

Accordingly, Ascendas Reit, as purchaser, may not have recourse under the US Acquisition Agreement or the title insurance policies for all losses or liabilities which it might suffer or incur in connection with the US Properties and it will need to rely on its own due diligence and the title insurance provided by the title insurance companies to help mitigate against the risk of such losses and liabilities.

While the Ascendas Reit Manager believes that reasonable due diligence has been performed with respect to the US Properties and that the due diligence conducted has not raised any material adverse findings in relation to the US Properties, there can be no assurance that there will not be any losses or liabilities suffered by Ascendas Reit in connection with the US Properties beyond the limits of the recourse under the US Acquisition Agreement and title insurance.

In the event that Ascendas Reit suffers losses or liabilities in connection with the acquisition of the US Properties which it has no recourse or only limited recourse to under the US Acquisition Agreement or the title insurance policies, its financial condition, business, results of operations and/or prospects may be materially adversely affected.

Even if the Parent US REIT qualifies and remains qualified for taxation as a US REIT, it may face other tax liabilities that reduce cash flow.

Even if the Parent US REIT qualifies and remains qualified for taxation as a US REIT, it may be subject to certain US federal, state and local taxes on its income and assets, including taxes on any undistributed income, excise taxes, state or local income, property and transfer taxes. Any of these taxes could have a material adverse effect on the business, financial condition, cash flows and results of operations of the Parent US REIT and consequentially may have a material adverse impact on the Issuer's ability to make payments on the Securities.

Ascendas Reit may be exposed to risks associated with governmental reviews on foreign investment in the United States.

The CFIUS is charged with the responsibility of assessing potential national security impacts of foreign investments in US assets. With certain exceptions, acquisitions of real estate in the United States by foreign investors may be subject to CFIUS review where the real estate is either located within, or will function as part of, an air or maritime port or is within a certain close proximity of a government or military installations. CFIUS may review a transaction within its jurisdiction, even after closing, unless CFIUS has previously approved that acquisition. If CFIUS determines on review of an acquisition that a national security concern exists, CFIUS may request that the foreign investor put in place restrictions or limitations that mitigate the concern or may request that the President of the United States block or compel divestiture of the acquisition. Ascendas Reit has not submitted its acquisition of the US Properties, and may not submit its acquisitions of future properties, to voluntary CFIUS review but may or may be required to do so in the future. Ascendas Reit may incur additional costs and delays in connection with its acquisitions if Ascendas Reit elects or is required to submit its acquisitions to CFIUS. In addition, the potential for CFIUS review may limit the properties that Ascendas Reit considers for acquisition in the United States, may limit the types of customers that Ascendas Reit considers acceptable at its properties or may limit the number of potential buyers of the properties in the future or may compel Ascendas Reit to dispose of properties it has already acquired.

Leasing Properties to US and state government customers increases compliance risks.

Lease agreements with federal and state government agencies contain certain provisions required by federal and state law, respectively, which require, among other things, that the contractor (which is the lessor or the owner of the property) agree to comply with certain rules and regulations, including but not limited to, rules and regulations related to anti-kickback procedures, examination of records, audits and records, equal opportunity provisions, prohibitions against segregated facilities, certain executive orders, subcontractor costs or pricing data, and certain provisions intending to assist small businesses. In addition, these leases often contain provisions that permit the customers to terminate the leases early if the customers do not receive requisite government funding to permit them to pay rent. As at the Latest Practicable Date, one of the customers of the US Properties is a state government agency. Ascendas Reit may thus be subject to additional risks associated with compliance with such federal and state rules and regulations and to early termination risks.

The US Properties or a part of them may be acquired compulsorily by US federal, state and local governments.

In the US, federal, state and local governments and other public bodies, as well as certain quasi-public entities (such as railroads and public utility corporations), have the right to acquire real estate for public use upon payment of just compensation to the affected owner through the exercise of the power of eminent domain. A compulsory acquisition of a portion of a property, even if adequate consideration is paid, could have an adverse effect on the revenue of Ascendas Reit and the value of its asset portfolio.

Ascendas Reit faces risks associated with their customers being designated "Prohibited Persons" by the Office of Foreign Assets Control.

Pursuant to Executive Order 13224 and other laws, the Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**") maintains a list of persons designated as terrorists or who are otherwise blocked or banned ("**Prohibited Persons**"). OFAC regulations and other laws prohibit conducting business or engaging in transactions with Prohibited Persons (the "**OFAC Requirements**"). Ascendas Reit has established a risk-based compliance programme whereby customers with whom they intend to conduct business and whose risk profiles necessitate enhanced due diligence review are checked against the OFAC list of Prohibited Persons prior to entering into any agreement. If a customer or other party with whom Ascendas Reit contracts is placed on the list of Prohibited Persons, Ascendas Reit may be required by the OFAC Requirements to terminate the lease or other agreement. Any such termination could result in a loss of revenue or a damage claim by the other party that the termination was wrongful.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES AND PERPETUAL SECURITIES ISSUED UNDER THE PROGRAMME

Risks related to Notes and Perpetual Securities generally

Set out below is a description of material risks relating to the Notes and Perpetual Securities generally:

The financial information of the Group for FY2019 is not directly comparable with the corresponding financial information for the previous financial years

This Offering Circular includes the audited consolidated financial statements of the Group for FY18/19 (which includes the comparative financial information of the Group for FY17/18) and FY2019. In July 2019, Ascendas Reit changed its financial year end from 31 March to 31 December. Consequently, FY2019 is a nine-month period from 1 April 2019 to 31 December 2019. Each of FY17/18 and FY18/19 is a 12-month period from 1 April 2017 to 31 March 2018, and 1 April 2018 to 31 March 2019, respectively. Investors should note that the comparative amounts presented for the statement of total return and distribution statement in relation to the nine-month period for FY2019 would not be directly comparable to the 12-month period for FY17/18 and FY18/19, given that the length of financial periods is not similar.

As such, potential investors should exercise caution when using such data to evaluate the total returns and financial position of the Group.

The regulation and reform of "benchmarks" may adversely affect the value of Notes or Perpetual Securities linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR, EURIBOR, CNH HIBOR, SIBOR, SOR and BBSW), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes or Perpetual Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes or Perpetual Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

In addition, as the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, the Monetary Authority of Singapore announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from SOR to the Singapore Overnight Rate Average.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR, CNH HIBOR, SIBOR, SOR or BBSW will continue to be supported going forward. This may cause the benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes or Perpetual Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions of the Notes and the Perpetual Securities provide for certain fallback arrangements in the event that the relevant Reference Rate (as defined in the Conditions of the Notes or, as the case may be, the Perpetual Securities) and/or any page on which the relevant Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Conditions of the Notes or, as the case may be, the Perpetual Securities) otherwise occurs. If "Benchmark Replacement (General)" is specified as being applicable in the relevant Pricing Supplement, such fallback arrangements include the possibility that the Rate of Interest or, as the case may be, the Rate of Distribution could be

set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions of the Notes or, as the case may be, the Perpetual Securities), with or without the application of an adjustment spread and may include amendments to the Conditions of the Notes or, as the case may be, the Perpetual Securities to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer or an Independent Adviser appointed by it (each acting in good faith and in a commercially reasonable manner). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment spread is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest or, as the case may be, the Rate of Distribution. The use of a Successor Rate or Alternative Reference Rate (including with the application of an adjustment spread) will still result in any Notes or Perpetual Securities linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Rate of Interest or, as the case may be, Rate of Distribution) than they would if the relevant Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest or, as the case may be, the Rate of Distribution for a particular Interest Period or, as the case may be, Distribution Period may result in the Rate of Interest or, as the case may be, the Rate of Distribution for the last preceding Interest Period or, as the case may be, Distribution Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Floating Rate Perpetual Securities (as applicable) based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser, and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes or Perpetual Securities linked to or referencing a benchmark.

The Notes and Perpetual Securities are not secured

The Notes, Senior Perpetual Securities and Coupons relating thereto constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *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 Issuer. The Subordinated Perpetual Securities and Coupons relating thereto constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in the Trust Deed) of the Issuer.

Accordingly, on a Winding-Up of Ascendas Reit at any time prior to maturity or redemption of any Notes or, as the case may be, Perpetual Securities, the Noteholders or, as the case may be, the Perpetual Securityholders will not have recourse to any specific assets of the Issuer, Ascendas Reit or their respective subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes, Perpetual Securities and/or Coupons owed to the Noteholders or, as the case may be, the Perpetual Securityholders and there can be no assurance that there would be sufficient value in the assets of Ascendas Reit, after meeting all claims ranking ahead of the Notes and Perpetual Securities, to discharge all outstanding payment and other obligations under the Notes, Perpetual Securities and/or Coupons owed to the Noteholders or, as the case may be, the Perpetual Securityholders.

The Conditions of the Notes and the Perpetual Securities contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders or Perpetual Securityholders and without regard to the individual interests of particular Noteholders or Perpetual Securityholders

Each of the Trust Deed and the Conditions of the Notes and the Perpetual Securities contain provisions for calling meetings of Noteholders or Perpetual Securityholders (as the case may be) to consider matters and vote upon affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders or Perpetual Securityholders including Noteholders and Perpetual Securityholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders or Perpetual Securityholders who voted in a manner contrary to the majority.

Each of the Conditions of the Notes and the Perpetual Securities provide that the Trustee may, without the consent or sanction of Noteholders or Perpetual Securityholders and without regard to the interests of particular Noteholders or Perpetual Securityholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Perpetual Securities, the Trust Deed and/or the Australian Note Deed Poll or (ii) determine without the consent of the Noteholders or Perpetual Securityholders that (in the case of Notes) any Event of Default or potential Event of Default or (in the case of Perpetual Securities) Enforcement Event, shall not be treated as such.

Where the Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a "**Plan**") with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the Issuer and certain exclusions where the Plan is proposed within the 12 week period following the end of a moratorium). Provided that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the Issuer may, therefore, adversely affect the rights of Noteholders or Perpetual Securityholders and the price or value of their investment in the Notes or Perpetual Securities, as it may have the effect of modifying or disapplying certain terms of the Notes or Perpetual Securities (by, for example, writing down the principal amount of the Notes or Perpetual Securities, modifying the interest or distribution payable on the Notes or Perpetual Securities, the maturity date or dates on which any payments are due or substituting the Issuer).

The Trustee may request Noteholders or Perpetual Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including under Condition 10 of the Notes and Condition 9 of the Perpetual Securities), the Trustee may (at its sole discretion) request Noteholders or Perpetual Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders or Perpetual Securityholders. The Trustee is not obliged to take any action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the Trust Deed and if there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders and Perpetual Securityholders to take such action directly.

Performance of contractual obligations by the Issuer depends on other parties

The ability of the Issuer to make payments in respect of the Notes and Perpetual Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Notes and Perpetual Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments under the Notes and Perpetual Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders, Perpetual Securityholders and/or the Couponholders.

The value of the Notes and the Perpetual Securities could be adversely affected by a change in English law, Singapore law, New South Wales law or administrative practice

The Conditions of the Notes (other than the AMTNs) and the Perpetual Securities (other than the Perpetual AMTNs) are based on English law and Singapore law and the Conditions of the AMTNs, the Australian Agency Agreement and the Australian Note Deed Poll (as they apply to AMTNs) are based on the laws in force in New South Wales, Australia in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, Singapore law, New South Wales law or the respective administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes or Perpetual Securities affected by it.

Enforcement against the Ascendas Reit Trustee is subject to limitations

The Notes and Perpetual Securities are issued by the Ascendas Reit Trustee and not Ascendas Reit, as the latter is not a legal entity. Under the Conditions of the Notes and Perpetual Securities, Noteholders and Perpetual Securityholders shall only have recourse to the assets of Ascendas Reit over which the Ascendas Reit Trustee has recourse to under the Ascendas REIT Trust Deed and not to HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") personally nor any other asset held by HSBCIT as trustee of any trust other than Ascendas Reit. Furthermore, Noteholders and Perpetual Securityholders do not have direct access to the assets of Ascendas Reit but may only have recourse to such assets through the Ascendas Reit Trustee and if necessary seek to subrogate the Ascendas Reit Trustee's right of indemnity out of the assets of Ascendas Reit, and accordingly, any claim to such assets is derivative in nature. A Noteholder or Perpetual Securityholder's right of subrogation could be limited by the Ascendas Reit Trustee's right of indemnity under the Ascendas Reit Trust Deed. Such right of indemnity of the Ascendas Reit Trustee may not be available in the event of fraud, gross negligence or wilful default of the Ascendas Reit Trustee or breach of any provisions of the Ascendas Reit Trust Deed or breach of trust by the Ascendas Reit Trustee.

The Trust Deed, the Programme Agreement, the Agency Agreement, the Australian Agency Agreement, the Australian Note Deed Poll, the Notes and the Perpetual Securities provide that recourse for any liability of or indemnity given by the Ascendas Reit Trustee under these documents is limited to the assets of Ascendas Reit over which the Ascendas Reit Trustee has recourse to under the Ascendas REIT Trust Deed and shall not extend to any personal assets of HSBCIT, or any assets held by HSBCIT as trustee of any trust other than Ascendas Reit. They also provide that the foregoing shall not restrict or prejudice any rights or remedies of any of the other parties to these documents in connection with any gross negligence, fraud, wilful default or breach of trust of the Ascendas Reit Trustee.

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on Noteholders and Perpetual Securityholders

There can be no assurance that the Issuer and/or Ascendas Reit will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to real estate investment trusts and business trusts. Application of these laws may have a material adverse effect on Noteholders and Perpetual Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on Noteholders and Perpetual Securityholders. Where any of the Issuer or Ascendas Reit is insolvent or close to insolvent and the Issuer or, as the case may be, the Ascendas Reit Trustee undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer or, as the case may be, Ascendas Reit. It may also be possible that if a company related to the Issuer or, as the case may be, the Ascendas Reit Trustee proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer or, as the case may be, the Ascendas Reit Trustee may also seek a moratorium even if the Issuer or, as the case may be, the Ascendas Reit Trustee is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer or, as the case may be, Ascendas Reit, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders and Perpetual Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders and Perpetual Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Securities.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and Perpetual Securities and may be adversely affected if definitive Notes and Perpetual Securities are subsequently required to be issued

In relation to any issue of Notes or Perpetual Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes or Perpetual Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes or Perpetual Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less

than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note or Perpetual Security in respect of such holding (should definitive Notes or Perpetual Securities be printed or issued) and would need to purchase a principal amount of Notes or Perpetual Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. AMTNs will only be issued in a single denomination.

If such Notes or Perpetual Securities in definitive form are issued, holders should be aware that definitive Notes or Perpetual Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. AMTNs will not be issued in definitive form.

The Notes (other than AMTNs) and Perpetual Securities (other than Perpetual AMTNs) may be represented by Global Notes or Global Perpetual Securities and holders of a beneficial interest in a Global Note or Global Perpetual Security must rely on the procedures of the relevant Clearing System(s)

Notes (other than AMTNs) and Perpetual Securities (other than Perpetual AMTNs) issued under the Programme may be represented by one or more Global Notes or Global Perpetual Securities. Such Global Notes or Global Perpetual Securities will be deposited with a common depositary for, and registered in the name of a nominee of the Common Depositary for, Euroclear and Clearstream, Luxembourg or deposited with CDP or its nominee (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Perpetual Security, investors will not be entitled to receive the Securities in definitive form. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Perpetual Securities. While the Notes or the Perpetual Securities are represented by one or more Global Notes or Global Perpetual Securities, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes (other than AMTNs) or the Perpetual Securities (other than Perpetual AMTNs) are represented by one or more Global Notes or, as the case may be, Global Perpetual Securities, the Issuer will discharge its payment obligations under the Notes or the Perpetual Securities by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Perpetual Security must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes or, as the case may be, the relevant Global Perpetual Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Perpetual Securities (as the case may be).

Holders of beneficial interests in the Global Notes or Global Perpetual Securities will not have a direct right to vote in respect of the relevant Notes or, as the case may be, Perpetual Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Perpetual Securities will not have a direct right under the respective Global Notes or Global Perpetual Securities to take enforcement action against the Issuer in the event of a default under the relevant Notes or an enforcement event under the relevant Perpetual Securities but will have to rely upon their rights under the Trust Deed.

Where the AMTNs are lodged with the Austraclear System, investors will have to rely on the procedures of Austraclear for transfers and payments

AMTNs will be issued in registered certificated form. Each Tranche of AMTNs will be represented by an AMTN Certificate. Each AMTN Certificate is a certificate representing the AMTNs of a particular Tranche and will be substantially in the form set out in the Australian Note Deed Poll, duly completed and signed by the Issuer and authenticated by the Australian Agent as registrar in respect of AMTNs. An AMTN Certificate is not a negotiable instrument nor is it a document of title. Title to any AMTNs is evidenced

by entry in the Australian Register (as defined in the Conditions of the Notes or the Conditions of the Perpetual Securities) and, in the event of a conflict, the Australian Register shall prevail (subject to correction for fraud or manifest or proven error).

The Issuer may procure that the AMTNs are lodged with the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations known as the "Austraclear System Regulations" established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System ("**Austraclear Participants**") may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Austraclear Participants. Investors in AMTNs who are not Austraclear Participants would need to hold their interest in the relevant AMTNs through a nominee who is an Austraclear Participant. All payments by the Issuer in respect of AMTNs lodged with the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs will be subject to the Austraclear System Regulations. Secondary market sales of AMTNs cleared through the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Austraclear Participants who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Austraclear Participants.

Where Austraclear is registered as the sole holder of any AMTN that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Risks related to the structure of a particular issue of Notes or Perpetual Securities

A wide range of Notes and Perpetual Securities may be issued under the Programme. A number of these Notes and Perpetual Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and Perpetual Securities and those which might occur in relation to certain types of Notes or Perpetual Securities:

Risks applicable to all Notes and Perpetual Securities

If the Issuer has the right to redeem any Notes or Perpetual Securities at its option, this may limit the market value of the Notes or Perpetual Securities concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of any Notes and Perpetual Securities is likely to limit their market value. During any period when the Issuer may elect to redeem such Notes and Perpetual Securities, the market value of those Notes and Perpetual Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes and Perpetual Securities when its cost of borrowing is lower than the interest rate on the Notes or the rate of distribution on the Perpetual Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes or the rate of distribution on the Perpetual Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes or Perpetual Securities include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes or Perpetual Securities concerned

Fixed/Floating Rate Notes and Perpetual Securities are Notes or Perpetual Securities which bear interest or confer a right to distribution at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest or distribution basis, and any conversion of the interest or distribution basis, may affect the secondary market in, and the market value of, such Notes or Perpetual Securities as the change of interest or distribution basis may result in a lower interest return for holders of the Notes or Perpetual Securities. Where the Notes or Perpetual Securities convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes or Perpetual Securities may be less favourable than the then-prevailing spreads on comparable Floating Rate Notes or Perpetual Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes or Perpetual Securities. Where the Notes or Perpetual Securities convert from a floating rate to a fixed rate, the fixed rate may be lower than the then-prevailing rates on those Notes or Perpetual Securities and could affect the market value of an investment in the relevant Notes or Perpetual Securities.

Notes and Perpetual Securities which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining terms of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks applicable to certain types of Notes or Perpetual Securities

There are particular risks associated with an investment in certain types of Notes and Perpetual Securities, such as Dual Currency Notes and Dual Currency Perpetual Securities. In particular, an investor might receive less interest or distribution (as the case may be) than expected or no interest or distribution (as the case may be) in respect of such Notes or Perpetual Securities, and may lose some or all of the principal amount invested by it

The Issuer may issue Notes and Perpetual Securities with principal, interest or distributions payable in one or more currencies which may be different from the currency in which the Notes and Perpetual Securities are denominated. Potential investors should be aware that:

(i) the market price of such Notes and Perpetual Securities may be volatile;

(ii) they may receive no interest or distributions;

(iii) payment of principal, interest or distributions may occur at a different time or in a different currency than expected; and

(iv) they may lose all or a substantial portion of their principal.

Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Dual Currency Notes or Dual Currency Perpetual Securities and the suitability of such Notes and Perpetual Securities in light of its particular circumstances.

Where Notes and Perpetual Securities are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment

The Issuer may issue Notes and Perpetual Securities where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment in respect of his Notes or Perpetual Securities could result in an investor losing all of his investment.

Notes and Perpetual Securities which are issued with variable interest rates or distribution rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Notes and Perpetual Securities with variable interest rates or distribution rates (as the case may be) can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes and Inverse Floating Perpetual Securities will have more volatile market values than conventional Floating Rate Notes and Floating Rate Perpetual Securities

Inverse Floating Rate Notes and Perpetual Securities have an interest rate (in the case of Notes) or distribution rate (in the case of Perpetual Securities) equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes and Perpetual Securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes and Perpetual Securities are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes or the distribution rate of the Perpetual Securities (as the case may be), but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes and Perpetual Securities.

Risks applicable to Notes

Singapore taxation risk

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2023, are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation – Singapore Taxation*".

However, there is no assurance that the Notes will continue to enjoy the tax exemptions or concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Risks applicable to Perpetual Securities

Perpetual Securities may be issued for which investors have no right to require redemption

Perpetual Securities may be issued by the Issuer under the Programme. Perpetual Securities have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the applicable Pricing Supplement, Perpetual Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments

If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled distribution (in whole and not in part) on the Perpetual Securities for any period of time. The Issuer may be subject to certain restrictions in relation to the payment of dividends on its junior or parity obligations and the redemption and repurchase of its junior or parity obligations until any Arrears of Distribution (as defined in the Conditions of the Perpetual Securities) and any Additional Distribution Amounts (as defined in the Conditions of the Perpetual Securities) are satisfied. The Issuer is not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Distributions may be cumulative or non-cumulative, as will be set out in the applicable Pricing Supplement. The Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. Investors should be aware that the interests of the Issuer may be different to the interests of the Perpetual Securityholders.

If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events

The Conditions of the Perpetual Securities provide that the Perpetual Securities may, if Redemption at the Option of the Issuer is specified as being applicable in the applicable Pricing Supplement, be redeemed at the option of the Issuer on certain date(s) specified in the applicable Pricing Supplement at the amount specified in the applicable Pricing Supplement.

In addition, the Issuer may also have the right (but not the obligation) to redeem the Perpetual Securities at an amount specified in the applicable Pricing Supplement for taxation reasons (as described in Condition 6.2 of the Perpetual Securities), upon the occurrence of an Accounting Event (as defined in Condition 6.3 of the Perpetual Securities), upon the occurrence of a Tax Deductibility Event (as defined in Condition 6.4 of the Perpetual Securities), upon the occurrence of a Ratings Event (as defined in Condition 6.5 of the Perpetual Securities), upon the occurrence of a Regulatory Event (as defined in Condition 6.6 of the Perpetual Securities), at the option of the Issuer (as described in Condition 6.7 of the Perpetual Securities), upon the occurrence of a Change of Control Event (as defined in Condition 6.8 of the Perpetual Securities) or where the aggregate principal amount of the Perpetual Securities outstanding is less than 10% of the aggregate principal amount originally issued (as further set out in Condition 6.9 of the Perpetual Securities).

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of a Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects to defer that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute proceedings for the Winding-Up of Ascendas Reit is limited to circumstances where payment has become due and the Issuer fails to make the payment when due (in the case of Distributions, after such failure continues for a period of 15 days). Subject to the Conditions of the Perpetual Securities, the only remedy against the Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in the Winding-Up of the Issuer and/or Ascendas Reit and/or claiming in the liquidation of the Issuer and/or Ascendas Reit in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of the Issuer and/or Ascendas Reit, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Perpetual Securityholders to sell their Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as "debt securities" by the IRAS for the purposes of the ITA, whether distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in "*Taxation – Singapore Taxation*") would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as debt securities for the purposes of the ITA, distribution payments made under each tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. In addition, in the event that the IRAS does not regard the Relevant Tranche of the Perpetual Securities issued by the Issuer as "debt securities" for Singapore income tax purposes, payments in respect of such Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) may be subject to Singapore income tax, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of such Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties.

Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the final and effective Winding-Up of the Issuer or Ascendas Reit, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or Ascendas Reit, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of Ascendas Reit (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) ("**Ascendas Reit Notional Preferred Units**") having an equal right to return of assets in the Winding-Up of the Issuer or Ascendas Reit and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or Ascendas Reit, and so rank ahead of, the holders of Junior Obligations of Ascendas Reit, but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations

of Ascendas Reit), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under these Conditions in respect of each Ascendas Reit Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4.6(f) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions and/or as otherwise specified in the applicable Pricing Supplement. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

In addition, subject to the limit on the aggregate principal amount of Notes and Perpetual Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Noteholders and Perpetual Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of Ascendas Reit and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Risks related to the market generally

Set out below is a brief description of the material market risks, including liquidity risk, exchange rate risk, interest-rate risk, inflation risk and credit risk:

An active secondary market in respect of the Notes and the Perpetual Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes and Perpetual Securities

There can be no assurance regarding the future development of the market for Notes and Perpetual Securities issued under the Programme or the ability of the Noteholders and Perpetual Securityholders, or the price at which the Noteholders or Perpetual Securityholders may be able, to sell their Notes or Perpetual Securities (as the case may be). The Notes and Perpetual Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes and Perpetual Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes and Perpetual Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes and Perpetual Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. If the Notes and Perpetual Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and Ascendas Reit. If the Notes and Perpetual Securities are trading at a discount, investors may not receive a favourable price for their Notes or, as the case may be, their Perpetual Securities, and in some circumstances, investors may not be able to sell their Notes or, as the case may be, their Perpetual Securities at their fair market value or at all.

Liquidity may have a severely adverse effect on the market value of the Notes and Perpetual Securities. Although issuing additional Notes or Perpetual Securities may increase their liquidity, there can be no assurance that the price of such Notes and Perpetual Securities will not be adversely affected by the issuance.

Although an application will be made for the listing and quotation of Notes and Perpetual Securities issued under the Programme agreed at or before issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of Notes or Perpetual Securities will be so admitted or that an active trading market will develop.

Fluctuation of the market value of Notes and Perpetual Securities issued under the Programme

The trading price of the Notes and Perpetual Securities may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Issuer, Ascendas Reit and/or their respective subsidiaries and/or associated companies (if any), and political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, Ascendas Reit, their respective subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore and countries in which the Issuer, Ascendas Reit, their respective subsidiaries and/or associated companies (if any) operate or have business dealings could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, Ascendas Reit, their respective subsidiaries and/or associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes and Perpetual Securities.

If an investor holds Notes and Perpetual Securities which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes and Perpetual Securities could result in an investor not receiving payments on those Notes and Perpetual Securities

The Issuer will pay principal and interest on the Notes and principal and distributions on the Perpetual Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes and Perpetual Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and Perpetual Securities and (3) the Investor's Currency-equivalent market value of the Notes and Perpetual Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes or Perpetual Securities. As a result, investors may receive less interest, distribution or principal than expected, or no interest, distribution or principal.

The value of Fixed Rate Notes and Fixed Rate Perpetual Securities may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes and Fixed Rate Perpetual Securities involves the risk that if market interest rates subsequently increase above the rates paid on the Fixed Rate Notes and Fixed Rate Perpetual Securities, this will adversely affect the value of the Fixed Rate Notes and Fixed Rate Perpetual Securities.

Inflation risk

Noteholders and Perpetual Securityholders may suffer erosion on the return of their investments due to inflation. Noteholders and Perpetual Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes and Perpetual Securities. An unexpected increase in inflation could reduce the actual returns, as the principal repayment and interest payments or distributions on the Notes or Perpetual Securities may not keep pace with inflation.

Credit ratings assigned to Ascendas Reit or any Notes and Perpetual Securities may not reflect all the risks associated with an investment in those Notes and Perpetual Securities

One or more independent credit rating agencies may assign credit ratings to Ascendas Reit, the Notes or the Perpetual Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes or the Perpetual Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Risks related to Renminbi-Denominated Notes and Perpetual Securities

Notes and Perpetual Securities denominated in Renminbi ("**RMB Securities**") may be issued under the Programme. RMB Securities contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts.

Currently, participating banks in Singapore, Hong Kong, Taiwan, London, Frankfurt, Seoul, Toronto, Sydney, Doha, Paris, Luxembourg, Kuala Lumpur and Bangkok have been permitted to engage in the settlement of Renminbi trade transactions. This represents a current account activity. However, remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

Since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund. However, there is no assurance that the PRC government will continue to liberalise its control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the Notes denominated in Renminbi. Each investor should consult its own advisors to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Securities and the Issuer's ability to source Renminbi outside the PRC to service such RMB Securities

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China ("**PBOC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**") and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC remains limited.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement with each RMB Clearing Bank will not be terminated or amended in the future, which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Securities. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Securities, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Securities is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. Recently, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest (in respect of Notes) or Distributions (in respect of Perpetual Securities only), as applicable, and principal will be made with respect to RMB Securities in Renminbi. As a result, the value of these Renminbi payments may vary in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Securities in that foreign currency will decline. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Securities entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which the investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Securities below their stated coupon rates and could result in a loss when the return on the RMB Securities is translated into such currency. In addition, there may be tax consequences for the investor, as a result of any foreign currency gains resulting from any investment in RMB Securities.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without coupons attached. AMTNs will be issued in registered certificated form only, as further detailed below. Notes (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a temporary global note (a "**Temporary Global Note**") or, if so specified in the applicable Pricing Supplement, a permanent global note (a "**Permanent Global Note**" and, together with the Temporary Global Notes, each a "**Bearer Global Note**") which, will be delivered on or prior to the original issue date of the Tranche to (i) a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or (ii) CDP.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Bearer Note Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or CDP and (in the case of a Temporary Bearer Global Note delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the "**Bearer Note Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that the purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg and/or CDP against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means:

(A) in the case of Notes cleared through Euroclear and/or Clearstream, Luxembourg, that:

(i) an Event of Default (as defined in Condition 10.1 of the Notes) has occurred and is continuing;

(ii) both Euroclear and Clearstream, Luxembourg have closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or the relevant clearing system has announced an intention permanently to cease business or has in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Notes represented by the Permanent Global Note were represented in definitive form and a certificate to such effect signed by two authorised signatories of the Issuer is given to the Trustee; and

(B) in the case of Notes cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;

(ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Issuing and Paying Agent or the CDP Issuing and Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (A)(iii) above, the Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent or the CDP Issuing and Paying Agent, as the case may be.

The following legend will appear on all Bearer Global Notes and all definitive Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or CDP, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Direct Rights in respect of Bearer Global Notes cleared through CDP

Where a Bearer Global Note is cleared through CDP, if an Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a written notice to the CDP Issuing and Paying Agent and the Issuer (the "**default notice**") that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Bearer Global Note cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Note to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the nominal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

Registered Notes (other than AMTNs)

The Registered Notes (other than AMTNs) of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons outside the United States, will be represented by a global note in registered form (a "**Registered Global Note**", together with any Bearer Global Note, the "**Global Notes**"). Beneficial interests in a Registered Global Note may not be offered or sold within the United States and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or CDP.

Registered Global Notes will be deposited with a Common Depositary for, and registered in the name of a nominee of the Common Depositary for, Euroclear or Clearstream, Luxembourg or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.5 of the Notes) as the registered holder of such Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.5 of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means:

(A) in the case of Notes cleared through Euroclear and/or Clearstream, Luxembourg, that

(i) an Event of Default has occurred and is continuing;

(ii) both Euroclear and Clearstream, Luxembourg have closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Notes represented by the Registered Global Notes were represented in definitive form and a certificate to such effect signed by two authorised signatories of the Issuer is given to the Trustee; and

(B) in the case of Notes cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;

(ii) CDP has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note), may give notice to the Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (A)(iii) above, the Issuer may also give notice to the Registrar or the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar, or the Issuing and Paying Agent, as the case may be (the last date for such exchange, the "**Registered Note Exchange Date**").

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg and CDP, in each case to the extent applicable.

Direct Rights in respect of Registered Global Notes cleared through CDP

Where a Registered Global Note is cleared through CDP, if an Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a default notice given to the CDP Issuing and Paying Agent and the Issuer that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Registered Global Note cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the CDP Deed of Covenant shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Registered Global Note to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Notes represented by the Registered Global Note by such amount as may be stated in such notice and by entry by or on behalf of the CDP Registrar in the Register of the nominal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Registered Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

AMTNs

The AMTNs will be in registered certificated form only, and constituted by the Australian Note Deed Poll.

On issue of any AMTNs, the Issuer may, as specified in the applicable Pricing Supplement, procure that the AMTNs are lodged in the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, Austraclear Participants may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the accountholders. Any prospective investors who are not Austraclear Participants would need to hold their interest in the relevant AMTNs through a nominee who is an Austraclear Participant. All payments by or on behalf of the Issuer in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

On entry in the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by J.P. Morgan Nominees Australia Pty Limited as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Any transfer of AMTNs will be subject to the Corporations Act and the other requirements set out in the Conditions and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations. Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Austraclear Participants who acquire an interest in AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Austraclear Participants.

Where Austraclear is registered as the holder of any AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between their nominees in the Austraclear system.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Issuing and Paying Agent or the CDP Issuing and Paying Agent shall arrange that, where a further Tranche of Notes (other than AMTNs) is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code, and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act), if any, applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Notes for all purpose other than with respect to the payment of principal or interest, and in the case of Notes cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

FORM OF THE PERPETUAL SECURITIES

The Perpetual Securities of each Series will be in either bearer form, with or without distribution coupons attached, or registered form, without coupons attached. Perpetual AMTNs will be issued in registered certificated form only, as further detailed below. Perpetual Securities (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S.

Bearer Perpetual Securities

Each Tranche of Bearer Perpetual Securities will be in bearer form and will be initially issued in the form of a temporary global perpetual security (a "**Temporary Global Perpetual Security**") or, if so specified in the applicable Pricing Supplement, a permanent global perpetual security (a "**Permanent Global Perpetual Security**" and, together with the Temporary Global Perpetual Securities, each a "**Bearer Global Perpetual Security**") which, will be delivered on or prior to the original issue date of the Tranche to (i) a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or (ii) CDP.

Whilst any Bearer Perpetual Security is represented by a Temporary Global Perpetual Security, payments of principal, distribution (if any) and any other amount payable in respect of the Perpetual Securities due prior to the Bearer Perpetual Security Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Perpetual Security only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Perpetual Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or CDP and (in the case of a Temporary Bearer Global Perpetual Security delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the "**Bearer Perpetual Security Exchange Date**") which is 40 days after a Temporary Global Perpetual Security is issued, interests in such Temporary Global Perpetual Security will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Perpetual Security of the same Series or (b) for definitive Bearer Perpetual Securities of the same Series with, where applicable, receipts, distribution coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Perpetual Securities, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that the purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Perpetual Securities. The holder of a Temporary Global Perpetual Security will not be entitled to collect any payment of distribution, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Perpetual Security for an interest in a Permanent Global Perpetual Security or for definitive Bearer Perpetual Securities is improperly withheld or refused.

Payments of principal, distribution (if any) or any other amounts on a Permanent Global Perpetual Security will be made through Euroclear and/or Clearstream, Luxembourg and/or CDP against presentation or surrender (as the case may be) of the Permanent Global Perpetual Security without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Perpetual Securities with, where applicable, receipts, distribution coupons and talons attached only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means:

(A) in the case of Perpetual Securities cleared through Euroclear and/or Clearstream, Luxembourg, that:

(i) an Enforcement Event (as defined in Condition 9(b) of the Perpetual Securities has occurred and is continuing;

(ii) both Euroclear and Clearstream, Luxembourg have closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or the relevant clearing system has announced an intention permanently to cease business or has in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Perpetual Securities represented by the Permanent Global Perpetual Security were represented in definitive form and a certificate to such effect signed by two authorised signatories of the Issuer is given to the Trustee; and

(B) in the case of Perpetual Securities cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Perpetual Securities to be due and payable as provided in the Conditions of the Perpetual Securities has occurred and is continuing;

(ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The Issuer will promptly give notice to Perpetual Securityholders in accordance with Condition 13 of the Perpetual Securities if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Perpetual Security), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Issuing and Paying Agent or the CDP Issuing and Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (A)(iii) above, the Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent or the CDP Issuing and Paying Agent, as the case may be.

The following legend will appear on all Bearer Global Perpetual Securities and all definitive Bearer Perpetual Securities which have an original maturity of more than 365 days and on all receipts and distribution coupons relating to such Perpetual Securities:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Perpetual Securities, receipts or distribution coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Perpetual Securities, receipts or distribution coupons.

Perpetual Securities which are represented by a Bearer Global Perpetual Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or CDP, as the case may be.

Direct Rights in respect of Bearer Global Perpetual Securities cleared through CDP

Where a Bearer Global Perpetual Security is cleared through CDP, if an Enforcement Event as provided in the Conditions has occurred and is continuing, the Trustee may state in a written notice to the CDP Issuing and Paying Agent and the Issuer (the "**default notice**") that an Enforcement Event has occurred and is continuing.

Following the giving of the default notice, the holder of the Perpetual Securities represented by the Bearer Global Perpetual Security cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Perpetual Security to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Bearer Global Perpetual Security by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Perpetual Security of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

Registered Perpetual Securities (other than Perpetual AMTNs)

The Registered Perpetual Securities (other than Perpetual AMTNs) of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons outside the United States., will initially be represented by a global perpetual security in registered form (a "**Registered Global Perpetual Security**", together with any Bearer Global Perpetual Security, the "**Global Perpetual Securities**"). Beneficial interests in a Registered Global Perpetual Security may not be offered or sold within the United States and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or CDP.

Registered Global Perpetual Securities will be deposited with a Common Depositary for, and registered in the name of a nominee of the Common Depositary for, Euroclear or Clearstream, Luxembourg or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Perpetual Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Perpetual Securities in fully registered form.

Payments of principal, distribution or any other amount in respect of the Registered Perpetual Securities in definitive form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5.5 of the Perpetual Securities) as the registered holder of such Registered Global Perpetual Securities. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of, beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, distribution or any other amount in respect of the Registered Perpetual Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5.5 of the Perpetual Securities) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Perpetual Securities without receipts, distribution coupons or talons attached only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means:

(A) in the case of Perpetual Securities cleared through Euroclear and/or Clearstream, Luxembourg, that

(i) an Enforcement Event has occurred and is continuing;

(ii) both Euroclear and Clearstream, Luxembourg have closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Perpetual Securities represented by the Registered Global Perpetual Securities were represented in definitive form and a certificate to such effect signed by two authorised signatories of the Issuer is given to the Trustee; and

(B) in the case of Perpetual Securities cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Perpetual Securities to be due and payable as provided in the Conditions of the Perpetual Securities has occurred and is continuing;

(ii) CDP has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The Issuer will promptly give notice to Perpetual Securityholders in accordance with Condition 13 of the Perpetual Securities if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Perpetual Security), may give notice to the Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (A)(iii) above, the Issuer may also give notice to the Registrar or the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar, or the Issuing and Paying Agent, as the case may be (the last date for such exchange, the "**Registered Perpetual Security Exchange Date**").

Transfer of Interests

Interests in a Registered Global Perpetual Security may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Perpetual Security. No beneficial owner of an interest in a Registered Global Perpetual Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg and CDP, in each case to the extent applicable.

Direct Rights in respect of Registered Global Perpetual Securities cleared through CDP

Where a Registered Global Perpetual Security is cleared through CDP, if an Enforcement Event as provided in the Conditions has occurred and is continuing, the Trustee may state in a default notice given to the CDP Issuing and Paying Agent and the Issuer that an Enforcement Event has occurred and is continuing.

Following the giving of the default notice, the holder of the Perpetual Securities represented by the Registered Global Perpetual Security cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the CDP Deed of Covenant shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Registered Global Perpetual Security to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Registered Global Perpetual Security by such amount as may be stated in such notice and by entry by or on behalf of the CDP Registrar in the Register of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Registered Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Perpetual Security Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

Perpetual AMTNs

The Perpetual AMTNs will be in registered certificated form only, and constituted by the Australian Note Deed Poll.

On issue of any Perpetual AMTNs, the Issuer may, as specified in the applicable Pricing Supplement, procure that the Perpetual AMTNs are lodged in the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the Perpetual AMTNs. Subject to the Austraclear System Regulations, Austraclear Participants may acquire rights against Austraclear in relation to those Perpetual AMTNs as beneficial owners and Austraclear is required to deal with the Perpetual AMTNs in accordance with the directions and instructions of the accountholders. Any prospective investors who are not Austraclear Participants would need to hold their interest in the relevant Perpetual AMTNs through a nominee who is an Austraclear Participant. All payments by or on behalf of the Issuer in respect of Perpetual AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

On entry in the Austraclear System, interests in the Perpetual AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Perpetual AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the Perpetual AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by J.P. Morgan Nominees Australia Pty Limited as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in Perpetual AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Any transfer of Perpetual AMTNs will be subject to the Corporations Act and the other requirements set out in the Conditions and, where the Perpetual AMTNs are entered in the Austraclear System, the Austraclear System Regulations. Secondary market sales of Perpetual AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Austraclear Participants who acquire an interest in Perpetual AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such Perpetual AMTNs and will have no claim directly against the Issuer in respect of such Perpetual AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Austraclear Participants.

Where Austraclear is registered as the holder of any Perpetual AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the Perpetual AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those Perpetual AMTNs are recorded and, as a consequence, remove those Perpetual AMTNs from the Austraclear System.

Potential investors should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between their nominees in the Austraclear system.

General

Pursuant to the Agency Agreement, the Issuing and Paying Agent or the CDP Issuing and Paying Agent shall arrange that, where a further Tranche of Perpetual Securities (other than Perpetual AMTNs) is issued which is intended to form a single Series with an existing Tranche of Perpetual Securities, the Perpetual Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code, and ISIN assigned to Perpetual Securities of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act), if any, applicable to the Perpetual Securities of such Tranche.

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear and/or Clearstream, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution, and in the case of Perpetual Securities cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purposes the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Perpetual Securityholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

FORM OF PRICING SUPPLEMENT FOR NOTES

[**PRIIPs Regulation/PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[**MiFID II product governance/target market** – [*appropriate target market legend to be included*]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")** – *To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*]

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF ASCENDAS REAL ESTATE INVESTMENT TRUST)

Legal entity identifier (LEI): 549300ILIBAEMQZK3L20

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the
S$7,000,000,000
Euro Medium Term Securities Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Notes set forth in the Offering Circular dated 11 August 2020 [as supplemented by the supplement[s] dated [*date[s]*]] (the "**Offering Circular**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the Pricing Supplement of the Notes and must be read in conjunction with the Offering Circular dated [*current date*], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the Offering Circular dated [*current date*] and the Offering Circular dated [*original date*].

[*The following language applies for an issue of AMTNs*]

The Notes will be constituted by a deed poll (the "**Australian Note Deed Poll**") dated 11 August 2020 executed by the Issuer and will be issued in registered certificated form by inscription on a register. The Notes are AMTNs for the purposes of the Offering Circular dated 11 August 2020 and the Conditions. The Notes will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (the "**Corporations Act**").

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.*]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	Issuer:		HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust)
2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]] [Not Applicable]
3.	Specified Currency or Currencies:		[●]

4.	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	(a)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
	[(b)	Private banking rebates:	[Yes/Not Applicable]
6.	(a)	Specified Denominations:	[●] *Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).* *If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".* *If the Notes are AMTNs insert the following:* *"Subject to the requirement that the minimum aggregate consideration payable for the issue and transfer of the Notes must be at least A$500,000 (or the equivalent in any other currency and disregarding any money lent by the Issuer or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act."*
	(b)	Calculation Amount:	[●] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[*Specify/Issue Date/Not Applicable*] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8.	Maturity Date:		[*Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year*]][3]

3 Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

9.	Interest Basis:		[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/SIBOR/SOR/CNH HIBOR/BBSW] +/-[●] per cent. Floating Rate] [Zero Coupon] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] [Not Applicable]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(a)	Status of the Notes:	Senior Dated
	(b)	Date of [Board] approval for [Notes] obtained:	[[●]]/[None required] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/ quarterly/*specify other*)] in arrears] *(If payable other than annually, consider amending Condition 5.1)*
	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date]/[*specify other*] *(N.B. This will need to be amended in the case of long or short coupons)*[4]
	(c)	Fixed Coupon Amount(s): *(Applicable to Notes in definitive form)*	[●] per Calculation Amount[5]
	(d)	Broken Amount(s): *(Applicable to Notes in definitive form)*	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]

4 Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day, other than a Saturday or a Sunday on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong."

5 For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 or above rounded upwards, for the case of Renminbi denominated Fixed Rate Notes, and to the nearest HK$0.01, with HK$0.005 or above rounded upwards for the case of Hong Kong dollar denominated Fixed Rate Notes."

	(e)	Day Count Fraction:	[[30/360] [Actual/Actual (ICMA)] [Actual/360] [Actual/365 (Fixed)] [*specify other*]]
	(f)	Determination Date(s):	[●] in each year *(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
15.	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(c)	Additional Business Centre(s):	[●]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Determination/*specify other*]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[●]
	(f)	Screen Rate Determination:	
		(i) Reference Rate:	[●] *(Either LIBOR, EURIBOR, SIBOR, SOR, CNH HIBOR, BBSW or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
		(ii) Interest Determination Date(s):	[●] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Singapore dollar or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, or the second day prior to the start of each Interest Period if SIBOR, SOR, or the first day of each Interest Period if BBSW, or the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR)*
		(iii) Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
		(iv) Reference Banks:	[●]
		(v) Relevant Financial Centre:	[●]

	(g)	ISDA Determination:	
		(i) Floating Rate Option:	[●]
		(ii) Designated Maturity:	[●]
		(iii) Reset Date:	[●]
			(*N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time*)
	(h)	Margin(s):	[+/-] [●] per cent. per annum
	(i)	Minimum Rate of Interest:	[●] per cent. per annum
	(j)	Maximum Rate of Interest:	[●] per cent. per annum
	(k)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)] [*Other*]
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
16.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[●] per cent. per annum
	(b)	Reference Price:	[●]
	(c)	Any other formula/basis of determining amount payable:	[●]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions [●] and [●] apply/*specify other*] *(Consider applicable day count fraction if not U.S. dollar denominated)*
17.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[Give *or annex details*]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Issuing and Paying Agent):	[●]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]

	(d)	Person at whose option [●] Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

18.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●] per Calculation Amount
		(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	(d)	Notice period (if other than as set out in the Conditions):	[●][6] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or Trustee)*
19.	Investor Put:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*]
	(c)	Notice period (if other than as set out in the Conditions):	[●][7] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
20.	Final Redemption Amount:		[●] per Calculation Amount/*specify other*/See Appendix]
21.	Early Redemption Amount on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.8):		[[●] per Calculation Amount/*specify other*/See Appendix]

6 Issuer to note a minimum of 5 clearing system business days' notice is required for a call.

7 Issuer to note a minimum of 15 clearing system business days' notice is required for a put.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event] [Registered Notes: Registered Global Note (S$[●] nominal amount) exchangeable for Definitive Registered Notes only upon the occurrence of an Exchange Event] [AMTNs: The Notes are AMTNs as referred to in the Conditions of the Notes and will be issued in registered certificated form, constituted by the Australian Note Deed Poll and take the form of entries on a register to be maintained by the Australian Agent.] *(N.B. Temporary Global Note being exchanged for Definitive Notes on and after the Exchange Date should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
23.	Governing Law of Notes:	[English law/Singapore law/The laws of New South Wales, Australia]
24.	Additional Financial Centre(s) for Payment Days:	[Not Applicable/give details] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 14(b), 15(c) and 15(d) relate)*
25.	Offshore Renminbi Centre(s):	[Hong Kong] [/and] Singapore/other relevant jurisdiction where clearing bank agreements have been established] [and a reference to the Offshore Renminbi Centre shall mean[, other than for the purpose of Condition 6.7 of the Notes,] a reference to [any] of them] (*N.B. this paragraph relates to Conditions 6.1(c), 6.5 and 6.7] of the Notes and consideration should be given as to whether the relevant clearing system and the clearing bank agreements have appropriate mechanisms/procedures in place to deal with payments in the relevant offshore Renminbi centres.*)
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No]

27.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
28.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
29.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

30.	Method of distribution:	[Syndicated/Non-syndicated]
31.	If syndicated, names of Managers:	[Not Applicable/*give details*]
	(a) Date of Subscription Agreement:	[●]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
32.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
33.	U.S. Selling Restrictions:	Reg. S Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable]
34.	Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
35.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[CDP/Austraclear System/Not Applicable/*give name(s) and number(s)*]
37.	Delivery:	Delivery [against/free of] payment
38.	Additional Paying Agent(s) (if any):	[●] [*If the Notes are AMTNs:* BTA Institutional Services Australia Limited (ABN 48 002 916 396) has been appointed under the Australian Agency Agreement dated 11 August 2020 as paying agent and registrar ("**Australian Agent**") in respect of the Notes. The Australian Agent's address is Level 2, 1 Bligh Street, Sydney, New South Wales 2000, Australia]

	ISIN:	[●]
	Common Code:	[●]
		(Insert here any other relevant codes)
39.	Ratings:	[The Notes to be issued will not be rated/The Notes to be issued will be rated – *give details*]
40.	Registrar:	[●]
41.	Listing:	[Singapore Exchange Securities Trading Limited/*specify other*/None]
42.	Use of Proceeds:	[*Insert as per Offering Circular/other*]

PURPOSE OF THIS PRICING SUPPLEMENT [AND LISTING APPLICATION]

This Pricing Supplement comprises the final terms required for the issue and admission to the Official List and to trading on the [Singapore Exchange Securities Trading Limited/*other listing venue*] of the Notes described herein pursuant to the S$7,000,000,000 Euro Medium Term Securities Programme of Ascendas Real Estate Investment Trust.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, Ascendas Reit, the Group, the Ascendas Reit Manager, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or the Notes.]

Signed on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust):

By: .....
Duly authorised

.....
Duly authorised

FORM OF PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

[**PRIIPs Regulation/PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[**MiFID II product governance/target market** – [*appropriate target market legend to be included*]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")** – [*To insert notice if classification of the Perpetual Securities is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*]

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Perpetual Securities issued under the Programme.

[Date]

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF ASCENDAS REAL ESTATE INVESTMENT TRUST)

Legal entity identifier (LEI): 549300ILIBAEMQZK3L20

Issue of [Aggregate Nominal Amount of Tranche] [Title of Perpetual Securities]

under the
S$7,000,000,000
Euro Medium Term Securities Programme

This document constitutes the Pricing Supplement relating to the issue of Perpetual Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Perpetual Securities set forth in the Offering Circular dated 11 August 2020 [as supplemented by the supplement[s] dated [*date[s]*]] (the "**Offering Circular**"). Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the Pricing Supplement of the Perpetual Securities and must be read in conjunction with the Offering Circular dated [*current date*], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement, the Offering Circular dated [*current date*] and the Offering Circular dated [*original date*].

[*The following language applies for an issue of Perpetual AMTNs*]

The Perpetual Securities will be constituted by a deed poll (the "**Australian Note Deed Poll**") dated 11 August 2020 executed by the Issuer and will be issued in registered certificated form by inscription on a register. The Perpetual Securities are Perpetual AMTNs for the purposes of the Offering Circular dated 11 August 2020 and the Conditions. The Perpetual Securities will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (the "**Corporations Act**").

[*The following language to be inserted where an advance tax ruling will be requested from the Inland Revenue Authority of Singapore.*]

An advance tax ruling will be requested from the Inland Revenue Authority of Singapore ("**IRAS**") to confirm, amongst other things, whether the IRAS would regard the Perpetual Securities as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**") and the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) made under the Perpetual Securities as interest payable on indebtedness such that holders of the Perpetual Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section "*Taxation – Singapore Taxation*" of the Offering Circular provided that the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from the IRAS. In addition, no assurance is given that the Issuer can provide all information or documents requested by IRAS for the purpose of the ruling request, and a ruling may not therefore be issued.

If the Perpetual Securities are not regarded as "debt securities" for the purposes of the ITA and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequence of their acquisition, holding and disposal of the Perpetual Securities.

[*The following language applies if the Perpetual Securities are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.*]

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (if applicable and subject to certain conditions) under the [Income Tax Act, Chapter 134 of Singapore (the "**ITA**")/ITA], shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount

income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

1.	Issuer:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust)
2.	(a) Series Number:	[●]
	(b) Tranche Number:	[●] *(If fungible with an existing Series, details of that Series, including the date on which the Perpetual Securities become fungible)*
	(c) Date on which the Perpetual Securities will be consolidated and form a single Series:	The Perpetual Securities will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Perpetual Security for interests in the Permanent Global Perpetual Security, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]] [Not Applicable]
3.	Specified Currency or Currencies:	[●]
4.	Aggregate Nominal Amount:	
	(a) Series:	[●]
	(b) Tranche:	[●]
5.	[(a)] Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued distributions from [insert date] *(in the case of fungible issues only, if applicable)*]
	[(b) Private banking rebates:	[Yes/Not Applicable]
6.	(a) Specified Denominations:	[●] *If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000]".* *If the Perpetual Securities are AMTNs insert the following:* *"Subject to the requirement that the minimum aggregate consideration payable for the issue and transfer of the Perpetual Securities must be at least A$500,000 (or the equivalent in any other currency and disregarding any money lent by the Issuer or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act."*

	(b)	Calculation Amount:	[●] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7.	(a)	Issue Date:	[●]
	(b)	Distribution Commencement Date:	[*Specify/Issue Date/Not Applicable*] *(N.B. A Distribution Commencement Date will not be relevant for certain Perpetual Securities)*
8.	Distributions:		
	(a)	Distribution Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/SIBOR/SOR/CNH HIBOR/BBSW] +/-[●] per cent. Floating Rate] [Dual Currency Distribution] [*specify other*] (further particulars specified below)
	(b)	Distribution Deferral:	[Applicable/Not Applicable]
	(c)	Cumulative Deferral:	[Applicable/Not Applicable]
	(d)	Non-Cumulative Deferral:	[Applicable/Not Applicable]
	(e)	Optional Payment:	[Applicable/Not Applicable]
	(f)	Additional Distribution:	[Applicable/Not Applicable]
	(g)	Dividend Pusher and Reference Period:	[Applicable/Not Applicable] [*Dividend Pusher periods*] (*N.B. If Dividend Pusher is applicable, to specify the period(s) during which a Compulsory Distribution Payment Event must not occur in order for the Issuer to defer any distribution.*) [*Specify any other Compulsory Distribution Payment Events*]
	(h)	Dividend Stopper:	[Applicable/Not Applicable]
9.	Change of Redemption/Payment Basis:		[*Specify details of any provision for change of convertibility of Perpetual Securities into another distribution or redemption/payment basis*]
10.	Call Options:		[Redemption for Accounting Reasons] [Redemption for Tax Deductibility Event] [Redemption upon a Ratings Event] [Redemption upon a Regulatory Event] [Issuer Call] [Redemption for Change of Control] [Minimal Outstanding Amount Redemption Option]
11.	(a)	Status of the Perpetual Securities:	[Senior/Subordinated]
	(b)	Date of [Board] approval for Perpetual Securities obtained:	[●] [and [●], respectively]/[None required] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Perpetual Securities)*

12.	[Ranking of claims:	[As specified in Condition 3(b)/*give details on ranking of claims on Winding-Up*]]]
13.	[Parity Obligations:	[As specified in Condition 3(b)/*give definition/details*]]
14.	[Junior Obligations:	[As specified in Condition 3(b)/*give definition/details*]]

PROVISIONS RELATING TO DISTRIBUTION (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Initial Rate(s) of Distribution:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/*specify other*)] in arrears] *(If payable other than annually, consider amending Condition 4.1)*
	(b)	Step-Up:	[Applicable/Not Applicable]
		(i) Step-Up Margin:	[[+][–] per cent. per annum
		(ii) Step-Up Date:	[●]
	(c)	Reset:	[Applicable/Not Applicable]
		(i) First Reset Date:	[●]
		(ii) Reset Date(s):	The First Reset Date and each date falling every [●] after the First Reset Date
		(iii) Reset Period:	[●] (*give details*)
		(iv) Relevant Rate:	[Swap Offer Rate/*other (give details)*]
		(v) Initial Spread:	[●] per cent. per annum
		(vi) Step-Up Margin:	[[+][–] per cent. per annum
		(vii) Reference Banks:	[●]
	(d)	Change of Control Event Margin:	[Applicable/Not Applicable] [[+][–] per cent. per annum
	(e)	Distribution Payment Date(s):	[[●] in each year]/[*specify other*] *(N.B. This will need to be amended in the case of long or short coupons)*[8]
	(f)	Fixed Coupon Amount(s): *(Applicable to Perpetual Securities in definitive form)*	[●] per Calculation Amount[9]
	(g)	Broken Amount(s): *(Applicable to Perpetual Securities in definitive form)*	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
	(h)	Day Count Fraction:	[[30/360] [Actual/Actual (ICMA)] [Actual/360] [*specify other*]]

8 Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Perpetual Securities the Distribution Payment Dates are subject to modification and the following words should be added: "provided that if any Distribution Payment Date falls on a day which is not a Business Day, the Distribution Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Distribution Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day, other than a Saturday or a Sunday on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong."

9 For Renminbi or Hong Kong dollar denominated Fixed Rate Perpetual Securities where the Distribution Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 or above rounded upwards, for the case of Renminbi denominated Fixed Rate Perpetual Securities, and to the nearest HK$0.01, with HK$0.005 or above rounded upwards for the case of Hong Kong dollar denominated Fixed Rate Perpetual Securities."

	(i) Determination Date(s):	[●] in each year *(Insert regular distribution payment dates, ignoring issue date in the case of a long or short first or last coupon. N.B. This will need to be amended in the case of regular distribution payment dates which are not of equal duration. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(j) Other terms relating to the method of calculating interest for Fixed Rate Perpetual Securities:	[None/*Give details*]
16.	Floating Rate Perpetual Security Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Specified Period(s)/Specified Distribution Payment Dates:	[●]
	(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(c) Additional Business Centre(s):	[●]
	(d) Manner in which the Rate(s) of Distribution is/are is to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Determination/*specify other*]
	(e) Party responsible for calculating the Rate(s) of Distribution(s) and Distribution Amount (if not the Issuing and Paying Agent):	[●] (the "**Calculation Agent**")
	(f) Screen Rate Determination:	
	(i) Reference Rate:	[●] *(Either LIBOR, EURIBOR, SIBOR, SOR, CNH HIBOR, BBSW or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
	(ii) Distribution Determination Date(s):	[●] *(Second London business day prior to the start of each Distribution Period if LIBOR (other than Sterling, Singapore dollar or euro LIBOR), first day of each Distribution Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Distribution Period if EURIBOR or euro LIBOR, or the second day prior to the start of each Distribution Period if SIBOR, SOR, or the first day of each interest period if BBSW, or the second Hong Kong business day prior to the start of each Distribution Period if CNH HIBOR)*
	(iii) Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
	(iv) Reference Banks:	[●]
	(g) ISDA Determination:	
	(i) Floating Rate Option:	[●]

	(ii) Designated Maturity:	[●]
	(iii) Reset Date:	[●]
		(*N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time*)
(h)	Margin(s):	[+/-] [●] per cent. per annum
(i)	Minimum Rate of Distribution:	[●] per cent. per annum
(j)	Maximum Rate of Distribution:	[●] per cent. per annum
(k)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)] [*Other*]
(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Perpetual Securities, if different from those set out in the Conditions:	[●]
17.	Dual Currency Distribution Perpetual Security Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Rate of Exchange/method of calculating Rate of Exchange:	[Give *or annex details*]
(b)	Party, if any, responsible for calculating the principal and/or distribution due (if not the Issuing and Paying Agent):	[●]
(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(d)	Person at whose option [●] Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

18.	Redemption at the Option of the Issuer:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Optional Redemption Date(s):	[●]

	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●] per Calculation Amount
	(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	(d) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or Trustee)*
19.	Redemption for Accounting Reasons:	[Applicable/Not Applicable]
20.	Redemption for Tax Deductibility Event:	[Applicable/Not Applicable]
21.	Redemption upon a Ratings Event:	[Applicable/Not Applicable]
22.	Redemption upon a Regulatory Event:	[Applicable/Not Applicable]
23.	Redemption in the case of Minimum Outstanding Amount:	[Applicable/Not Applicable]
24.	Redemption for Change of Control:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)]* "**Change of Control Event**" means *[to specify]*
25.	Early Redemption Amount on redemption for taxation reasons or Accounting Reasons, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Ratings Event, upon the occurrence of a Regulatory Event, at the option of the Issuer, upon the occurrence of a Change of Control Event, for Minimum Outstanding Amount and/or the method of calculating the same (if required):	[[●] per Calculation Amount/*specify other*/*See Appendix*] (*N.B consider where make-whole amounts or reference rates will be relevant*)

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

26.	Form of Perpetual Securities:	[Bearer Perpetual Securities: Temporary Global Perpetual Security exchangeable for a Permanent Global Perpetual Security which is exchangeable for Definitive Perpetual Securities only upon an Exchange Event] [Bearer Perpetual Securities: Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities on and after the Exchange Date]

		[Bearer Perpetual Securities: Permanent Global Perpetual Security exchangeable for Definitive Perpetual Securities only upon an Exchange Event] [Registered Perpetual Securities: Registered Global Perpetual Security (S$[●] nominal amount) exchangeable for Definitive Registered Perpetual Securities only upon the occurrence of an Exchange Event] [AMTNs: The Perpetual Securities are AMTNs as referred to in the Conditions of the Perpetual Securities and will be issued in registered certificated form, constituted by the Australian Note Deed Poll and take the form of entries on a register to be maintained by the Australian Agent.] *(N.B. Temporary Global Perpetual Security being exchanged for Definitive Perpetual Securities on and after the Exchange Date should not be expressed to be applicable if the Specified Denomination of the Perpetual Securities in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
27.	Governing Law of Perpetual Securities:	[English law][, except that the subordination provisions set out in Condition 3(b) of the Perpetual Securities shall be governed by and construed in accordance with Singapore law]/[Singapore law]/[The laws of New South Wales, Australia][, except that the subordination provisions set out in Condition 3(b) of the Perpetual Securities shall be governed by and construed in accordance with Singapore law]
28.	Additional Financial Centre(s) for Payment Days:	[Not Applicable/give details] *(Note that this paragraph relates to the place of payment and not Distribution Period end dates to which sub-paragraphs 15(e), 16(c) and 16(d) relate)*
29.	Offshore Renminbi Centre(s):	[Hong Kong] [/and] Singapore/other relevant jurisdiction where clearing bank agreements have been established] [and a reference to the Offshore Renminbi Centre shall mean[, other than for the purpose of Condition 5.7 of the Perpetual Securities,] a reference to [any] of them]
30.	Talons for future Coupons to be attached to Definitive Perpetual Securities (and dates on which such Talons mature):	[Yes/No]
31.	Details relating to Partly Paid Perpetual Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Perpetual Securities and interest due on late payment:	[Not Applicable/*give details. N.B. A new form of Temporary Global Perpetual Security and/or Permanent Global Perpetual Security may be required for Partly Paid issues*]
32.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

33.	Method of distribution:	[Syndicated/Non-syndicated]
34.	If syndicated, names of Managers:	[Not Applicable/*give details*]
	(a) Date of Subscription Agreement:	[●]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
35.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
36.	U.S. Selling Restrictions:	Reg. S Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable]
37.	Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] (*If the Perpetual Securities clearly do not constitute "packaged" products or the Perpetual Securities do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Perpetual Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
38.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

39.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[CDP/Austraclear System/Not Applicable/*give name(s) and number(s)*]
40.	Delivery:	Delivery [against/free of] payment
41.	Additional Paying Agent(s) (if any):	[●] [*If the Perpetual Securities are Perpetual AMTNs:* BTA Institutional Services Australia Limited (ABN 48 002 916 396) has been appointed under the Australian Agency Agreement dated 11 August 2020 as paying agent and registrar ("**Australian Agent**") in respect of the Perpetual Securities. The Australian Agent's address is Level 2, 1 Bligh Street, Sydney, New South Wales 2000, Australia]
	ISIN:	[●]
	Common Code:	[●] *(Insert here any other relevant codes)*
42.	Ratings:	[The Perpetual Securities to be issued will not be rated/The Perpetual Securities to be issued will be rated – *give details*]
43.	Registrar:	[●]
44.	Listing:	[Singapore Exchange Securities Trading Limited/*specify other*/None]
45.	Use of Proceeds:	[*Insert as per Offering Circular/other*]

PURPOSE OF THIS PRICING SUPPLEMENT [AND LISTING APPLICATION]

This Pricing Supplement comprises the pricing supplement required for the issue and admission to the Official List and to trading on the [Singapore Exchange Securities Trading Limited/*other listing venue*] of the Perpetual Securities described herein pursuant to the S$7,000,000,000 Euro Medium Term Securities Programme of Ascendas Real Estate Investment Trust.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Perpetual Securities to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, Ascendas Reit, the Group, the Ascendas Reit Manager, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or the Perpetual Securities.]

Signed on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust):

By: .....
Duly authorised

.....
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which (i) will be incorporated by reference into each Global Note (as defined below), each Definitive Bearer Note (as defined below) and each Definitive Registered Note (as defined below), but, in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions and (ii) will apply to AMTNs (as defined below). The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust (**Ascendas Reit**)) (the **Issuer**).

The Notes (other than AMTNs as described below) are constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**), which expression in these Terms and Conditions shall mean:

(a) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, an English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 11 August 2020 made between the Issuer and The Bank of New York Mellon, London Branch (the **Trustee**, which expression shall include any successor as Trustee); or

(b) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, a Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 11 August 2020 made between the Issuer and the Trustee, which incorporates the provisions of the English law Trust Deed dated 11 August 2020 made between the Issuer and the Trustee (subject to certain modifications and amendments required under Singapore law).

The AMTNs will be constituted by an Australian Note Deed Poll dated 11 August 2020 executed by the Issuer (as modified, supplemented and/or restated from time to time, the **Australian Note Deed Poll**) in favour of the holders of AMTNs and the Trustee. Although AMTNs will not be constituted by the Trust Deed, AMTNs will have the benefit of certain other provisions of the Trust Deed. The original of the Australian Note Deed Poll is held by the Australian Agent.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes (other than AMTNs) represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note in bearer form (each a **Bearer Global Note**);

(c) any Global Note in registered form (each a **Registered Global Note**);

(d) any definitive Notes in bearer form (**Definitive Bearer Notes** and, together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Global Note in bearer form;

(e) any definitive Notes in registered form (**Definitive Registered Notes** and, together with Registered Global Notes, the **Registered Notes**) issued in exchange for a Global Note in registered form; and

(f) any Note in certificated registered form denominated in Australian dollars (being the lawful currency of the Commonwealth of Australia) (**Australian Dollars**) and issued in the Australian domestic wholesale capital market pursuant to the Australian Note Deed Poll (**AMTNs**).

The Notes (other than AMTNs), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 11 August 2020 and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as issuing and paying agent (the **Issuing and Paying Agent**, which expression shall include any successor issuing and paying agent) and calculation agent (the **Calculation Agent**, which expression shall include any successor calculation agent), The Bank of New York Mellon, Singapore Branch as issuing and paying agent in Singapore solely for the purposes of and in connection with Notes cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Issuing and Paying Agent**, which expression shall include any successor CDP issuing and paying agent in Singapore) and calculation agent in Singapore solely for the purposes of and in connection with such Notes (the **CDP Calculation Agent**, which expression shall include any successor CDP calculation agent in Singapore), the other paying agents named therein (together with the Issuing and Paying Agent and the CDP Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent (the **Transfer Agent**, which expression shall include any successor transfer agent), The Bank of New York Mellon, Singapore Branch as registrar in Singapore solely for the purposes of and in connection with Notes cleared or to be cleared through CDP (the **CDP Registrar**, which expression shall include any successor CDP registrar in Singapore) and transfer agent in Singapore solely for the purposes of and in connection with such Notes (the **CDP Transfer Agent**, which expression shall include any successor CDP transfer agent in Singapore), and the other transfer agents named therein (together with the Transfer Agent and the CDP Transfer Agent, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The AMTNs have the benefit of an Australian Agency and Registry Services Agreement dated 11 August 2020 (as amended, supplemented and/or restated from time to time, the **Australian Agency Agreement)** and made between the Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396) as the Australian registrar and issuing and paying agent (the **Australian Agent**, which expression shall include any successor in that capacity). The Australian Agent shall maintain a register of holders of the AMTNs (the **Australian Register**). The Issuing and Paying Agent, the CDP Issuing and Paying Agent, the Calculation Agent, the CDP Calculation Agent, the Registrar, the CDP Registrar, the Paying Agents, the other Transfer Agents and the Australian Agent together are referred to as the **Agents**.

For the purposes of these Terms and Conditions (the **Conditions**), all references:

(i) to the **Issuing and Paying Agent** shall:

(A) with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Issuing and Paying Agent; and

(B) with respect to AMTNs, be deemed to be a reference to the Australian Agent;

(ii) to the **Registrar** shall:

(A) with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Registrar; and

(B) with respect to AMTNs, be deemed to be a reference to the Australian Agent;

(iii) to the **Transfer Agent** shall:

(A) with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Transfer Agent; and

(B) with respect to AMTNs, be deemed to be a reference to the Australian Agent;

(iv) to the **Calculation Agent** shall:

(A) with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Calculation Agent; and

(B) with respect to AMTNs, be deemed to be a reference to the Australian Agent;

(v) to the **Paying Agents** shall, with respect to AMTNs, be a reference to the Australian Agent; and

(vi) to the **Register** shall, with respect to AMTNs, be a reference to the Australian Register,

and all such references shall be construed accordingly.

The final terms for this Note (or the relevant provisions thereof) are set out in the Pricing Supplement and attached to or endorsed on this Note which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are, unless otherwise stated, to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note (in the case of Notes other than AMTNs) or inscribed in the Australian Register (in the case of AMTNs).

Interest-bearing Definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Definitive Bearer Notes which have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The particular provisions of these Conditions relating to Bearer Notes, Registered Notes, Coupons and Talons do not apply to AMTNs.

The Trustee acts for the benefit of the holders of the Notes (the **Noteholders** or **holders** in relation to any Notes, which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and (in the case of AMTNs) the persons in whose name the AMTNs are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Where the Notes are cleared through CDP, the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the CDP deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the **CDP Deed of Covenant**) dated 11 August 2020 and made by the Issuer.

Copies of the Trust Deed, the Agency Agreement and the CDP Deed of Covenant are available for inspection upon prior appointment and written request and satisfactory proof of holding during normal business hours at the specified office of each of the Issuing and Paying Agents and the Registrar. Copies of the Australian Note Deed Poll and the Australian Agency Agreement are available for inspection upon prior appointment and written request and satisfactory proof of holding during normal business hours at the specified office of the Australian Agent. Copies of the applicable Pricing Supplement are available for viewing upon prior written request at the registered office of the Trustee and each of the Issuing and Paying Agents or (in the case of Registered Notes) the Registrar or (in the case of AMTNs) the Australian Agent, provided that Noteholders must produce evidence satisfactory to the Issuer, the Trustee and the relevant Issuing and Paying Agent or (in the case of Registered Notes) the Registrar or (in the case of AMTNs) the Australian Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and (in the case of AMTNs) the Australian Note Deed Poll, (in the case of Notes other than AMTNs) the Agency Agreement or (in the case of AMTNs) the Australian Agency Agreement, (in the case of Notes cleared through CDP) the CDP Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement, the Australian Note Deed Poll and/or the Australian Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between:

(i) the Trust Deed and the Agency Agreement, the Trust Deed will prevail;

(ii) the Australian Note Deed Poll and the Australian Agency Agreement, the Australian Note Deed Poll will prevail; and

(iii) the Trust Deed, the Agency Agreement, the Australian Note Deed Poll or the Australian Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

1.1 Form of Notes

The Notes (other than AMTNs) are either in bearer form or in registered form or, in the case of AMTNs, registered certificated form, as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*. In these Conditions, a reference to Bearer Notes or Registered Notes does not include AMTNs.

1.2 Types of Notes

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may also be an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

1.3 Title

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes and the AMTNs will pass on registration of transfers in the register which is kept by the Registrar in accordance with the Agency Agreement (in the case of Notes other than AMTNs) or the Australian Agency Agreement (in the case of AMTNs). The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note or AMTN as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

1.4 Bearer Notes and Registered Notes (other than AMTNs)

For so long as any of the Notes (other than AMTNs) is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) or CDP, each person (other than Euroclear or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of CDP, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest, and in the case of Notes cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of CDP, Euroclear and Clearstream, Luxembourg, as the case may be. References to CDP, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

1.5 AMTNs

In the case of AMTNs, the following provisions shall apply and shall prevail over the foregoing provisions of Condition 1 in the event of any inconsistency.

AMTNs will be debt obligations of the Issuer owing under the Australian Note Deed Poll, will be represented by a certificate (**AMTN Certificate**) and will take the form of entries in the Australian Register to be established and maintained by the Australian Agent in Sydney, Australia unless otherwise agreed with the Australian Agent pursuant to the Australian Agency Agreement. The Issuer will arrange for the Australian Agent to maintain the Australian Register so as to show at all times such details of the Noteholders and the AMTNs as are required to be shown on the Australian Register by or for the effective operation of these Conditions or by law or which the Issuer and Australian Agent determine should be shown in the Australian Register. Although AMTNs will not be constituted by the Trust Deed (instead being constituted by the Australian Note Deed Poll), AMTNs will have the benefit of the Trust Deed. The Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the Australian Register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Noteholder is entitled to enforce in accordance with these Conditions, the Trust Deed and the Australian Note Deed Poll. Other than an AMTN Certificate, no certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an AMTN unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

Each Tranche of AMTNs will be represented by a single AMTN Certificate substantially in the form set out in the Australian Note Deed Poll. The Issuer shall issue and deliver, and procure the authentication by the Australian Agent of, such number of AMTN Certificates as are required from time to time to represent all of the AMTNs of each Tranche. An AMTN Certificate is neither a negotiable instrument nor a document of title in respect of any AMTNs represented by it. In the event of a conflict between any AMTN Certificate and the Australian Register, the Australian Register shall prevail (subject to rectification for fraud or manifest or proven error).

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the Australian Register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or manifest or proven error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the Australian Note Deed Poll in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against the Issuer, the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

In respect of AMTNs, references to the relevant Clearing System shall be a reference to the clearing system operated by Austraclear Ltd (the **Austraclear System**). Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs must be in accordance with the rules and regulations for the time being established to govern the use of the Austraclear System (the **Austraclear Regulations**).

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes (other than AMTNs)

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg or CDP, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg or CDP, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Definitive Registered Notes (other than AMTNs)

Subject as provided in Conditions 2.4 and 2.6 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

(a) the holder or holders must:

(i) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified

office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

(ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Transfers of AMTNs

AMTNs may be transferred in whole but not in part. Unless lodged in the Austraclear System, the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and be signed by both the transferor and the transferee. The Australian Agent may refuse to register a transfer and acceptance form if it contravenes or fails to comply with the Conditions or the transfer of AMTNs pursuant to that transfer and acceptance form would result in a contravention of any applicable law.

AMTNs may only be transferred within, to or from Australia if:

(a) the aggregate consideration payable by the transferee at the time of transfer is at least A$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia, as amended (the **Corporations Act**);

(b) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act;

(c) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and

(d) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia.

AMTNs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations. While an AMTN is lodged in the Austraclear System, neither the Issuer nor the Australian Agent will recognise any such interest other than the interest of Austraclear as the Noteholder.

A transfer to an unincorporated association is not permitted.

A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a holder or of a vesting order or a person administering the estate of a holder may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer such AMTN or, if so entitled, become registered as the holder of the AMTN.

Where the transferor executes a transfer of less than all of the AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate nominal amount of the AMTNs registered as having been transferred equals the aggregate nominal amount of the AMTNs expressed to be transferred in the transfer.

2.4 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register or procure the registration of the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.5 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.6 Closed Periods

No Noteholder may require the transfer of a Registered Note or an AMTN to be registered during the period of (a) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (b) during the period of 15 days before (and including) any date on which Notes may be called for redemption by the Issuer pursuant to Condition 7.3, and (c) seven days ending on (and including) any Record Date (as defined in Condition 6.5 for Notes other than AMTNs and in Condition 6.8 for AMTNs).

2.7 Exchanges and transfers of Registered Notes generally

AMTNs may not be exchanged for Bearer Notes or Registered Notes.

3. STATUS OF THE NOTES

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. NEGATIVE PLEDGE AND COVENANT

4.1 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not, and the Issuer will procure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**), other than a Permitted Security Interest, upon, or with respect to, any of their present or future business, undertaking, assets or revenues of the Issuer and/or any of its Principal Subsidiaries to secure any Relevant Indebtedness (as defined below) of the Issuer or any of its Principal Subsidiaries, unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes and the Trust Deed (in the case of Notes other than AMTNs) or the Australian Note Deed Poll (in the case of AMTNs) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

Group means Ascendas Reit and its Subsidiaries;

Permitted Security Interest means a Security Interest over any present and future assets or revenues or any part thereof in connection with any asset-based financing (including, without limitation, a securitisation, project financing or collateralised mortgage backed securities) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, regardless of whether the Issuer or any Principal Subsidiary has provided any undertakings in respect of such asset-based financing;

Principal Subsidiary means any Subsidiary of Ascendas Reit whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the consolidated total assets of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the **transferor**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or Ascendas Reit (the **transferee**) then:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is Ascendas Reit) shall thereupon become a Principal Subsidiary; and

(ii) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is Ascendas Reit) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (i) above or which remains or becomes a Principal Subsidiary by virtue of (ii) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (A) the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has

Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the consolidated total assets of the Group, as shown by such audited consolidated accounts or (B) a report by the auditors of Ascendas Reit dated on or after the date of the relevant transfer which shows the total assets of such Subsidiary to be less than 15 per cent. of the consolidated total assets of the Group. A report prepared for the purposes of (A) or (B) above by the auditors of Ascendas Reit, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive;

Relevant Indebtedness means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness; and

Subsidiary means any company which is for the time being, a subsidiary within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore and, in relation to Ascendas Reit, means any company, corporation, trust, fund or other entity (whether or not a body corporate):

(a) which is controlled, directly or indirectly, by Ascendas Reit (through its trustee); or

(b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by Ascendas Reit (through its trustee); or

(c) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (a) or (b) above applies,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by Ascendas Reit if Ascendas Reit (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

4.2 Compliance with Property Funds Appendix Covenant

The Issuer has covenanted with the Trustee in the Trust Deed that for so long as any of the Notes, Receipts or Coupons remains outstanding, Ascendas Reit will comply with the aggregate leverage ratio prescribed in the Property Funds Appendix.

For the purposes of this Condition 4.2:

Property Funds Appendix means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore, as amended, varied or supplemented from time to time.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period

ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form or AMTNs, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form or AMTNs) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date divided by 365; and

(iv) if "RBA Bond Basis" is specified in the applicable Pricing Supplement, one divided by the number of Interest Payment Dates in a year (or where the Accrual Period does not constitute an Interest Period, the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of:

(A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366; and

(B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365)).

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and each Additional Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Pricing Supplement;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in the Offshore Renminbi Centre(s).

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this paragraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this paragraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as LIBOR, EURIBOR or CNH HIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or at approximately 11.15 a.m. (Hong Kong time, in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being the Singapore dollar interbank offer rate (**SIBOR**) or the Singapore dollar swap offer rate (**SOR**)

(A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a **SIBOR Note**) or SOR (in which case such Note will be a **Swap Rate Note**) bears interest at a floating rate determined by reference to SIBOR or, as the case may be, SOR as specified in the applicable Pricing Supplement.

(B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX1 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if no such rate appears on Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) or if Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Interest Determination Date the Calculation Agent is unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Issuer (or the independent advisor appointed by it) will request the Reference Banks to provide the rate at which deposits in Singapore dollars are offered by it at approximately the Specified Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations notified to the Calculation Agent, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), as determined by the Calculation Agent;

(dd) if on any Interest Determination Date two but not all the Reference Banks provide the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Specified Time on such Interest Determination Date and for a period equal to the duration of such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body selected by the Issuer (or the independent advisor appointed by it) and notified to the Calculation Agent where such rate is widely used (after taking into

account the industry practice at that time), or by such other relevant authority as the Issuer (or the independent advisor appointed by it) may select and notify to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date and notified to the Calculation Agent as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date, one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(dd) if paragraph (cc) above applies and fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Interest Determination Date, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(C) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

In these Conditions:

Reference Banks means, in the case of a determination of LIBOR, the principal London offices of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone offices of four major banks in the Euro-zone interbank market and, in the case of a determination of the SIBOR or the SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer (or the independent advisor appointed by it) or as specified in the applicable Pricing Supplement;

Reference Rate means the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

Specified Time means in the case of a determination of SIBOR, 11.00 a.m. (Singapore time) and in the case of a determination of SOR, 11.00 a.m. (London time).

(v) BBSW Determination for Floating Rate AMTNs

Where, in relation to an issue of floating rate AMTNs, BBSW Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the sum of the BBSW and the Margin. Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW, as applicable, in each case as described below (in all cases without the need for any Noteholder consent). Any determination of, substitution for and adjustments made to the BBSW, as applicable, in each case described below will be binding on the Issuer, the Noteholder and each Agent.

In this Condition 5.2(b)(v), **BBSW** means the rate for prime bank eligible securities, having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30 a.m. (Sydney time) (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) (**Publication Time**) on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10.45 a.m. on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, **BBSW** means such other successor rate or alternative rate for BBSW-linked floating rate notes at such time determined by the Issuer (acting in good faith and in a commercially reasonable manner) or an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate (in each case, a **Determining Party**), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such alternate financial institution, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by such Determining Party (in consultation with the Issuer, as applicable) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

If the Calculation Agent is unable to determine the Rate of Interest in accordance with the preceding paragraph, the Rate of Interest shall be that determined during the immediately preceding Interest Period (though substituting, where a different Margin is to be applied to the

relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.2(b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.2(b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Calculation Agent will as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Issuing and Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (x) represented by a Global Note or (y) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form or AMTNs, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement), the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement) or the relevant BBSW (where BBSW Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer (or the independent advisor appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Issuing and Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Issuing and Paying Agent and the Australian Agent (in respect of AMTNs) as soon as possible after its determination but in no event later than the fourth business

day thereafter. If so required by the Issuer, the Issuing and Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest, the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 14 after its determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Calculation Agent to the Issuer, the Trustee, the Issuing and Paying Agent and the Australian Agent (in respect of AMTNs) and, if so required by the Issuer, to the Noteholders in accordance with Condition 14.

For the purposes of this paragraph, the expression **business day** means:

(i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore; and

(ii) (in the case of Notes denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency (which, if the Specified Currency is Australian dollars, shall be Sydney).

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Issuing and Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing and Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Issuing and Paying Agent or the Calculation Agent, as applicable, or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Other Reference Rates, Partly Paid Notes etc.

In the case of Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

5.4 Benchmark discontinuation

In addition, notwithstanding the provisions above in this Condition 5:

(a) where "Benchmark Replacement (General)" is specified as being applicable in the relevant Pricing Supplement, if a Benchmark Event occurs in relation to a Reference Rate when any

Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.4); provided, however, that if paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest (if any)) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this paragraph (iii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.4;

(iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement, the Australian Note Deed Poll, the Australian Agency Agreement and these Conditions as may be required in order to give effect to this

Condition 5.4. Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or the Agents (if required); and

(v) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread, give notice thereof to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread and any consequential changes made to these Conditions.

For the purposes of this Condition 5.4(a):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body;

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(c) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate.

Benchmark Event means:

(a) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(b) a public statement by the administrator of the relevant Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has

been appointed that will continue publication of the relevant Reference Rate), unless such cessation is reasonably expected by the Issuer to not occur prior to the Maturity Date;

(c) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued, unless such discontinuation is reasonably expected by the Issuer to not occur prior to the Maturity Date;

(d) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Notes, and in each case within the following six months, unless such prohibition is reasonably expected by the Issuer to not occur prior to the Maturity Date;

(e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the relevant Reference Rate; or

(f) the making of a public statement by the supervisor of the administrator of the relevant Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

Relevant Nominating Body means, in respect of a Reference Rate:

(a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) where "Benchmark Replacement (ARRC)" is specified as being applicable in the relevant Pricing Supplement, if the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, then the following provisions shall apply:

(i) the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates;

(ii) in connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and the Issuing and Paying Agent

shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5.4(b). Noteholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard;

(iii) any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5.4(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party.

For the purposes of this Condition 5.4(b):

Benchmark means, initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then **Benchmark** means the applicable Benchmark Replacement;

Benchmark Replacement means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;

(ii) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

(iii) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(iv) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; and

(v) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period" and "Accrual Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period or Accrual Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark:

(i) in the case of paragraphs (i) or (ii) of the definition of "Benchmark Transition Event", the later of: (a) the date of the public statement or publication of information referenced therein, and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(ii) in the case of paragraph (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

Compounded SOFR means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or Accrual Period) being established by the Issuer or its designee in accordance with:

(i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that

(ii) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with paragraph (i) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time.

Notwithstanding the foregoing, Compounded SOFR may include such lookback and/or suspension period as specified in the relevant Pricing Supplement as a mechanism to determine the interest amount payable prior to the end of each Interest Period or Accrual Period;

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

designee means a designee as selected and separately appointed by the Issuer in writing, which may include a subsidiary or affiliate of the Issuer or an Independent Adviser;

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source;

Interpolated Benchmark with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

(i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and

(ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

LIBOR means London Interbank Offered Rate;

Reference Time with respect to any determination of the Benchmark means:

(i) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination; and

(ii) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

SOFR with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;

Term SOFR means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

5.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed (in the case of Notes other than AMTNs) or the Australian Note Deed Poll (in the case of AMTNs).

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Noteholder with a bank in the Offshore Renminbi Centre(s).

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

For the purpose of the Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 6.4 should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date

or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Specific provisions in relation to payments in respect of certain types of Bearer Notes

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

6.5 Payments in respect of Registered Notes

This Condition 6.5 does not apply to AMTNs

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, where (A) the Registered Notes are cleared through Euroclear and Clearstream, Luxembourg, at the close of business on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January and (B) the Registered Notes are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the

country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (in the case of a payment in euro) any bank which processes payments in euro; and (in the case of a payment in Renminbi) any bank in the Offshore Renminbi Centre(s) which processes payments in Renminbi in the Offshore Renminbi Centre(s).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, where (A) the Registered Notes are cleared through Euroclear and Clearstream, Luxembourg, at the close of business on the Clearing System Business Day before the due date for such payments and (B) the Registered Notes are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.6 General provisions applicable to payments (other than in respect of AMTNs)

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or CDP, as the case may be, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg or CDP, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

(a) in the case of Notes, Receipts or Coupons denominated in a Specified Currency other than Renminbi:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Notes in definitive form only, the relevant place of presentation;

(B) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;

(C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(b) in the case of Notes, Receipts or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) in the case of Notes in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre(s).

6.8 Payments in respect of AMTNs

The Australian Agent will act (through its office in Sydney) as paying agent for AMTNs pursuant to the Australian Agency Agreement.

Payments of principal and interest will be made in Sydney in Australian Dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made:

(a) if the AMTN is held by Austraclear and entered in the Austraclear System, by crediting on the relevant Interest Payment Date, the Maturity Date or other date on which payment is due the amount then due to the account or accounts (held with a bank in Australia) to which payments should be made specified by the holder to the Australian Agent, or in any other manner in Sydney which the Australian Agent and the holder agree and otherwise in accordance with the Austraclear System Regulations or as otherwise agreed with Austraclear; or

(b) if the AMTN is not held by Austraclear and entered in the Austraclear System, by cheques drawn on the Sydney branch of an Australian bank dispatched by post on the relevant payment

date at the risk of the holder or, at the option of the holder, by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian Dollar account (held with a bank in Australia) specified by the holder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the holder agree).

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the holder on the same day as the day on which the instructions are given.

If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the holder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.

Interest will be calculated in the manner specified in Condition 5 and will be payable to the persons who are registered as holders at the close of business in Sydney on the relevant Record Date and cheques will be made payable to the holder (or, in the case of joint holders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the holder (or, in the case of joint holders, by all the holders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as holders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.

If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Condition 8.

If a payment in respect of the AMTNs is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

In this Condition 6.8 in relation to AMTNs, **Record Date** means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the fifteenth calendar day before the due date of the relevant payment of principal or interest.

6.9 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed (in the case of Notes other than AMTNs) or the Australian Note Deed Poll (in the case of AMTNs);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts; and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed (in the case of Notes other than AMTNs) or the Australian Note Deed Poll (in the case of AMTNs).

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

7.2 Redemption for tax reasons

Subject to Condition 7.9, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note or Dual Currency Interest Note) or on any Interest Payment Date (if this Note is a Floating Rate Note or Dual Currency Interest Note), on giving not less than 30 days' nor more than 60 days' notice to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (in the case of Notes other than AMTNs) or the Australian Agent (in the case of AMTNs) (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be

entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders. The Australian Agent will make such certificate available to the holders of the relevant AMTNs for inspection.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 days' nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), which notice shall be irrevocable and shall specify the date fixed for redemption, redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Definitive Bearer Notes or Definitive Registered Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Bearer Notes or Definitive Registered Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg and/or CDP (as applicable), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by Notes in definitive form, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

In the case of a partial redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and will be selected in a fair and reasonable manner and in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the AMTNs are listed.

7.4 Redemption at the Option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 days' nor more than 30 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or CDP, as the case may be, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes or AMTNs) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must

specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or CDP, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or CDP, as the case may be (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or CDP or any common depositary, as the case may be for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or CDP, as the case may be, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or CDP, as the case may be, by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10.1, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4.

7.5 Mandatory Redemption upon Termination of Ascendas Reit

In the event that Ascendas Reit is terminated in accordance with the provisions of the Ascendas Reit Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or if earlier, the date of termination of Ascendas Reit.

The Issuer shall forthwith notify the Noteholders pursuant to Condition 14, the Trustee and the Agents of the termination of Ascendas Reit.

7.6 Redemption upon cessation or suspension in trading of Units in Ascendas Reit (Delisting/Suspension of Trading Put Right)

If on any date (i) the Units in Ascendas Reit cease to be traded on the Singapore Exchange Securities Trading Limited (**SGX-ST**) (a **Delisting**) or (ii) trading in the Units of Ascendas Reit is suspended for more than 10 consecutive Trading Days (as defined below) (a **Suspension**) on which normal trading of securities is carried out, the Issuer shall, at the option of the holder of any Note (the **Delisting/Suspension of Trading Put Right**), exercised at any time no later than the date falling 30 days after the relevant Effective Date, redeem such Note at its Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption) on the date (or, if such date is not a business day, on the immediately preceding business day) falling 60 days after the relevant Effective Date (the **Delisting/Suspension of Trading Put Date**).

Promptly after becoming aware of a Delisting or Suspension, as the case may be, the Issuer shall procure that notice regarding the Delisting/Suspension of Trading Put Right shall be given to Noteholders (in accordance with Condition 14) stating:

(a) the Delisting/Suspension of Trading Put Date;

(b) the date of such Delisting or Suspension, as the case may be and, briefly, the events causing such Delisting or Suspension, as the case may be;

(c) the date by which the Delisting/Suspension of Trading Put Notice (as defined below) must be given; and

(d) the procedures that Noteholders must follow and the requirements that Noteholders must satisfy in order to exercise the Delisting/Suspension of Trading Put Right.

To exercise the right to require redemption of this Note, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg and CDP, deliver, at the specified office of any Paying Agent (in the case of Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Delisting/Suspension of Trading Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is a Definitive Bearer Note, the Delisting/Suspension of Trading Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Delisting/Suspension of Trading Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or CDP, to exercise the right to require redemption of this Note, the holder of this Note must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or CDP (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or CDP or any common depositary for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and CDP, as the case may be, from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Issuing and Paying Agent for notation accordingly.

Any Delisting/Suspension of Trading Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or CDP given by a holder of any Note pursuant to this Condition 7.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.6.

For the purposes of this Condition 7.6:

Effective Date means, in the case of (i) above, the date of cessation of trading or, in the case of (ii) above, the day immediately following the expiry of the 10-day period; and

Trading Day means a day when the SGX-ST is open for dealing business, provided that if no closing price is reported in respect of the relevant Units on the SGX-ST for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days; and

Unit means an undivided interest in Ascendas Reit as provided for in the Ascendas Reit Trust Deed.

7.7 Redemption in the case of Minimum Outstanding Amount

If Minimal Outstanding Amount Redemption Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' irrevocable notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 14, the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Notes, in whole, but not in part, at their Early Redemption Amount as specified in the applicable Pricing Supplement (together with interest accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate amount of the Notes outstanding is less than 10 per cent. of the aggregate amount originally issued. All Notes shall be redeemed on the date specified in such notice in accordance with this Condition 7.7.

7.8 Early Redemption Amounts

For the purpose of Conditions 7.2, 7.5, 7.6 and 7.7 above and Condition 10.1:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.9 Specific redemption provisions applicable to certain types of Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 7.2, Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

7.10 Purchases

The Issuer and/or any Subsidiary of Ascendas Reit or the Issuer may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Agent and/or the Registrar for cancellation or (in the case of AMTNs) cancelled by notice to the Australian Agent.

7.11 Cancellation

All Notes (other than AMTNs) which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.10 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

If any AMTN is represented by an AMTN Certificate is redeemed or purchased and cancelled in accordance with this Condition 7 then:

(a) the applicable AMTN Certificate will be deemed to be surrendered and cancelled without any further formality; and

(b) where some, but not all, of the AMTNs represented by that AMTN Certificate are so redeemed or purchased and cancelled, the Issuer will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate in respect of those AMTNs that had been represented by the original AMTN Certificate and which remain outstanding following such redemption or purchase and cancellation.

7.12 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3, 7.4, 7.5 or 7.6 above or upon its becoming due and repayable as provided in Condition 10.1 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.8(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Issuing and Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such

additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, a Tax Jurisdiction); or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day or, in the case of an AMTN, a claim for payment being made after such thirtieth day, assuming that day to have been a Payment Day (as defined in Condition 6.7); or

(d) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any such third party complies with any statutory requirements or by making or procuring that any such third party makes a declaration of non-residence or residence or any other similar claim for exemption to any tax authority; or

(e) by or on behalf of a holder or a beneficial owner who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Issuing and Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 15 days;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under the Trust Deed or the Australian Note Deed Poll, as the case may be, or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not remedied within 30 days after notice of such default shall have been given by the Trustee to the Issuer;

(c) (i) any other indebtedness for borrowed money of the Issuer, Ascendas Reit or any of the Principal Subsidiaries of Ascendas Reit is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as the case may be, within any applicable grace period in any agreement relating to that indebtedness or within 15 days of its due date, whichever is longer; or

(ii) the Issuer, Ascendas Reit or any of the Principal Subsidiaries of Ascendas Reit fails to pay when due or expressed to be due within 15 days of the due date, whichever is longer, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for borrowed moneys provided always that it shall not be an Event of Default if such failure is by reason of the Issuer or such Principal Subsidiary, as the case may be, in good faith and by appropriate proceedings contesting or disputing any liability under such guarantee,

provided, however, that no Event of Default will occur under paragraph (i) or (ii) above unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) has/have occurred equals or exceeds S$40,000,000 or its equivalent in other currencies;

(d) the Issuer, Ascendas Reit or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness for borrowed moneys, takes any proceeding under any law for deferral, rescheduling or other readjustment of all or a material part of its indebtedness with its creditors generally (or any class of its creditors in respect of a material part of its indebtedness which it will, or is likely to otherwise, be unable to pay when due), applies for a moratorium in respect of or affecting all or any part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally (or any class of its creditors in respect of a material part of its indebtedness) or a moratorium is agreed, declared or otherwise (by operation of law) arises in respect of or affecting all or a material part of the indebtedness for borrowed moneys of the Issuer, Ascendas Reit or any of the Principal Subsidiaries, provided that, no Event of Default

shall occur under this Condition 10.1(d) (x) in relation to any Principal Subsidiary if such event occurs pursuant to a consolidation, reorganisation, amalgamation, merger, reconstruction or transfer of assets to a Subsidiary of the Issuer or Ascendas Reit, or a real estate investment trust or property trust fund or similar entity (i) established by the Issuer or any of its related corporations or (ii) in which the Issuer or Ascendas Reit holds a direct or indirect investment of at least 15 per cent. and (in each case) such event is not likely to materially and adversely affect the ability of the Issuer to perform or comply with its payment obligations under the Trust Deed or any of the Notes, or (y) in relation to the Issuer, if a replacement or substitute for the Issuer has been appointed under Condition 15.2;

(e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the assets of the Issuer, Ascendas Reit or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;

(f) any security on or over the whole or any material part of the assets of the Issuer, Ascendas Reit or any of the Principal Subsidiaries of Ascendas Reit becomes enforceable and any act is taken to enforce it and (in the case of a Principal Subsidiary of Ascendas Reit only) such an event has or is likely to have a material adverse effect on the Issuer or Ascendas Reit;

(g) an order is made or an effective resolution is passed for, or the Issuer, Ascendas Reit or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself in relation to, the winding-up or termination of the Issuer, Ascendas Reit or any of the Principal Subsidiaries or a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of the Principal Subsidiaries or over any material part of the assets of the Issuer or any of the Principal Subsidiaries is appointed (except (x) in the case of a Principal Subsidiary only, for the purpose of and followed by a consolidation, reorganisation, amalgamation, merger, reconstruction or transfer of assets to a Subsidiary of the Issuer or a real estate investment trust or property trust fund or similar entity (i) established by the Issuer or any of its related companies or (ii) in which the Issuer holds a direct or indirect investment of at least 15 per cent. and (in each case) such event is not likely to materially and adversely affect the ability of the Issuer to perform or comply with its payment obligations under the Trust Deed or the Australian Note Deed Poll, as the case may be, or any of the Notes, or (y) in the case of the Issuer, if a replacement or substitute for the Issuer has been appointed under Condition 15.2);

(h) Ascendas Reit ceases to carry on all or any material part of its business (other than for the purposes of such a consolidation, reorganisation, amalgamation, merger, reconstruction or transfer of assets to a Subsidiary of Ascendas Reit or a real estate investment trust or property trust fund or similar entity (i) established by Ascendas Reit or any of its related corporations or (ii) in which Ascendas Reit holds a direct or indirect investment of at least 15 per cent. and (in each case) such event is not likely to materially and adversely affect the ability of the Issuer to perform or comply with its payment obligations under the Trust Deed or the Australian Note Deed Poll, as the case may be, or any of the Notes);

(i) all or any part of the assets of the Issuer, Ascendas Reit or any of the Principal Subsidiaries of Ascendas Reit is condemned, seized, compulsorily acquired, expropriated or nationalised, and such an event has or is likely to have a material adverse effect on the Issuer or Ascendas Reit;

(j) any action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) in order (i) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under the Trust Deed or the Australian Note Deed Poll, as the case may be, and the Notes, (ii) to ensure that those obligations are valid, legally binding and enforceable, (iii) to ensure that those obligations rank and will at all times rank in accordance with Condition 3 and (iv) to make the Trust Deed or the Australian Note Deed Poll, as the case may be, and the Notes admissible in evidence in the courts of Singapore

is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(k) it is or will become unlawful for the Issuer to perform or comply with, any one or more of its payment obligations under the Trust Deed or the Australian Note Deed Poll, as the case may be, or any of the Notes;

(l) the Trust Deed or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(m) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraphs (d), (e), (f), (g) or (i);

(n) the Issuer or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore;

(o) if (i)(1) HSBC Institutional Trust Services (Singapore) Limited (the Ascendas Reit Trustee) resigns or is removed as trustee of Ascendas Reit; (2) an order is made for the winding up of the Ascendas Reit Trustee (other than the amalgamation, reconstruction or reorganisation of the Ascendas Reit Trustee (aa) which is made on solvent terms, and (bb) which is not reasonably likely to have a material adverse effect on the Ascendas Reit Trustee), a receiver, judicial manager, administrator, agent or similar officer of the Ascendas Reit Trustee is appointed (other than pursuant to an amalgamation, reconstruction or reorganisation of the Issuer approved by the Noteholders by way of an Extraordinary Resolution); and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the Ascendas Reit Trustee which prevents or restricts the ability of the Issuer to perform its obligations under the Trust Deed or the Australian Note Deed Poll, as the case may be, or any Notes and (ii) the replacement or substitute trustee of Ascendas Reit is not appointed in accordance with the terms of the Ascendas Reit Trust Deed;

(p) if the Manager (as defined in the Ascendas Reit Trust Deed) resigns or is removed as manager of Ascendas Reit pursuant to the terms of the Ascendas Reit Trust Deed and the replacement or substitute manager of Ascendas Reit is not appointed in accordance with the terms of the Ascendas Reit Trust Deed; or

(q) the Issuer loses its right to be indemnified out of the assets of Ascendas Reit in respect of any liability, claim, demand or action under or in connection with the Trust Deed or the Australian Note Deed Poll, as the case may be, or the Notes.

In these Conditions:

indebtedness for borrowed money means any indebtedness for or in respect of any borrowed money or any notes, bonds, debentures, debenture stock, loan stock or other debt securities.

10.2 Enforcement

At any time after the Notes become due and payable pursuant to Condition 10.1, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Australian Note Deed Poll, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Australian Note Deed Poll, the Notes, the Receipts or the Coupons

unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS AND AMTN CERTIFICATES

Should any Note (other than AMTNs), Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

Should any AMTN Certificate be lost, stolen, mutilated, defaced or destroyed, upon written notice of such having been received by the Issuer and the Australian Agent:

(a) the AMTN Certificate will be deemed to be cancelled without any further formality; and

(b) the Issuer will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate to represent the holding of the AMTNs that had been represented by the original AMTN Certificate.

12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Issuing and Paying Agent, a CDP Issuing and Paying Agent and a Registrar;

(b) there will at all times be an Australian Agent for the AMTNs;

(c) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) and an Australian Agent (in the case of AMTNs) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(d) so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (**SGX-ST**) and the rules of the SGX-ST so require, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement or the Australian Agency Agreement, as the case may be, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement and the Australian Agency Agreement contain provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding Bearer Notes will be deemed to be validly given if (a) published in a leading English language daily newspaper of general circulation in Singapore, which is expected to be The Business Times and (b) for so long as the Bearer Notes are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or on the date of publication of such notice on the website of the SGX-ST. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes or AMTNs will be deemed to be validly given if (a) sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register (in the case of Registered Notes other than AMTNs) or the Australian Register (in the case of AMTNs) and will be deemed to have been given on the fourth day after mailing and (b) (in the case of Registered Notes other than AMTNs) for so long as the Registered Notes are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com and such notice shall be deemed to have been given on the date of publication of such notice on the website of the SGX-ST. Notices to holders of AMTNs may also be given by being published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in the *Australian Financial Review*. Any such notice will be deemed to have been given on the first date of such publication. In addition, for so long as any Registered Notes or AMTNs are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear, Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant

notice to Euroclear, Clearstream, Luxembourg for communication by them to the holders of the Notes, (ii) CDP, be substituted for such publication in such newspaper(s) or such mailing, (A) (subject to the agreement of CDP) the delivery of the relevant notice to CDP for communication by them to the holders of the Notes, (B) the delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Days preceding the date of despatch of such notice as holding interests in the relevant Global Notes, or (C) for so long as the Notes are listed on the SGX-ST, the publication of the relevant notice on the website of the SGX-ST at http://www.sgx.com, and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on (x) the day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP, as the case may be, and/or (y) (in the case of Notes cleared through CDP) the day after the date of the despatch of such notice to the persons shown in the records maintained by CDP, and/or (z) (in the case of Notes cleared through CDP) the date of publication of such notice on the website of the SGX-ST.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes other than AMTNs) or the Australian Agent (in the case of AMTNs). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Issuing and Paying Agent or the Registrar through Euroclear, Clearstream, Luxembourg and/or CDP, in each case in such manner as the Issuing and Paying Agent, the Registrar, Euroclear, Clearstream, Luxembourg and/or CDP as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

15.1 Meetings of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of the Noteholders (other than holders of AMTNs) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. The Australian Note Deed Poll contains provisions for convening meetings of the holders of AMTNs to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any provisions of the Australian Note Deed Poll. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons, the Trust Deed and/or the Australian Note Deed Poll (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, varying the method of calculating the rate of interest payable in respect of the Notes, altering the currency, time or place of payment of, or in relation to, the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than 25 per cent. in nominal amount of the Notes for the time being outstanding.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any

of the provisions of the Notes, the Trust Deed and/or the Australian Note Deed Poll, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to cure any ambiguity or to correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held. Any such modification, authorisation or waiver shall be binding on the Noteholders, the Receiptholders and the Couponholders and, if the Trustee so requires, any such modification, authorisation or waiver shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a Subsidiary of Ascendas Reit, subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

15.2 Substitutions

In addition, the Issuer may substitute in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or of any previous substitute under this Condition 15.2) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed or the Australian Note Deed Poll another company being appointed as the replacement or substitute trustee of Ascendas Reit (such substituted company being hereinafter called the **New Ascendas Reit Trustee**) in accordance with the terms of the Ascendas Reit Trust Deed, subject to:

(i) relevant accession or supplemental agreements, trust deeds or deeds poll being executed or some other form of undertaking being given by the New Ascendas Reit Trustee, agreeing to be bound by the provisions of the Trust Deed and/or the Australian Note Deed Poll as fully as if the New Ascendas Reit Trustee had been named in the Trust Deed and/or the Australian Note Deed Poll as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 15.2);

(ii) the Trustee being provided with evidence to its satisfaction that the appointment of the New Ascendas Reit Trustee has been completed in accordance with the terms of the Ascendas Reit Trust Deed, including a copy of the deed supplemental to the Ascendas Reit Trust Deed providing for such appointment, a confirmation from the Ascendas Reit Manager that the

Deposited Property (as defined in the Ascendas Reit Trust Deed) has been vested in the New Ascendas Reit Trustee, and an opinion from independent legal advisors of recognised standing to the effect such appointment of the New Ascendas Reit Trustee is legal, valid and binding on Ascendas Reit; and

(iii) certain other conditions set out in the Trust Deed being complied with.

The Issuer shall deliver to the Trustee (in the case of Notes other than AMTNs) or the Australian Agent (in the case of AMTNs) a certificate signed by two authorised signatories of the Issuer stating that the appointment of the New Ascendas Reit Trustee has been completed in accordance with the terms of the Ascendas Reit Trust Deed and that the conditions set out in the Trust Deed and/or the Australian Note Deed Poll for the substitution of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or of any previous substitute) have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders. The Australian Agent will make such certificate available to the holders of the relevant AMTNs for inspection.

Any such accession or supplemental agreement, trust deed, deed poll or undertaking shall, if so expressed, operate to release HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) or the previous substitute as aforesaid from all of its obligations as principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed and/or the Australian Note Deed Poll. Upon the execution of such documents and compliance with such requirements, the New Ascendas Reit Trustee shall be deemed to be named in the Notes, the Receipts, the Coupons, the Trust Deed and/or the Australian Note Deed Poll as the principal debtor in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or in place of the previous substitute under this Condition 15.2) under the Notes, the Receipts, the Coupons, the Trust Deed and/or the Australian Note Deed Poll and the Notes, the Receipts, the Coupons, the Trust Deed and/or the Australian Note Deed Poll shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Notes, the Coupons, the Trust Deed and/or the Australian Note Deed Poll to HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or such previous substitute under this Condition 15.2) shall, unless the context otherwise requires, be deemed to be or include references to the New Ascendas Reit Trustee.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and to be paid its costs and expenses in priority to the claims of the Noteholders, Receiptholders or Couponholders.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions

the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

This Condition 18 does not apply to AMTNs

No person shall have any right to enforce any term or condition of this Note under:

(a) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999; or

(b) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore,

but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

(a) The Trust Deed, the Agency Agreement, the Notes (other than AMTNs), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes (other than AMTNs), the Receipts and the Coupons are governed by, and construed in accordance with:

(i) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, English law; or

(ii) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

(b) The Australian Note Deed Poll, the Australian Agency Agreement and AMTNs are governed by the laws in force in New South Wales, Australia.

19.2 Submission to jurisdiction

(a) Subject to Condition 19.2(d) below, in the case of Notes other than AMTNs:

(i) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the English courts; or

(ii) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore,

(the **Relevant Courts**) have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the Relevant Courts.

(b) In the case of the AMTNs, the courts of New South Wales, Australia and the courts of appeal from them have non-exclusive jurisdiction to settle any disputes which may arise out of, or in connection with, them and any suit, action or proceedings arising out of or in connection with the AMTNs, the Australian Agency Agreement and the Australian Note Deed Poll (together referred to as **Australian Proceedings**) may be brought in such courts.

(c) For the purposes of this Condition 19.2, the Issuer waives any objection to the Relevant Courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(d) To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

If the Notes (other than AMTNs) are specified to be governed by English law in the applicable Pricing Supplement, the Issuer irrevocably appoints TMF Global Services (UK) Limited at 8th Floor, 20 Farringdon Street, London, United Kingdom, EC4A 4AB as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of TMF Global Services (UK) Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service.

In the case of AMTNs, the Issuer irrevocably appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) at Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent for service of process in respect of any Australian Proceedings and agrees that, in the event of Dabserv Corporate Services Pty Ltd being unable or unwilling for any reason so to act, it will immediately appoint another person with an office located in New South Wales approved by the Trustee as its agent for service of process in respect of any Australian Proceedings. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service.

Nothing herein shall affect the right to serve process in any other manner permitted by law.

19.4 Other documents

In the case of Notes other than AMTNs, the Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

In the case of AMTNs, the Issuer has in the Australian Note Deed Poll and the Australian Agency Agreement submitted to the jurisdiction of the courts of New South Wales, Australia and appointed an agent for service of process in terms substantially similar to those set out above.

20. LIABILITY OF HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF ASCENDAS REIT)

(a) Notwithstanding any provision to the contrary in the Trust Deed, the Australian Note Deed Poll, the Notes, the Receipts, any Coupons, these Conditions and any document in connection herewith or therewith (together, the **Documents**), each of the Trustee, the Noteholders, the Receiptholders and the Couponholders acknowledges that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) has entered into the Documents only in its capacity as trustee of Ascendas Reit and not in HSBC Institutional Trust Services (Singapore) Limited's personal capacity and all references to the **Issuer** in the Documents shall be construed accordingly.

(b) Accordingly, notwithstanding any provision to the contrary in the Documents, HSBC Institutional Trust Services (Singapore) Limited has assumed all obligations under the Documents in its capacity as trustee of Ascendas Reit and not in its personal capacity. Any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Documents is given by HSBC Institutional Trust Services (Singapore) Limited only in its capacity as trustee of Ascendas Reit and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Documents is limited to the assets of Ascendas Reit over which HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit, has recourse to under the Ascendas Reit Trust Deed and shall not extend to the personal assets of HSBC Institutional Trust Services (Singapore) Limited nor any other assets held by HSBC Institutional Trust Services (Singapore) Limited as trustee of any trust (other than Ascendas Reit). Any obligation, delegation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under the Documents shall only be in connection with matters relating to Ascendas Reit (and shall not extend to HSBC Institutional Trust Services (Singapore) Limited's obligations in respect of any other trust or real estate investment trust of which it is a trustee). Notwithstanding any provision to the contrary in the Documents, it is hereby acknowledged that the obligations of the Issuer under the Documents shall be solely the corporate obligations of HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas Reit and not in its personal capacity. Accordingly, there shall be no recourse against the shareholders, directors, officers or employees of HSBC Institutional Trust Services (Singapore) Limited for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Documents. The foregoing shall not restrict or prejudice the rights or remedies of any relevant party under law or equity or relieve or discharge HSBC Institutional Trust Services (Singapore) Limited from any gross negligence, fraud, wilful default or breach of trust.

(c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in England (in the case of Notes which are specified to be governed by English law in the applicable Pricing Supplement), Singapore (in the case of Notes which are specified to be governed by Singapore law in the applicable Pricing Supplement), New South Wales (in the case of AMTNs) or elsewhere pursuant to the Documents shall be brought against HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas Reit and not in its personal capacity.

(d) The provisions of this Condition 20 shall apply, mutatis mutandis, to any notice, certificate or other document which the Issuer issues under or pursuant to the Documents as if expressly set out in such notice, certificate or document.

(e) This Condition 20 shall survive the termination or rescission of the Documents, and the redemption or cancellation of the Notes, the Receipts and/or any Coupons and/or the resignation or removal of the Issuer.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following are the Terms and Conditions of the Perpetual Securities which (i) will be incorporated by reference into each Global Perpetual Security (as defined below), each Definitive Bearer Perpetual Security (as defined below) and each Definitive Registered Perpetual Security (as defined below), but, in the case of Definitive Bearer Perpetual Securities and Definitive Registered Perpetual Securities, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Perpetual Security or Definitive Registered Perpetual Security will have endorsed thereon or attached thereto such Terms and Conditions and (ii) will apply to Perpetual AMTNs (as defined below). The applicable Pricing Supplement in relation to any Tranche of Perpetual Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Perpetual Securities. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Perpetual Security and definitive Perpetual Security. Reference should be made to "Applicable Pricing Supplement" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Perpetual Securities.

This Perpetual Security is one of a Series (as defined below) of Perpetual Securities issued by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Real Estate Investment Trust (**Ascendas Reit**)) (the **Issuer**).

The Perpetual Securities (other than Perpetual AMTNs as described below) are constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**), which expression in these Terms and Conditions shall mean:

(a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, an English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 11 August 2020 made between the Issuer and The Bank of New York Mellon, London Branch (the **Trustee**, which expression shall include any successor as Trustee); or

(b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, a Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 11 August 2020 made between the Issuer and the Trustee, which incorporates the provisions of the English law Trust Deed dated 11 August 2020 made between the Issuer and the Trustee (subject to certain modifications and amendments required under Singapore law).

The Perpetual AMTNs will be constituted by an Australian Note Deed Poll dated 11 August 2020 executed by the Issuer (as modified, supplemented and/or restated from time to time, the **Australian Note Deed Poll**) in favour of the holders of Perpetual AMTNs and the Trustee. Although Perpetual AMTNs will not be constituted by the Trust Deed, Perpetual AMTNs will have the benefit of certain other provisions of the Trust Deed. The original of the Australian Note Deed Poll is held by the Australian Agent.

References herein to the **Perpetual Securities** shall be references to the Perpetual Securities of this Series and shall mean:

(a) in relation to any Perpetual Securities (other than Perpetual AMTNs) represented by a global Perpetual Security (a **Global Perpetual Security**), units of each Specified Denomination in the Specified Currency;

(b) any Global Perpetual Security in bearer form (each a **Bearer Global Perpetual Security**);

(c) any Global Perpetual Security in registered form (each a **Registered Global Perpetual Security**);

(d) any definitive Perpetual Securities in bearer form (**Definitive Bearer Perpetual Securities** and, together with Bearer Global Perpetual Securities, the **Bearer Perpetual Securities**) issued in exchange for a Global Perpetual Security in bearer form;

(e) any definitive Perpetual Securities in registered form (**Definitive Registered Perpetual Securities** and, together with Registered Global Perpetual Securities, the **Registered Perpetual Securities**) issued in exchange for a Global Perpetual Security in registered form; and

(f) any Perpetual Security in certificated registered form denominated in Australian dollars (being the lawful currency of the Commonwealth of Australia) (**Australian Dollars**) and issued in the Australian domestic wholesale capital market pursuant to the Australian Note Deed Poll (**Perpetual AMTNs**).

The Perpetual Securities (other than Perpetual AMTNs) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 11 August 2020 and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as issuing and paying agent (the **Issuing and Paying Agent**, which expression shall include any successor issuing and paying agent) and calculation agent (the **Calculation Agent**, which expression shall include any successor calculation agent), The Bank of New York Mellon, Singapore Branch as issuing and paying agent in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Issuing and Paying Agent**, which expression shall include any successor CDP issuing and paying agent in Singapore) and calculation agent in Singapore solely for the purposes of and in connection with such Perpetual Securities (the **CDP Calculation Agent**, which expression shall include any successor CDP calculation agent in Singapore), the other paying agents named therein (together with the Issuing and Paying Agent and the CDP Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent (the **Transfer Agent**, which expression shall include any successor transfer agent), The Bank of New York Mellon, Singapore Branch as registrar in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared through CDP (the **CDP Registrar**, which expression shall include any successor CDP registrar in Singapore) and transfer agent in Singapore solely for the purposes of and in connection with such Perpetual Securities (the **CDP Transfer Agent**, which expression shall include any successor CDP transfer agent in Singapore), and the other transfer agents named therein (together with the Transfer Agent and the CDP Transfer Agent, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Perpetual AMTNs have the benefit of an Australian Agency and Registry Services Agreement dated 11 August 2020 (as amended, supplemented and/or restated from time to time, the **Australian Agency Agreement**) and made between the Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396) as the Australian registrar and issuing and paying agent (the **Australian Agent**, which expression shall include any successor in that capacity). The Australian Agent shall maintain a register of holders of the Perpetual AMTNs (the **Australian Register**). The Issuing and Paying Agent, the CDP Issuing and Paying Agent, the Calculation Agent, the CDP Calculation Agent, the Registrar, the CDP Registrar, the Paying Agents, the other Transfer Agents and the Australian Agent together are referred to as the **Agents**.

For the purposes of these Terms and Conditions (the **Conditions**), all references:

(i) to the **Issuing and Paying Agent** shall:

(A) with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Issuing and Paying Agent; and

(B) with respect to Perpetual AMTNs, be deemed to be a reference to the Australian Agent;

(ii) to the **Registrar** shall:

(A) with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Registrar; and

(B) with respect to Perpetual AMTNs, be deemed to be a reference to the Australian Agent;

(iii) to the **Transfer Agent** shall:

(A) with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Transfer Agent; and

(B) with respect to Perpetual AMTNs, be deemed to be a reference to the Australian Agent;

(iv) to the **Calculation Agent** shall:

(A) with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Calculation Agent; and

(B) with respect to Perpetual AMTNs, be deemed to be a reference to the Australian Agent;

(v) to the **Paying Agents** shall, with respect to Perpetual AMTNs, be a reference to the Australian Agent; and

(vi) to the **Register** shall, with respect to Perpetual AMTNs, be a reference to the Australian Register,

and all such references shall be construed accordingly.

The final terms for this Perpetual Security (or the relevant provisions thereof) are set out in the Pricing Supplement and attached to or endorsed on this Perpetual Security which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Perpetual Security. References to the **applicable Pricing Supplement** are, unless otherwise stated, to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Perpetual Security (in the case of Perpetual Securities other than Perpetual AMTNs) or inscribed in the Australian Register (in the case of Perpetual AMTNs).

Definitive Bearer Perpetual Securities have distribution coupons (**Coupons**) and, in the case of Definitive Bearer Perpetual Securities which have more than 27 distribution payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Perpetual Securities and Global Perpetual Securities do not have Coupons or Talons attached on issue.

The particular provisions of these Conditions relating to Bearer Perpetual Securities, Registered Perpetual Securities, Coupons and Talons do not apply to Perpetual AMTNs.

The Trustee acts for the benefit of the holders of the Perpetual Securities (the **Perpetual Securityholders** or **holders** in relation to any Perpetual Securities, which expression shall mean (in the case of Bearer Perpetual Securities) the holders of the Perpetual Securities and (in the case of Registered Perpetual Securities) the persons in whose name the Perpetual Securities are registered and (in the case of Perpetual AMTNs) the persons in whose name the Perpetual AMTNs are registered and shall, in relation to any Perpetual Securities represented by a Global Perpetual Security, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Perpetual Securities which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Perpetual Securities together with any further Tranche or Tranches of Perpetual Securities which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of distribution thereon and the date from which distribution starts to accrue.

Where the Perpetual Securities are cleared through CDP, the Perpetual Securityholders and the Couponholders are entitled to the benefit of the CDP deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the **CDP Deed of Covenant**) dated 11 August 2020 and made by the Issuer.

Copies of the Trust Deed, the Agency Agreement and the CDP Deed of Covenant are available for inspection upon prior appointment and written request and satisfactory proof of holding during normal business hours at the specified office of each of the Issuing and Paying Agents and the Registrar. Copies of the Australian Note Deed Poll and the Australian Agency Agreement are available for inspection upon prior appointment and written request and satisfactory proof of holding during normal business hours at the specified office of the Australian Agent. Copies of the applicable Pricing Supplement are available for viewing upon prior written request at the registered office of the Trustee and each of the Issuing and Paying Agents or (in the case of Registered Perpetual Securities) the Registrar or (in the case of Perpetual AMTNs) the Australian Agent, provided that Perpetual Securityholders must produce evidence satisfactory to the Issuer, the Trustee and the relevant Issuing and Paying Agent or (in the case of Registered Perpetual Securities) the Registrar or (in the case of Perpetual AMTNs) the Australian Agent as to its holding of such Perpetual Securities and identity. The Perpetual Securityholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and (in the case of Perpetual AMTNs) the Australian Note Deed Poll, (in the case of Perpetual Securities other than Perpetual AMTNs) the Agency Agreement or (in the case of Perpetual AMTNs) the Australian Agency Agreement, (in the case of Perpetual Securities cleared through CDP) the CDP Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement, the Australian Note Deed Poll and/or the Australian Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between:

(i) the Trust Deed and the Agency Agreement, the Trust Deed will prevail;

(ii) the Australian Note Deed Poll and the Australian Agency Agreement, the Australian Note Deed Poll will prevail; and

(iii) the Trust Deed, the Agency Agreement, the Australian Note Deed Poll or the Australian Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

1.1 Form of Perpetual Securities

The Perpetual Securities (other than Perpetual AMTNs) are either in bearer form or in registered form or, in the case of Perpetual AMTNs, registered certificated form, as specified in the applicable Pricing Supplement and, in the case of Definitive Perpetual Securities, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Bearer Perpetual Securities of one Specified Denomination may not be exchanged for Bearer Perpetual Securities of another Specified Denomination and Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities and *vice versa*. In these Conditions, a reference to Bearer Perpetual Securities or Registered Perpetual Securities does not include Perpetual AMTNs.

1.2 Types of Perpetual Securities

This Perpetual Security may be a Fixed Rate Perpetual Security, a Floating Rate Perpetual Security, a Dual Currency Distribution Perpetual Security or a combination of any of the foregoing, depending upon the Distribution Basis shown in the applicable Pricing Supplement.

This Perpetual Security may also be a Dual Currency Redemption Perpetual Security, a Partly Paid Perpetual Security or a combination of any of the foregoing, depending upon the Redemption/ Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Perpetual Securities are issued with Coupons attached.

1.3 Title

Subject as set out below, title to the Bearer Perpetual Securities and Coupons will pass by delivery and title to the Registered Perpetual Securities and the Perpetual AMTNs will pass on registration of transfers in the register which is kept by the Registrar in accordance with the Agency Agreement (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Agency Agreement (in the case of Perpetual AMTNs). The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Perpetual Security or Coupon and the registered holder of any Registered Perpetual Security or Perpetual AMTN as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Perpetual Security, without prejudice to the provisions set out in the next succeeding paragraph.

1.4 Bearer Perpetual Securities and Registered Perpetual Securities (other than Perpetual AMTNs)

For so long as any of the Perpetual Securities (other than Perpetual AMTNs) is represented by a Global Perpetual Security held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) or CDP, each person (other than Euroclear or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of CDP, as the case may be, as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution, and in the case of Perpetual Securities cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purpose the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expressions **Perpetual Securityholder** and **holder of Perpetual Securities** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Perpetual Securities as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Perpetual Securities which are represented by a Global Perpetual Security will be transferable only in accordance with the rules and procedures for the time being of CDP, Euroclear and Clearstream, Luxembourg, as the case may be. References to CDP, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

1.5 Perpetual AMTNs

In the case of Perpetual AMTNs, the following provisions shall apply and shall prevail over the foregoing provisions of Condition 1 in the event of any inconsistency.

Perpetual AMTNs will be debt obligations of the Issuer owing under the Australian Note Deed Poll, will be represented by a certificate (**AMTN Certificate**) and will take the form of entries in the Australian Register to be established and maintained by the Australian Agent in Sydney, Australia unless otherwise agreed with the Australian Agent pursuant to the Australian Agency Agreement. The Issuer will arrange for the Australian Agent to maintain the Australian Register so as to show at all times such details of the Perpetual Securityholders and the Perpetual AMTNs as are required to be shown on the Australian Register by or for the effective operation of these Conditions or by law or which the Issuer and Australian Agent determine should be shown in the Australian Register. Although Perpetual AMTNs will not be constituted by the Trust Deed (instead being constituted by the Australian Note Deed Poll), Perpetual AMTNs will have the benefit of the Trust Deed. The Agency Agreement is not applicable to the Perpetual AMTNs.

Perpetual AMTNs will not be serially numbered. Each entry in the Australian Register constitutes a separate and individual acknowledgement to the relevant Perpetual Securityholder of the indebtedness of the Issuer to the relevant Perpetual Securityholder. The obligations of the Issuer in respect of each Perpetual AMTN constitute separate and independent obligations which the Perpetual Securityholder is entitled to enforce in accordance with these Conditions, the Trust Deed and the Australian Note Deed Poll. Other than an AMTN Certificate, no certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Perpetual AMTN unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

Each Tranche of Perpetual AMTNs will be represented by a single AMTN Certificate substantially in the form set out in the Australian Note Deed Poll. The Issuer shall issue and deliver, and procure the authentication by the Australian Agent of, such number of AMTN Certificates as are required from time to time to represent all of the Perpetual AMTNs of each Tranche. An AMTN Certificate is neither a negotiable instrument nor a document of title in respect of any Perpetual AMTNs represented by it. In the event of a conflict between any AMTN Certificate and the Australian Register, the Australian Register shall prevail (subject to rectification for fraud or manifest or proven error).

No Perpetual AMTN will be registered in the name of more than four persons. Perpetual AMTNs registered in the name of more than one person are held by those persons as joint tenants. Perpetual AMTNs will be registered by name only, without reference to any trusteeship and an entry in the Australian Register in relation to a Perpetual AMTN constitutes conclusive evidence that the person so entered is the registered owner of such Perpetual AMTN, subject to rectification for fraud or manifest or proven error.

Upon a person acquiring title to any Perpetual AMTNs by virtue of becoming registered as the owner of that Perpetual AMTN, all rights and entitlements arising by virtue of the Australian Note Deed Poll in respect of that Perpetual AMTN vest absolutely in the registered owner of the Perpetual AMTN, such that no person who has previously been registered as the owner of the Perpetual AMTN

has or is entitled to assert against the Issuer, the Australian Agent or the registered owner of the Perpetual AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the Perpetual AMTN.

In respect of Perpetual AMTNs, references to the relevant Clearing System shall be a reference to the clearing system operated by Austraclear Ltd (the **Austraclear System**). Where the Perpetual AMTNs are lodged with the Austraclear System, any transfer of Perpetual AMTNs must be in accordance with the rules and regulations for the time being established to govern the use of the Austraclear System (the **Austraclear Regulations**).

2. TRANSFERS OF REGISTERED PERPETUAL SECURITIES

2.1 Transfers of interests in Registered Global Perpetual Securities (other than Perpetual AMTNs)

Transfers of beneficial interests in Registered Global Perpetual Securities will be effected by Euroclear or Clearstream, Luxembourg or CDP, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Perpetual Security will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Perpetual Securities or for a beneficial interest in another Registered Global Perpetual Security of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg or CDP, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Definitive Registered Perpetual Securities (other than Perpetual AMTNs)

Subject as provided in Condition 2.4 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Perpetual Security may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

(a) the holder or holders must:

(i) surrender the Definitive Registered Perpetual Security for registration of the transfer of the Definitive Registered Perpetual Security (or the relevant part of the Definitive Registered Perpetual Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

(ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Perpetual Security of a like aggregate nominal amount to the Definitive

Registered Perpetual Security (or the relevant part of the Definitive Registered Perpetual Security) transferred. In the case of the transfer of part only of a Definitive Registered Perpetual Security, a new Definitive Registered Perpetual Security in respect of the balance of the Definitive Registered Perpetual Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Transfer of Perpetual AMTNs

Perpetual AMTNs may be transferred in whole but not in part. Unless lodged in the Austraclear System, the Perpetual AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the Perpetual AMTNs and be signed by both the transferor and the transferee. The Australian Agent may refuse to register a transfer and acceptance form if it contravenes or fails to comply with the Conditions or the transfer of Perpetual AMTNs pursuant to that transfer and acceptance form would result in a contravention of any applicable law.

Perpetual AMTNs may only be transferred within, to or from Australia if:

(a) the aggregate consideration payable by the transferee at the time of transfer is at least A$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia, as amended (the **Corporations Act**);

(b) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act;

(c) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and

(d) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia.

Perpetual AMTNs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations. While a Perpetual AMTN is lodged in the Austraclear System, neither the Issuer nor the Australian Agent will recognise any such interest other than the interest of Austraclear as the Perpetual Securityholder.

A transfer to an unincorporated association is not permitted.

A person becoming entitled to a Perpetual AMTN as a consequence of the death or bankruptcy of a holder or of a vesting order or a person administering the estate of a holder may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer such Perpetual AMTN or, if so entitled, become registered as the holder of the Perpetual AMTN.

Where the transferor executes a transfer of less than all of the Perpetual AMTNs registered in its name, and the specific Perpetual AMTNs to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the Perpetual AMTNs registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate nominal amount of the Perpetual AMTNs registered as having been transferred equals the aggregate nominal amount of the Perpetual AMTNs expressed to be transferred in the transfer.

2.4 Registration of transfer upon partial redemption

In the event of a partial redemption of Perpetual Securities under Condition 6, the Issuer shall not be required to register or procure the registration of the transfer of any Registered Perpetual Security, or part of a Registered Perpetual Security, called for partial redemption.

2.5 Costs of registration

Perpetual Securityholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.6 Closed Periods

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security or a Perpetual AMTN to be registered during the period of (a) 15 days ending on (and including) the due date for redemption of that Perpetual Security, (b) during the period of 15 days before (and including) any date on which Perpetual Securities may be called for redemption by the Issuer pursuant to Condition 6.7 and (c) seven days ending on (and including) any Record Date (as defined in Condition 5.5 for Perpetual Securities other than Perpetual AMTNs and in Condition 5.8 for Perpetual AMTNs).

2.7 Exchanges and transfers of Registered Perpetual Securities generally

Perpetual AMTNs may not be exchanged for Bearer Perpetual Securities or Registered Perpetual Securities.

3. STATUS OF THE PERPETUAL SECURITIES

(a) **Senior Perpetual Securities:** *This Condition 3(a) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Senior Perpetual Securities.*

(i) **Status:** The Senior Perpetual Securities and any related Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) **Subordinated Perpetual Securities**: *This Condition 3(b) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Subordinated Perpetual Securities.*

(i) **Status:** The Perpetual Securities and any related Coupons constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations, from time to time outstanding. The rights and claims of the Perpetual Securityholders are subordinated in the manner described in Condition 3(b)(ii).

(ii) **Subordination:** Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up of the Issuer or Ascendas Reit, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or Ascendas Reit, and thereafter, such

Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of Ascendas Reit (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**Ascendas Reit Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the Issuer or Ascendas Reit and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or Ascendas Reit, and so rank ahead of, the holders of Junior Obligations of Ascendas Reit, but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of Ascendas Reit), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under these Conditions in respect of each Ascendas Reit Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4.6(f)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions and/or as otherwise specified in the applicable Pricing Supplement.

(iii) **Set-off:** Subject to applicable law, no Perpetual Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities and the Coupons relating to them, as the case may be, and each Perpetual Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Perpetual Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, as the case may be, is discharged by set-off, such Perpetual Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up or administration of the Issuer or Ascendas Reit, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, Ascendas Reit) and, until such time as payment is made, shall hold such amount in trust for Ascendas Reit (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, Ascendas Reit) and accordingly any such discharge shall be deemed not to have taken place.

For the purposes of these Conditions:

Junior Obligation means:

(a) the ordinary units of Ascendas Reit and any class of equity capital in Ascendas Reit and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Ascendas Reit; or

(b) as otherwise specified in the applicable Pricing Supplement.

Parity Obligation means:

(a) any instrument or security (including without limitation any preferred units in Ascendas Reit) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with an Ascendas Reit Notional Preferred Unit and/or other Parity Obligations and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof; or

(b) as otherwise specified in the applicable Pricing Supplement.

Winding-Up of a person means the bankruptcy, termination, winding-up, administration, judicial management, dissolution, liquidation or similar proceedings of that person.

(c) **Winding-Up of the Issuer**

For the purposes of these Conditions (which for the avoidance of doubt, includes Condition 3(b), Condition 4.6(h)(ii) and Condition 9), any reference to the Winding-Up of the Issuer shall only apply in the circumstances where (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of HSBC Institutional Trust Services (Singapore) Limited affecting its role as trustee of Ascendas Reit (or of any previous replacement or substitute trustee of Ascendas Reit) and (ii) the replacement or substitute trustee of Ascendas Reit is not appointed in accordance with the terms of the Ascendas Reit Trust Deed (as defined in the Trust Deed) or by a court of competent jurisdiction within six months of such order or resolution.

4. DISTRIBUTIONS AND OTHER CALCULATIONS

4.1 Distribution on Fixed Rate Perpetual Securities

(a) **Distribution Payment Dates**

Each Fixed Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date at the rate(s) per annum equal to the Rate(s) of Distribution. Distribution will be payable in arrear on the Distribution Payment Date(s) in each year up to (and including) the due date for redemption.

If the Perpetual Securities are in definitive form, except as provided in the applicable Pricing Supplement, the amount of distribution payable on each Distribution Payment Date in respect of the Fixed Distribution Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of distribution on any Distribution Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Distribution Period** means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date.

Except in the case of Perpetual Securities in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, distribution shall be calculated in respect of any period by applying the Rate of Distribution to:

(i) in the case of Fixed Rate Perpetual Securities which are (x) represented by a Global Perpetual Security or (y) Registered Perpetual Securities in definitive form, the aggregate outstanding nominal amount of the (A) Fixed Rate Perpetual Securities represented by such Global Perpetual Security or (B) such Registered Perpetual Securities (or, in each case, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

(ii) in the case of Fixed Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form or Perpetual AMTNs, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Perpetual Securities which are Registered Securities in definitive form or the Calculation Amount in the case of Fixed

Rate Securities which are Bearer Securities in definitive form or Perpetual AMTNs) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Perpetual Security which is a Bearer Perpetual Security in definitive form is a multiple of the Calculation Amount, the amount of distribution payable in respect of such Fixed Rate Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution, in accordance with this Condition 4.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(A) in the case of Perpetual Securities where the number of days in the relevant period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Perpetual Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant Distribution Payment Date divided by 365; and

(iv) if "RBA Bond Basis" is specified in the applicable Pricing Supplement, one divided by the number of Distribution Payment Dates in a year (or where the Accrual Period does not constitute a Distribution Period, the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of:

(A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366; and

(B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365)).

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Distribution Commencement Date or the final Distribution Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) **Rate of Distribution**

The Rate(s) of Distribution payable from time to time in respect of Fixed Rate Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement. Subject to the terms of the applicable Pricing Supplement, the Rate(s) of Distribution in respect of a Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement):

(A) if no Step-Up Margin is specified in the applicable Pricing Supplement, the Initial Rate of Distribution; or

(B) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from, and including, the Distribution Commencement Date to, but excluding, the Step-Up Date specified in the applicable Pricing Supplement, the Initial Rate of Distribution and (B) for the period from, and including, the Step-Up Date, the Initial Rate of Distribution plus the Step-Up Margin specified in the applicable Pricing Supplement; and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement):

(A) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the Initial Rate of Distribution; and

(B) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Rate of Distribution.

In these Conditions:

Reset Rate of Distribution means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Change of Control Event Margin (if applicable); and

Swap Offer Rate means:

(i) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other

equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **Reset Determination Date**);

(ii) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Issuer (or the independent advisor appointed by it) after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(iii) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Issuer (or the independent advisor appointed by it) after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate;

(iv) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Issuer (or the independent advisor appointed by it) after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Issuer (or the independent advisor appointed by it) will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, such rate quoted by that Reference Bank; and

(v) in the event that the swap offer rate is unable to be determined in accordance with paragraphs (i) to (iv) above, the swap offer rate for such Reset Period shall be the same rate as that in the preceding Distribution Period,

provided that, in each case, in the event the Swap Offer Rate as determined in accordance with the foregoing is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) **Determination and Publication of Reset Rate of Distribution**

The Calculation Agent shall, on the second Business Day prior to each Reset Date, determine the applicable Reset Rate of Distribution in respect of each Perpetual Security, and cause the applicable Reset Rate of Distribution to be notified to the Trustee, the Issuer, the Issuing and Paying Agent and the Perpetual Securityholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore, and (ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency (which, if the Specified Currency is Australian dollars, shall be Sydney).The determination of any rate, the obtaining of each quotation and the making of each determination or calculation for the purposes of this Condition 4.1(c) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be final and binding upon the Issuer, the Issuing and Paying Agent, the other Agents and all Perpetual Securityholders and Couponholders.

4.2 Distribution on Floating Rate Perpetual Securities

(a) **Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date and such distribution will be payable in arrear on either:

(i) the Specified Distribution Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Distribution Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Distribution Payment Date, a **Distribution Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

Such distribution will be payable in respect of each Distribution Period. In these Conditions, **Distribution Period** means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date or the relevant payment date if the Perpetual Securities become payable on a date other than a Distribution Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which a Distribution Payment Date should occur or (y) if any Distribution Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Distribution Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Distribution Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Distribution Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Distribution Payment Date occurred; or

(B) the Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Distribution Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Distribution Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and each Additional Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Pricing Supplement;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in the Offshore Renminbi Centre(s).

(b) **Rate of Distribution**

The Rate(s) of Distribution payable from time to time in respect of Floating Rate Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Perpetual Securities

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this paragraph (i), **ISDA Rate** for a Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a distribution rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this paragraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as LIBOR, EURIBOR or CNH HIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or at approximately 11.15 a.m. (Hong Kong time, in the case of CNH HIBOR) on the Distribution Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Distribution in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(iii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being the Singapore dollar interbank offer rate (**SIBOR**) or the Singapore dollar swap offer rate (**SOR**)

(A) Each Floating Rate Perpetual Security where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a **SIBOR Perpetual Security**) or SOR (in which case such Perpetual Security will be a **Swap Rate Perpetual Security**) confers a right to receive distribution at a floating rate determined by reference to SIBOR or, as the case may be, SOR as specified in the applicable Pricing Supplement.

(B) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security under this Condition 4.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX1 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if no such rate appears on Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) or if Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Distribution Determination Date the Calculation Agent is unable to determine the Rate of Distribution under paragraphs (aa) and (bb) above, the Issuer (or the independent advisor appointed by it) will request the Reference Banks to provide the rate at which deposits in Singapore dollars are offered by it at approximately the Specified Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations notified to the Calculation Agent, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), as determined by the Calculation Agent;

(dd) if on any Distribution Determination Date two but not all the Reference Banks provide the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(ee) if on any Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), provided that, if the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Distribution shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period, in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period).

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Specified Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body selected by the Issuer (or the independent advisor appointed by it) and notified to the Calculation Agent where such rate is widely used (after

taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or the independent advisor appointed by it) may select and notify to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (aa) and (bb) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date and notified to the Calculation Agent as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate, or if on such Distribution Determination Date, one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(dd) if paragraph (cc) above applies and fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Distribution Determination Date, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(C) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

In these Conditions:

Reference Banks means, in the case of a determination of LIBOR, the principal London offices of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone offices of four major banks in the Euro-zone interbank market and, in the case of a determination of the SIBOR or the SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer (or the independent advisor appointed by it) or as specified in the applicable Pricing Supplement;

Reference Rate means the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

Specified Time means in the case of a determination of SIBOR, 11.00 a.m. (Singapore time) and in the case of a determination of SOR, 11.00 a.m. (London time).

(v) BBSW Determination for Floating Rate Perpetual AMTNs

Where, in relation to an issue of floating rate Perpetual AMTNs, BBSW Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will be the sum of the BBSW and the Margin. Each Perpetual Securityholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW, as applicable, in each case as described below (in all cases without the need for any Perpetual Securityholder consent). Any determination of, substitution for and adjustments made to the BBSW, as applicable, in each case described below will be binding on the Issuer, the Perpetual Securityholder and each Agent.

In this Condition 4.2(b)(v), **BBSW** means the rate for prime bank eligible securities, having a tenor closest to the Distribution Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30 a.m. (Sydney time) (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) (**Publication Time**) on the first day of that Distribution Period. However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10.45 a.m. on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, **BBSW** means such other successor rate or alternative rate for BBSW-linked floating rate securities at such time determined by the Issuer (acting in good faith and in a commercially reasonable manner) or an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate (in each case, a **Determining Party**), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such alternate financial institution, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW-linked floating rate securities at such time (together with such other adjustments to the Business Day Convention, distribution determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW-linked floating rate securities at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by such Determining Party (in consultation with the Issuer, as applicable) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

If the Calculation Agent is unable to determine the Rate of Distribution in accordance with the preceding paragraph, the Rate of Distribution shall be that determined during the immediately preceding Distribution Period (though substituting, where a different Margin is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin relating to the relevant Distribution Period in place of the Margin relating to that last preceding Distribution Period).

(c) **Minimum Rate of Distribution and/or Maximum Rate of Distribution**

If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) above is less than such Minimum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Distribution shall be deemed to be zero.

If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) above is greater than such Maximum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(d) **Determination of Rate of Distribution and calculation of Distribution Amounts**

The Calculation Agent will as soon as practicable after each time at which the Rate of Distribution is to be determined, determine the Rate of Distribution for the relevant Distribution Period.

The Issuing and Paying Agent will calculate the amount of distribution (the **Distribution Amount**) payable on the Floating Rate Perpetual Securities for the relevant Distribution Period by applying the Rate of Distribution to:

(i) in the case of Floating Rate Perpetual Securities which are (x) represented by a Global Perpetual Security or (y) Registered Perpetual Securities in definitive form, the aggregate outstanding nominal amount of (A) the Perpetual Securities represented by such Global Perpetual Security or (B) such Registered Perpetual Securities (or, in each case, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

(ii) in the case of Floating Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form or Perpetual AMTNs, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Perpetual Security which is a Bearer Perpetual Security in definitive form is a multiple of the Calculation Amount, the Distribution Amount payable in respect of such Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 (or, if any portion of that Distribution Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Distribution Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 or, in the case of a Distribution Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Distribution Period, unless such number is 31, in which case D_1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

D_1 is the first calendar day, expressed as a number, of the Distribution Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Distribution Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

D_1 is the first calendar day, expressed as a number, of the Distribution Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless (i) that day is the last day of February but not the due date for redemption or (ii) such number would be 31, in which case D_2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of a Distribution Period in the applicable Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement), the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement) or the relevant BBSW (where BBSW Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Distribution Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Distribution Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer (or the independent advisor appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Distribution and Distribution Amounts**

The Issuing and Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Distribution and each Distribution Amount for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuer, the Trustee, the Issuing and Paying Agent and the Australian Agent (in respect of Perpetual AMTNs) as soon as possible after its determination but in no event later than the fourth business day thereafter. If so required by the Issuer, the Issuing and Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Distribution, the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 13 after its determination. Each Distribution Amount and Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Distribution Period. Any such amendment will be promptly notified by the Calculation Agent to the Issuer, the Trustee, the Issuing and Paying Agent and the Australian Agent (in respect of Perpetual AMTNs) and, if so required by the Issuer, to the Perpetual Securityholders in accordance with Condition 13.

For the purposes of this paragraph, the expression **business day** means:

(i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore; and

(ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency (which, if the Specified Currency is Australian dollars, shall be Sydney).

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Issuing and Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing and Paying Agent, the other Agents and all Perpetual Securityholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Perpetual Securityholders or the Couponholders shall attach to the Issuing and Paying Agent or the Calculation Agent, as applicable, or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Other Reference Rates, Partly Paid Perpetual Securities etc.

In the case of Perpetual Securities where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of distribution, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

The rate or amount of distribution payable in respect of Perpetual Securities which are not also Fixed Rate Perpetual Securities or Floating Rate Perpetual Securities shall be determined in the manner specified in the applicable Pricing Supplement.

In the case of Partly Paid Perpetual Securities, distribution will accrue as aforesaid on the paid-up nominal amount of such Perpetual Securities and otherwise as specified in the applicable Pricing Supplement.

4.4 Benchmark discontinuation

In addition, notwithstanding the provisions above in this Condition 4:

(a) where "Benchmark Replacement (General)" is specified as being applicable in the relevant Pricing Supplement, if a Benchmark Event occurs in relation to a Reference Rate when any Rate of Distribution (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the relevant Distribution Determination Date relating to the next succeeding Distribution Period (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Distribution (or the relevant component part thereof) applicable to the Perpetual Securities;

(ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Distribution Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.4); provided, however, that if paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the preceding Distribution Period (or alternatively, if there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution (if any)) (subject, where applicable, to substituting the Margin that applied to such preceding Distribution Period for the Margin that is to be applied to the relevant Distribution Period); for the avoidance of doubt, the proviso in this paragraph (iii) shall apply to the relevant Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.4;

(iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Distribution Determination Date and/or the definition of Reference Rate applicable to the Perpetual Securities, and the method for determining the fallback rate in relation to the Perpetual Securities, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative

Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement, the Australian Note Deed Poll, the Australian Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4.4. Perpetual Securityholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or the Agents (if required); and

(v) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread, give notice thereof to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Perpetual Securityholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread and any consequential changes made to these Conditions.

For the purposes of this Condition 4.4(a):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Perpetual Securityholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body;

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(c) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of distribution in respect of perpetual securities denominated in the Specified Currency and of a comparable duration to the relevant Distribution Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate.

Benchmark Event means:

(a) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(b) a public statement by the administrator of the relevant Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate);

(c) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued;

(d) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Perpetual Securities, and in each case within the following six months;

(e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Perpetual Securityholder using the relevant Reference Rate; or

(f) the making of a public statement by the supervisor of the administrator of the relevant Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

Relevant Nominating Body means, in respect of a Reference Rate:

(a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) where "Benchmark Replacement (ARRC)" is specified as being applicable in the relevant Pricing Supplement, if the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, then the following provisions shall apply:

(i) the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Perpetual Securities in respect of such determination on such date and all determinations on all subsequent dates;

(ii) in connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 4.4(b). Perpetual Securityholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard;

(iii) any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4.4(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Perpetual Securities, shall become effective without consent from any other party.

For the purposes of this Condition 4.4(b):

Benchmark means, initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then **Benchmark** means the applicable Benchmark Replacement;

Benchmark Replacement means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;

(ii) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

(iii) the sum of: (a) the alternate rate of distribution that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(iv) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; and

(v) the sum of: (a) the alternate rate of distribution that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of distribution as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Distribution Period" and "Accrual Period", timing and frequency of determining rates and making payments of distribution, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Distribution Period or Accrual Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark:

(i) in the case of paragraphs (i) or (ii) of the definition of "Benchmark Transition Event", the later of: (a) the date of the public statement or publication of information referenced therein, and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(ii) in the case of paragraph (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

Compounded SOFR means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the distribution amount payable prior to the end of each Distribution Period or Accrual Period) being established by the Issuer or its designee in accordance with:

(i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that

(ii) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with paragraph (i) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate securities at such time.

Notwithstanding the foregoing, Compounded SOFR may include such lookback and/or suspension period as specified in the relevant Pricing Supplement as a mechanism to determine the distribution amount payable prior to the end of each Distribution Period or Accrual Period;

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

designee means a designee as selected and separately appointed by the Issuer in writing, which may include a subsidiary or affiliate of the Issuer or an Independent Adviser;

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source;

Interpolated Benchmark with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

(i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and

(ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

LIBOR means London Interbank Offered Rate;

Reference Time with respect to any determination of the Benchmark means:

(i) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination; and

(ii) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

SOFR with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;

Term SOFR means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

4.5 Accrual of distribution

Each Perpetual Security (or in the case of the redemption of part only of a Perpetual Security, that part only of such Perpetual Security) will cease to bear distribution (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, distribution will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Perpetual Security have been paid; and

(b) as provided in the Trust Deed (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Note Deed Poll (in the case of Perpetual AMTNs).

4.6 Distribution Deferral

(a) **Optional Deferral:** If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any Distribution (in whole and not in part) which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (a **Deferral Election Notice**) of such election in the form set out in Schedule 7 to the Trust Deed to the Perpetual Securityholders in accordance with Condition 13, the Trustee and the Agents or, in the case of Perpetual AMTNs, the Australian Agent not more than 15 nor less than five business days prior to a scheduled Distribution Payment Date.

If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any Distribution if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Pricing Supplement, any of the following has occurred:

(i) the Issuer or any of its Subsidiaries (as defined in the Trust Deed) has declared or paid any dividends, distributions or made any other payment on, or procured any dividend, distribution or other payment to be made on any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Parity Obligations; and/or

(ii) the Issuer or any of its Subsidiaries has redeemed, purchased, cancelled, reduced, bought-back or otherwise acquired for any consideration any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Parity Obligations; and/or

(iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer (a **Compulsory Distribution Payment Event**).

(b) **No obligation to pay:** The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4.6(a) and any failure to pay Distributions so deferred shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) **Requirements as to Notice:** Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent or, in the case of Perpetual AMTNs, the Australian Agent, and if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, by a certificate in the form scheduled to the Trust Deed signed by two authorised signatories of the Issuer confirming that no Compulsory Distribution

Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

(d) **Cumulative Deferral:** If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to this Condition 4.6 shall constitute **Arrears of Distribution**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4.6 by complying with the foregoing notice requirements except that this Condition 4.6(d) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is specified as being applicable in the applicable Pricing Supplement, each amount of Arrears of Distribution shall bear further distribution as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such distribution (the **Additional Distribution Amount**) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(e) **Non-Cumulative Deferral:** If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to this Condition 4.6 is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other Distributions that have not been paid in whole or in part.

(f) **Optional Distribution:** If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of Distribution which is unpaid in whole or in part (an **Optional Distribution**) at any time by giving irrevocable notice of such election to the Perpetual Securityholders (in accordance with Condition 13) and the Trustee and the Issuing and Paying Agent or, in the case of Perpetual AMTNs, the Australian Agent, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Perpetual Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(f) may be specified in the applicable Pricing Supplement.

(g) **Restrictions in the case of Deferral**: If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of this Condition 4.6, the Issuer shall not, and shall procure that none of its Subsidiaries shall, in respect of the Issuer's, or, as the case may be, the relevant Subsidiary's Junior Obligations or the Issuer's Parity Obligations:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

a. if this Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or

b. if this Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Parity Obligations; or

(ii) redeem, purchase, cancel, reduce, buy-back or otherwise acquire for any consideration:

a. if this Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or

b. if this Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (C) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders.

(h) **Satisfaction of Arrears of Distribution:** The Issuer:

(i) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Perpetual Securityholders (in accordance with Condition 13) and the Trustee and the Issuing and Paying Agent or, in the case of Perpetual AMTNs, the Australian Agent, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 6;

(B) the next Distribution Payment Date on the occurrence of a breach of Condition 4.6(g) or the occurrence of a Compulsory Distribution Payment Event; and

(C) the date such amount becomes due under Condition 9 or on a final and effective Winding-Up of the Issuer or Ascendas Reit.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Perpetual Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a *pro-rata* basis. Further provisions relating to this Condition 4.6(h) may be specified in the applicable Pricing Supplement.

(i) **No default:** Notwithstanding any other provision in these Conditions or the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 4.6 shall not constitute a default for any other purpose (including, without limitation, pursuant to Condition 9 on the part of the Issuer).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Perpetual Securityholder with a bank in the Offshore Renminbi Centre(s).

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

For the purpose of the Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

5.2 Presentation of Definitive Bearer Perpetual Securities and Coupons

Payments of principal in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Perpetual Securities, and payments of distribution in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Perpetual Securities in definitive bearer form and save as provided in Condition 5.4 should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Perpetual Security in definitive bearer form becoming due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Perpetual Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Bearer Perpetual Security is not a Distribution Payment Date, distribution (if any) accrued in respect of such Perpetual Security from (and including) the preceding Distribution Payment Date or, as the case may be, the Distribution Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Perpetual Security.

5.3 Payments in respect of Bearer Global Perpetual Securities

Payments of principal and distribution (if any) in respect of Perpetual Securities represented by any Bearer Global Perpetual Security will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Perpetual Securities or otherwise in the manner specified in the relevant Global Perpetual Security against presentation or surrender, as the case may be, of such Global Perpetual Security at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of distribution, will be made on such Global Perpetual Security by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 Specific provisions in relation to payments in respect of certain types of Bearer Perpetual Securities

Upon the date on which any Dual Currency Perpetual Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

5.5 Payments in respect of Registered Perpetual Securities

This Condition 5.5 does not apply to Perpetual AMTNs

Payments of principal in respect of each Registered Perpetual Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Perpetual Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the register of holders of the Registered Perpetual Securities maintained by the Registrar (the **Register**) (i) where in global form, where (A) the Registered Perpetual Securities are cleared through Euroclear and Clearstream, Luxembourg, at the close of business on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January and (B) the Registered Perpetual Securities are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (in the case of a payment in euro) any bank which processes payments in euro; and (in the case of a payment in Renminbi) any bank in the Offshore Renminbi Centre(s) which processes payments in Renminbi in the Offshore Renminbi Centre(s).

Payments of distribution in respect of each Registered Perpetual Security (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the Register (i) where in global form, where (A) the Registered Perpetual Securities are cleared through Euroclear and Clearstream, Luxembourg, at the close of business on the Clearing System Business Day before the due date for such payments and (B) the Registered Perpetual Securities are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the distribution due in respect of each Registered Perpetual Security on redemption will be made in the same manner as payment of the nominal amount of such Registered Perpetual Security.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or distribution in respect of Registered Perpetual Securities.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

5.6 General provisions applicable to payments (other than in respect of Perpetual AMTNs)

The holder of a Global Perpetual Security shall be the only person entitled to receive payments in respect of Perpetual Securities represented by such Global Perpetual Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Perpetual Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or CDP, as the case may be, as the beneficial holder of a particular nominal amount of Perpetual Securities represented by such Global Perpetual Security must look solely to Euroclear or Clearstream, Luxembourg or CDP, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Perpetual Security.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or distribution in respect of Bearer Perpetual Securities is payable in U.S. dollars, such U.S. dollar payments of principal and/or distribution in respect of such Perpetual Securities will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and distribution on the Bearer Perpetual Securities in the manner provided above when due;

(b) payment of the full amount of such principal and distribution at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and distribution in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.7 Payment Day

If the date for payment of any amount in respect of any Perpetual Security or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further distribution or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

(a) in the case of Perpetual Securities or Coupons denominated in a Specified Currency other than Renminbi:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Perpetual Securities in definitive form only, the relevant place of presentation;

(B) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;

(C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(b) in the case of Perpetual Securities or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) in the case of Perpetual Securities in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre(s).

5.8 Payments in respect of Perpetual AMTNs

The Australian Agent will act (through its office in Sydney) as paying agent for Perpetual AMTNs pursuant to the Australian Agency Agreement.

Payments of principal and distribution will be made in Sydney in Australian Dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such Perpetual AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made:

(a) if the Perpetual AMTN is held by Austraclear and entered in the Austraclear System, by crediting on the relevant Distribution Payment Date or other date on which payment is due the amount then due to the account or accounts (held with a bank in Australia) to which payments should be made specified by the holder to the Australian Agent, or in any other manner in Sydney which the Australian Agent and the holder agree and otherwise in accordance with the Austraclear System Regulations or as otherwise agreed with Austraclear; or

(b) if the Perpetual AMTN is not held by Austraclear and entered in the Austraclear System, by cheques drawn on the Sydney branch of an Australian bank dispatched by post on the relevant payment date at the risk of the holder or, at the option of the holder, by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian Dollar account (held with a bank in Australia) specified by the holder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the holder agree).

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the holder on the same day as the day on which the instructions are given.

If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the holder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.

Distribution will be calculated in the manner specified in Condition 4 and will be payable to the persons who are registered as holders at the close of business in Sydney on the relevant Record Date and cheques will be made payable to the holder (or, in the case of joint holders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the holder (or, in the case of joint holders, by all the holders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as holders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.

If any day for payment in respect of any Perpetual AMTN is not a Business Day, such payment shall not be made until the next following day which is a Business Day, and no further distribution shall be paid in respect of the delay in such payment.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Condition 7.

If a payment in respect of the Perpetual AMTN is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.In this Condition 5.8 in relation to Perpetual AMTNs, **Record Date** means, in the case of payments of principal or distribution, the close of business in Sydney on the date which is the fifteenth calendar day before the due date of the relevant payment of principal or distribution.

5.9 Interpretation of principal and distribution

Any reference in the Conditions to principal in respect of the Perpetual Securities shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Note Deed Poll (in the case of Perpetual AMTNs);

(b) the Early Redemption Amount of the Perpetual Securities;

(c) the Optional Redemption Amount(s) (if any) of the Perpetual Securities; and

(d) any premium and any other amounts (other than distribution) which may be payable by the Issuer under or in respect of the Perpetual Securities.

Any reference in the Conditions to distribution in respect of the Perpetual Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to distribution under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Note Deed Poll (in the case of Perpetual AMTNs).

6. REDEMPTION AND PURCHASE

6.1 No fixed redemption date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date. Subject to the provisions of Condition 3 and without prejudice to Condition 9, the Perpetual Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

6.2 Redemption for Taxation Reasons

Subject to Condition 6.10, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 days' nor more than 60 days' notice to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 13, the Perpetual Securityholders (which notice shall be irrevocable), if:

(a) the Issuer (or the Ascendas Reit Manager (as defined in the Trust Deed), as the case may be) receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(i) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (**ITA**) and Regulation 2 of the Income Tax Act (Qualifying Debt Securities) Regulations; or

(ii) the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(b) the Issuer satisfies the Trustee immediately before the giving of such notice that:

(i) on the occasion of the next payment due under the Perpetual Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Agent (in the case of Perpetual AMTNs) (i) a certificate signed by two authorised signatories of the Issuer stating that (in the case of Condition 6.2(a)) the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred or (in the case of Condition 6.2(b)) the obligation referred to in Condition 6.2(b) above cannot be avoided by the Issuer taking reasonable measures to avoid it and (ii) an opinion of independent tax or legal advisers of recognised standing to the effect that such change or amendment has (or will) occur and (in the case of Condition 6.2(b)) the Issuer has or will become obliged to pay such additional amounts as a result thereof, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. The Australian Agent will make such certificate available to the holders of the relevant Perpetual AMTNs for inspection.

Perpetual Securities redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.12 below together (if appropriate) with distribution accrued to (but excluding) the date of redemption.

6.3 Redemption for Accounting Reasons

If Redemption for Accounting Reasons is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13, the Perpetual Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date of redemption if, as a result of any changes or amendments to Singapore Financial Reporting Standards (**SFRS**) (or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Ascendas Reit) or other internationally generally accepted accounting standards that Ascendas Reit has adopted for the purposes of the preparation of its audited consolidated financial statements (the **Relevant Accounting Standard**), the Perpetual Securities may no longer be recorded as "equity" in the audited consolidated financial statements of Ascendas Reit prepared in accordance with the Relevant Accounting Standard (the **Accounting Event**), provided that such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities may no longer be recorded as "equity" in the audited consolidated financial statements of Ascendas Reit prepared in accordance with the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 6.3, the Issuer shall deliver to the Trustee (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Agent (in the case of Perpetual AMTNs) (x) a certificate signed by two authorised signatories of the Issuer stating that an Accounting Event has occurred and the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (y) an opinion of independent auditors of recognised standing to the effect that an Accounting Event has occurred and is prevailing, and the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect. The Australian Agent will make such certificate available to the holders of the relevant Perpetual AMTNs for inspection.

The Trustee shall be entitled without further enquiry and without liability to any Perpetual Securityholder or Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the entitlement of the Issuer to publish a notice of redemption pursuant to this Condition 6.3. Each such certificate and opinion shall be conclusive and binding on Perpetual Securityholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.3.

6.4 Redemption for Tax Deductibility Event

If Redemption for Tax Deductibility Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' irrevocable notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Perpetual Securityholders, the Trustee and the Issuing and Paying Agent, at their Early Redemption Amount as specified in the applicable Pricing Supplement, together, if appropriate, with Distribution accrued to (but excluding) the date fixed for redemption, if:

(a) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(i) any amendment to, or change in, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities;

(ii) any amendment to, or change in, an application or official interpretation of any such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; or

(iii) any applicable official interpretation or pronouncement which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities that provides for a position with respect to such laws, rules, regulations or practice related thereto that differs from the previous generally accepted position; or

(b) the Issuer (or the Ascendas Reit Manager, as the case may be) receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount (if any)) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA and, as a result,

payments by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (y) below would not be fully deductible by Ascendas Reit for Singapore income tax purposes (**Tax Deductibility Event**), provided that no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Securities would not be fully tax deductible by Ascendas Reit for Singapore profits tax.

Prior to the publication of any notice of redemption pursuant to this Condition 6.4, the Issuer shall deliver or procure that there is delivered to the Trustee (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Agent (in the case of Perpetual AMTNs) (x) a certificate signed by two authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (y) (in the case of Condition 6.4(a)) an opinion of Ascendas Reit's independent tax or legal advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement to the tax regime has taken place or is due to take effect, and the Trustee shall be entitled without further enquiry and without liability to any Perpetual Securityholder or Couponholder or any other person to rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event it shall be conclusive and binding on the Perpetual Securityholders. The Australian Agent will make such certificate available to the holders of the relevant Perpetual AMTNs for inspection.

6.5 Redemption upon a Ratings Event

If Redemption Upon a Ratings Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13, the Perpetual Securityholders (which notice shall be irrevocable), at their Early Redemption Amount as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable), if, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time (**Ratings Event**).

Prior to the publication of any notice of redemption pursuant to this Condition 6.5, the Issuer shall deliver, or procure that there is delivered, to the Trustee (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Agent (in the case of Perpetual AMTNs) a certificate signed by two authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances. The Australian Agent will make such certificate available to the holders of the relevant Perpetual AMTNs for inspection.

For the purposes of this Condition 6.5:

Rating Agency means Moody's Investors Service or its successors, Fitch, Inc or its successors or Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. or its successors.

6.6 Redemption upon A Regulatory Event

If Redemption upon a Regulatory Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), in each case on giving not less than 30 nor more

than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee, the Issuing and Paying Agent and, in accordance with Condition 13, the Perpetual Securityholders (which notice shall be irrevocable), at their Early Redemption Amount as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable), if, as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or, in the Distribution Payment Period immediately following that Distribution Payment Date, will count towards the Aggregate Leverage under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 6.6, the Issuer shall deliver, or procure that there is delivered to the Trustee (i) a certificate, signed by two authorised signatories of the Issuer or the Ascendas Reit Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances and (ii) an opinion of an independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect. Upon expiry of any such notice as is referred to in this Condition 6.6, the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 6.6.

For the purposes of this Condition 6.6:

Aggregate Leverage means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix; and

Property Funds Appendix means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore, as amended, varied or supplemented from time to time.

6.7 Redemption at the Option of the Issuer

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 days' nor more than 30 days' notice to the Perpetual Securityholders in accordance with Condition 13 (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), which notice shall be irrevocable and shall specify the date fixed for redemption, redeem all or some only of the Perpetual Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with distribution accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, the Perpetual Securities to be redeemed (**Redeemed Perpetual Securities**) will be selected individually by lot, in the case of Redeemed Perpetual Securities represented by Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, and in accordance with the rules of Euroclear, Clearstream, Luxembourg and/or CDP (as applicable), in the case of Redeemed Perpetual Securities represented by a Global Perpetual Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date). In the case of Redeemed Perpetual Securities represented by Perpetual Securities in definitive form, a list of the serial numbers of such Redeemed Perpetual Securities will be published

in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Perpetual Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.7 and notice to that effect shall be given by the Issuer to the Perpetual Securityholders in accordance with Condition 13 at least five days prior to the Selection Date.

In the case of a partial redemption of Perpetual AMTNs, the Perpetual AMTNs to be redeemed must be specified in the notice and will be selected in a fair and reasonable manner and in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the Perpetual AMTNs are listed.

6.8 Redemption upon a Change of Control

If Redemption upon a Change of Control is specified as being applicable in the applicable Pricing Supplement, following the occurrence of a Change of Control Event (as defined in the applicable Pricing Supplement), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Perpetual Securityholders (which notice shall be irrevocable), at their Early Redemption Amount as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date fixed for redemption.

6.9 Redemption in the case of Minimum Outstanding Amount

If Minimal Outstanding Amount Redemption Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Security), on giving not less than 30 nor more than 60 days' irrevocable notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13, the Perpetual Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount as specified in the applicable Pricing Supplement together (if appropriate) with distribution accrued to (but excluding) the date of redemption if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.9.

6.10 Specific redemption provisions applicable to certain types of Perpetual Securities

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Floating Rate Perpetual Securities and Dual Currency Redemption Perpetual Securities may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Conditions 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 and 6.8, Floating Rate Perpetual Securities and Dual Currency Distribution Perpetual Securities may be redeemed only on a Distribution Payment Date.

Partly Paid Perpetual Securities will be redeemed, whether early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

6.11 No Other Redemption

The Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Condition 6.2 and, to the extent specified in the applicable Pricing Supplement, in Conditions 6.3 to 6.9, and as otherwise specified in the applicable Pricing Supplement.

6.12 Early Redemption Amounts

For the purpose of Conditions 6.2 to 6.9 above, each Perpetual Security will be redeemed at its Early Redemption Amount.

6.13 Purchases

The Issuer and/or any Subsidiary of Ascendas Reit or the Issuer may at any time purchase Perpetual Securities (provided that, in the case of Definitive Bearer Perpetual Securities, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Perpetual Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Agent and/or the Registrar for cancellation or (in the case of Perpetual AMTNs) cancelled by notice to the Australian Agent.

6.14 Cancellation

All Perpetual Securities (other than Perpetual AMTNs) which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Perpetual Securities so cancelled and any Perpetual Securities purchased and cancelled pursuant to Condition 6.13 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

If any Perpetual AMTN is represented by an AMTN Certificate is redeemed or purchased and cancelled in accordance with this Condition 6 then:

(a) the applicable AMTN Certificate will be deemed to be surrendered and cancelled without any further formality; and

(b) where some, but not all, of the Perpetual AMTNs represented by that AMTN Certificate are so redeemed or purchased and cancelled, the Issuer will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate in respect of those Perpetual AMTNs that had been represented by the original AMTN Certificate and which remain outstanding following such redemption or purchase and cancellation.

7. TAXATION

All payments of principal and distribution in respect of the Perpetual Securities and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of the Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) the holder of which is liable for such taxes or duties in respect of such Perpetual Security or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, a Tax Jurisdiction); or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day or, in the case of a Perpetual AMTN, a claim for payment being made after such thirtieth day, assuming that day to have been a Payment Day (as defined in Condition 5.7); or

(d) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any such third party complies with any statutory requirements or by making or procuring that any such third party makes a declaration of non-residence or residence or any other similar claim for exemption to any tax authority; or

(e) by or on behalf of a holder or a beneficial owner who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities by or on behalf of the Issuer may be subject to Singapore withholding tax, regardless of the underlying receipts from which the distributions are made by Ascendas Reit. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities for or on account of any such taxes or duties.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Perpetual Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and distribution on the Perpetual Securities become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Issuing and Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Perpetual Securityholders in accordance with Condition 13.

8. PRESCRIPTION

The Perpetual Securities (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or distribution are made within a period of 10 years (in the case of principal) and five years (in the case of distribution) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. ENFORCEMENT EVENTS

(a) **Non-payment when due**: Notwithstanding any of the provisions below in this Condition 9, the right to institute Winding-Up proceedings in respect of Ascendas Reit is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any Distribution or Arrears of Distribution, such payment will not be due if the Issuer has elected to defer that payment pursuant to Condition 4.6, provided that nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Perpetual Securities or the Coupons.

(b) **Enforcement Events**: If any of the following events occurs (each, an **Enforcement Event**), the Trustee at its discretion may, and if so requested in writing by holders of not less than 25 per cent. in principal amount of the Perpetual Securities then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for the Winding-Up of Ascendas Reit and/or prove in the Winding-Up of the Issuer and/or Ascendas Reit and/or claim in the liquidation of the Issuer and/or Ascendas Reit for payment of the Perpetual Securities at their principal amount together with any Distributions accrued to (but excluding) such date (including any outstanding Arrears of Distribution and any Additional Distribution Amount, if applicable), as provided in the Trust Deed:

(i) **Non-payment:** the Issuer fails to pay the principal of or any Distribution (including Arrears of Distributions and Additional Distribution Amounts) on any of the Perpetual Securities when due (save, for the avoidance of doubt, for Distributions (including Arrears of Distribution and Additional Distribution Amounts) which have been deferred in accordance with Condition 4.6(a)) and such failure continues for a period of 15 days; or

(ii) **Winding-up:** a final and effective order is made or an effective resolution passed for the Winding-Up or dissolution of the Issuer and/or Ascendas Reit.

(c) **Enforcement**: Without prejudice to Condition 9(b) but subject to Condition 9(d), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Australian Note Deed Poll, and the Perpetual Securities (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, the Trust Deed and/or the Australian Note Deed Poll, as the case may be, including, without limitation, payment of any principal or Distribution (including any Arrears of Distribution and Additional Distribution Amount) in respect of the Perpetual Securities, including any damages awarded for breach of any obligation), provided that in no

event shall the Issuer or Ascendas Reit, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) **Entitlement of Trustee**: The Trustee will not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) **Right of Perpetual Securityholders**: No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or Ascendas Reit or to institute proceedings for the Winding-Up of Ascendas Reit or claim in the liquidation of the Issuer or Ascendas Reit or to prove in such Winding-Up of the Issuer or Ascendas Reit unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up of the Issuer or Ascendas Reit or claim in such liquidation or termination, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder shall have only such rights against the Issuer and/or Ascendas Reit as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) **Extent of Perpetual Securityholders' or Couponholders' remedy**: No remedy against the Issuer or Ascendas Reit, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders, whether for the recovery of amounts owing in respect of the Perpetual Securities or the Coupons or under the Trust Deed or the Australian Note Deed Poll or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Perpetual Securities or the Coupons or under the Trust Deed or the Australian Note Deed Poll.

10. REPLACEMENT OF PERPETUAL SECURITIES, COUPONS AND TALONS AND AMTN CERTIFICATES

Should any Perpetual Security (other than Perpetual AMTNs), Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities or Coupons) or the Registrar (in the case of Registered Perpetual Securities) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Perpetual Securities, Coupons or Talons must be surrendered before replacements will be issued.

Should any AMTN Certificate be lost, stolen, mutilated, defaced or destroyed, upon written notice of such having been received by the Issuer and the Australian Agent:

(a) the AMTN Certificate will be deemed to be cancelled without any further formality; and

(b) the Issuer will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate to represent the holding of the Perpetual AMTNs that had been represented by the original AMTN Certificate.

11. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Issuing and Paying Agent, a CDP Issuing and Paying Agent and a Registrar;

(b) there will at all times be an Australian Agent for the Perpetual AMTNs;

(c) so long as the Perpetual Securities are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Perpetual Securities) and a Transfer Agent (in the case of Registered Perpetual Securities) and an Australian Agent (in the case of Perpetual AMTNs) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(d) so long as the Perpetual Securities are listed on the Singapore Exchange Securities Trading Limited (**SGX-ST**) and the rules of the SGX-ST so require, if the Perpetual Securities are issued in definitive form, there will at all times be a Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.6. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Perpetual Securityholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement or the Australian Agency Agreement, as the case may be, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Perpetual Securityholder or Couponholder. The Agency Agreement and the Australian Agency Agreement contain provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. EXCHANGE OF TALONS

On and after the Distribution Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of distribution due in respect of the Perpetual Security to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding Bearer Perpetual Securities will be deemed to be validly given if (a) published in a leading English language daily newspaper of general circulation in Singapore, which is expected to be The Business Times and (b) for so long as the Bearer Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Perpetual Securities are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or on the date of publication of such notice on the website of the SGX-ST. If publication

as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Perpetual Securities or Perpetual AMTNs will be deemed to be validly given if (a) sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register (in the case of Registered Perpetual Securities other than Perpetual AMTNs) or the Australian Register (in the case of Perpetual AMTNs) and will be deemed to have been given on the fourth day after mailing and (b) (in the case of Registered Perpetual Securities other than Perpetual AMTNs) for so long as the Registered Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com and such notice shall be deemed to have been given on the date of publication of such notice on the website of the SGX-ST. Notices to holders of Perpetual AMTNs may also be given by being published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in the *Australian Financial Review*. Any such notice will be deemed to have been given on the first date of such publication. In addition, for so long as any Registered Perpetual Securities or Perpetual AMTNs are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Perpetual Securities are issued, there may, so long as any Global Perpetual Securities representing the Perpetual Securities are held in their entirety on behalf of (i) Euroclear, Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg for communication by them to the holders of the Perpetual Securities, (ii) CDP, be substituted for such publication in such newspaper(s) or such mailing, (A) (subject to the agreement of CDP) the delivery of the relevant notice to CDP for communication by them to the holders of the Perpetual Securities, (B) the delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Days preceding the date of despatch of such notice as holding interests in the relevant Global Perpetual Securities, or (C) for so long as the Perpetual Securities are listed on the SGX-ST, the publication of the relevant notice on the website of the SGX-ST at http://www.sgx.com, and, in addition, for so long as any Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Perpetual Securities on (x) the day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP, as the case may be, and/or (y) (in the case of Perpetual Securities cleared through CDP) the day after the date of the despatch of such notice to the persons shown in the records maintained by CDP, and/or (z) (in the case of Perpetual Securities cleared through CDP) the date of publication of such notice on the website of the SGX-ST.

Notices to be given by any Perpetual Securityholder shall be in writing and given by lodging the same, together (in the case of any Perpetual Security in definitive form) with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities), the Registrar (in the case of Registered Perpetual Securities other than Perpetual AMTNs) or the Australian Agent (in the case of Perpetual AMTNs). Whilst any of the Perpetual Securities are represented by a Global Perpetual Security, such notice may be given by any holder of a Perpetual Security to the Issuing and Paying Agent or the Registrar through Euroclear, Clearstream, Luxembourg and/or CDP, in each case in such manner as the Issuing and Paying Agent, the Registrar, Euroclear, Clearstream, Luxembourg and/or CDP as the case may be, may approve for this purpose.

14. MEETINGS OF PERPETUAL SECURITYHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 Meetings of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of the Perpetual Securityholders (other than holders of Perpetual AMTNs) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Perpetual Securities, the Coupons or any of the provisions of the Trust Deed. The Australian Note Deed Poll contains provisions for convening meetings of the holders of Perpetual AMTNs to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Perpetual Securities or any provisions of the Australian Note Deed Poll. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Perpetual Securityholders holding not less than 10 per cent. in nominal amount of the Perpetual Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Perpetual Securityholders whatever the nominal amount of the Perpetual Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Perpetual Securities, the Coupons, the Trust Deed and/or the Australian Note Deed Poll (including modifying any date for payment of distribution thereon, reducing or cancelling the amount of principal or the rate of distribution payable in respect of the Perpetual Securities, varying the method of calculating the rate of distribution payable in respect of the Perpetual Securities, altering the currency, time or place of payment of, or in relation to, the Perpetual Securities or the Coupons or amending the subordination provisions of the Perpetual Securities), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than 25 per cent. in nominal amount of the Perpetual Securities for the time being outstanding.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Perpetual Securities, the Trust Deed and/or the Australian Note Deed Poll where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Perpetual Securityholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to cure any ambiguity or to correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Perpetual Securities may be held. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, any such modification, authorisation or waiver shall be notified to the Perpetual Securityholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Perpetual Securityholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Perpetual Securityholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Perpetual Securityholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Perpetual Securityholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences

of any such exercise upon individual Perpetual Securityholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

The Trustee may, without the consent of the Perpetual Securityholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed of another company, being a Subsidiary of Ascendas Reit, subject to (i) the Perpetual Securityholders being unconditionally and irrevocably guaranteed by the Issuer, (ii) the Trustee being satisfied that the interests of the Perpetual Securityholders will not be materially prejudiced by the substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

14.2 Substitutions

In addition, the Issuer may substitute in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or of any previous substitute under this Condition 14.2) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed or the Australian Note Deed Poll another company being appointed as the replacement or substitute trustee of Ascendas Reit (such substituted company being hereinafter called the **New Ascendas Reit Trustee**) in accordance with the terms of the Ascendas Reit Trust Deed, subject to:

(i) relevant accession or supplemental agreements, trust deeds or deeds poll being executed or some other form of undertaking being given by the New Ascendas Reit Trustee, agreeing to be bound by the provisions of the Trust Deed and/or the Australian Note Deed Poll as fully as if the New Ascendas Reit Trustee had been named in the Trust Deed and/or the Australian Note Deed Poll as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 14.2);

(ii) the Trustee being provided with evidence to its satisfaction that the appointment of the New Ascendas Reit Trustee has been completed in accordance with the terms of the Ascendas Reit Trust Deed, including a copy of the deed supplemental to the Ascendas Reit Trust Deed providing for such appointment, a confirmation from the Ascendas Reit Manager that the Deposited Property (as defined in the Ascendas Reit Trust Deed) has been vested in the New Ascendas Reit Trustee, and an opinion from independent legal advisors of recognised standing to the effect such appointment of the New Ascendas Reit Trustee is legal, valid and binding on Ascendas Reit; and

(iii) certain other conditions set out in the Trust Deed being complied with.

The Issuer shall deliver to the Trustee (in the case of Perpetual Securities other than Perpetual AMTNs) or the Australian Agent (in the case of Perpetual AMTNs) a certificate signed by two authorised signatories of the Issuer stating that the appointment of the New Ascendas Reit Trustee has been completed in accordance with the terms of the Ascendas Reit Trust Deed and that the conditions set out in the Trust Deed and/or the Australian Note Deed Poll for the substitution of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or of any previous substitute) have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. The Australian Agent will make such certificate available to the holders of the relevant Perpetual AMTNs for inspection.

Any such accession or supplemental agreement, trust deed, deed poll or undertaking shall, if so expressed, operate to release HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) or the previous substitute as aforesaid from all of its obligations as principal debtor under the Perpetual Securities, the Coupons and the Trust Deed and/or the Australian

Note Deed Poll. Upon the execution of such documents and compliance with such requirements, the New Ascendas Reit Trustee shall be deemed to be named in the Perpetual Securities, the Coupons, the Trust Deed and/or the Australian Note Deed Poll as the principal debtor in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or in place of the previous substitute under this Condition 14.2) under the Perpetual Securities, the Coupons, the Trust Deed and/or the Australian Note Deed Poll and the Perpetual Securities, the Coupons, the Trust Deed and/or the Australian Note Deed Poll shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Perpetual Securities, the Coupons, the Trust Deed and/or the Australian Note Deed Poll to HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (or such previous substitute under this Condition 14.2) shall, unless the context otherwise requires, be deemed to be or include references to the New Ascendas Reit Trustee.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and to be paid its costs and expenses in priority to the claims of the Perpetual Securityholders or Couponholders.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Perpetual Securityholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Perpetual Securityholders or the Couponholders to create and issue further perpetual securities having terms and conditions the same as the Perpetual Securities or the same in all respects save for the amount and date of the first payment of distribution thereon and the date from which distribution starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Perpetual Securities.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

This Condition 17 does not apply to Perpetual AMTNs

No person shall have any right to enforce any term or condition of this Perpetual Security under:

(a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999; or

(b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore,

but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

(a) The Trust Deed, the Agency Agreement, the Perpetual Securities (other than Perpetual AMTNs) and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Perpetual Securities (other than Perpetual AMTNs) and the Coupons are governed by, and construed in accordance with:

(i) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, English law, except that the subordination provisions set out in Condition 3(b) shall be governed by and construed in accordance with Singapore law; or

(ii) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

(b) The Australian Note Deed Poll, the Australian Agency Agreement and Perpetual AMTNs are governed by the laws in force in New South Wales, Australia, except that the subordination provisions set out in Condition 3(b) shall be governed by and construed in accordance with Singapore law.

18.2 Submission to jurisdiction

(a) Subject to Condition 18.2(d) below, in the case of Perpetual Securities other than Perpetual AMTNs:

(i) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, the English courts; or

(ii) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore,

(the **Relevant Courts**) have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Perpetual Securities (other than Perpetual AMTNs) and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Perpetual Securities (other than Perpetual AMTNs) and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Perpetual Securityholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the Relevant Courts.

(b) In the case of the Perpetual AMTNs, the courts of New South Wales, Australia and the courts of appeal from them have non-exclusive jurisdiction to settle any disputes which may arise out of, or in connection with, them and any suit, action or proceedings arising out of or in connection with the Perpetual AMTNs, the Australian Agency Agreement and the Australian Note Deed Poll (together referred to as **Australian Proceedings**) may be brought in such courts.

(c) For the purposes of this Condition 18.2, the Issuer waives any objection to the Relevant Courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(d) To the extent allowed by law, the Trustee, the Perpetual Securityholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

If the Perpetual Securities (other than Perpetual AMTNs) are specified to be governed by English law in the applicable Pricing Supplement, the Issuer irrevocably appoints TMF Global Services (UK)

Limited at 8th Floor, 20 Farringdon Street, London, United Kingdom, EC4A 4AB as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of TMF Global Services (UK) Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service.

In the case of Perpetual AMTNs, the Issuer irrevocably appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) at Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent for service of process in respect of any Australian Proceedings and agrees that, in the event of Dabserv Corporate Services Pty Ltd being unable or unwilling for any reason so to act, it will immediately appoint another person with an office located in New South Wales approved by the Trustee as its agent for service of process in respect of any Australian Proceedings. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service.

Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Other documents

In the case of Perpetual Securities other than Perpetual AMTNs, the Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

In the case of Perpetual AMTNs, the Issuer has in the Australian Note Deed Poll and the Australian Agency Agreement submitted to the jurisdiction of the courts of New South Wales, Australia and appointed an agent for service of process in terms substantially similar to those set out above.

19. LIABILITY OF HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF ASCENDAS REIT)

(a) Notwithstanding any provision to the contrary in the Trust Deed, the Australian Note Deed Poll, the Perpetual Securities, any Coupons, these Conditions and any document in connection herewith or therewith (together, the **Documents**), each of the Trustee, the Perpetual Securityholders and the Couponholders acknowledges that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) has entered into the Documents only in its capacity as trustee of Ascendas Reit and not in HSBC Institutional Trust Services (Singapore) Limited's personal capacity and all references to the **Issuer** in the Documents shall be construed accordingly.

(b) Accordingly, notwithstanding any provision to the contrary in the Documents, HSBC Institutional Trust Services (Singapore) Limited has assumed all obligations under the Documents in its capacity as trustee of Ascendas Reit and not in its personal capacity. Any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Documents is given by HSBC Institutional Trust Services (Singapore) Limited only in its capacity as trustee of Ascendas Reit and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Documents is limited to the assets of Ascendas Reit over which HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit, has recourse to under the Ascendas Reit Trust Deed and shall not extend to the personal assets of HSBC Institutional Trust Services (Singapore) Limited nor any other assets held by HSBC Institutional Trust Services (Singapore) Limited as trustee of any trust (other than Ascendas Reit). Any obligation, delegation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under the Documents shall only be in connection with matters relating to Ascendas Reit (and shall not extend to HSBC Institutional Trust Services (Singapore) Limited's obligations in respect of any other trust or real estate investment trust of which it is a trustee). Notwithstanding any provision to the contrary in the Documents, it is hereby acknowledged

that the obligations of the Issuer under the Documents shall be solely the corporate obligations of HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas Reit and not in its personal capacity. Accordingly, there shall be no recourse against the shareholders, directors, officers or employees of HSBC Institutional Trust Services (Singapore) Limited for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Documents. The foregoing shall not restrict or prejudice the rights or remedies of any relevant party under law or equity or relieve or discharge HSBC Institutional Trust Services (Singapore) Limited from any gross negligence, fraud, wilful default or breach of trust.

(c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in England (in the case of Perpetual Securities which are specified to be governed by English law in the applicable Pricing Supplement), Singapore (in the case of Perpetual Securities which are specified to be governed by Singapore law in the applicable Pricing Supplement), New South Wales (in the case of Perpetual AMTNs) or elsewhere pursuant to the Documents shall be brought against HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas Reit and not in its personal capacity.

(d) The provisions of this Condition 19 shall apply, mutatis mutandis, to any notice, certificate or other document which the Issuer issues under or pursuant to the Documents as if expressly set out in such notice, certificate or document.

(e) This Condition 19 shall survive the termination or rescission of the Documents, and the redemption or cancellation of the Perpetual Securities and/or any Coupons and/or the resignation or removal of the Issuer.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds arising from the issue of each Tranche of Notes or Perpetual Securities (after deducting issue expenses) will be used towards (a) financing or refinancing the acquisitions and/or investments of Ascendas Reit and any development and asset enhancement works initiated by Ascendas Reit or any trust, fund or entity in which Ascendas Reit has an interest, (b) on-lending to any trust, fund or entity in which Ascendas Reit has an interest, (c) financing the general working capital purposes of the Group and (d) refinancing the existing borrowings of the Group.

CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The table below sets forth the consolidated capitalisation and indebtedness of the Group as at 30 June 2020. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	As at 30 June 2020
	(S$'000)
Borrowings (Current)	750,685
Borrowings (Non-Current)	4,149,948
Total Equity	8,256,344
Total capitalisation and indebtedness	**13,156,977**

As at 30 June 2020, the Group did not have any material contingent liabilities.

There has been no material change in the capitalisation and indebtedness of the Group since 30 June 2020.

ASCENDAS REAL ESTATE INVESTMENT TRUST

1. History and background

Ascendas Reit is Singapore's first and largest listed business space and industrial real estate investment trust. It has a well-diversified portfolio of 96 properties in Singapore, 35 properties in Australia, 38 properties in the United Kingdom and 28 properties in the United States as at 30 June 2020. These properties host a customer base of around 1,460 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.

In Singapore, the well-diversified portfolio comprises business & science park properties, IDAR properties, high-specifications industrial properties, light industrial properties and logistics & distribution centres.

Ascendas Reit's logistics and suburban office properties in Australia are located in the key cities of Sydney, Melbourne, Brisbane and Perth.

In the United Kingdom, Ascendas Reit owns well-located logistics properties in established industrial areas across various regions including Yorkshire and the Humber, North West England, East and West Midlands, South East England and East of England. These properties have easy access to major motorways such as the M1 and M6, providing good connections to a large catchment of the United Kingdom's population.

The portfolio in the United States comprises business park properties located across the technology cities of San Diego, Raleigh and Portland, which are in close proximity to established, growth and start-up companies, as well as top research universities and institutions.

Ascendas Reit is constituted by the Ascendas Reit Trust Deed. The Ascendas Reit Trust Deed is regulated by the SFA and the Property Funds Appendix.

Ascendas Reit is listed on several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts Global Real Estate Index and Global Property Research Asia 250. As at 8 May 2020, Ascendas Reit has an issuer rating of "A3" with a "stable" outlook by Moody's.

As at 30 June 2020, Ascendas Reit is the largest business space and industrial REIT listed on the SGX-ST with total assets and market capitalisation of S$14.3 billion and S$11.5 billion, respectively.

The Ascendas Reit Manager is a wholly-owned subsidiary of CapitaLand Limited ("**CapitaLand**"), which is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, CapitaLand owns and manages a global portfolio worth S$131.9 billion as at 31 December 2019 and its portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, CapitaLand focuses on Singapore and China as its core markets, while continuing to expand in markets such as India, Vietnam, Australia, Europe and the USA.

2. Structure of Ascendas Reit

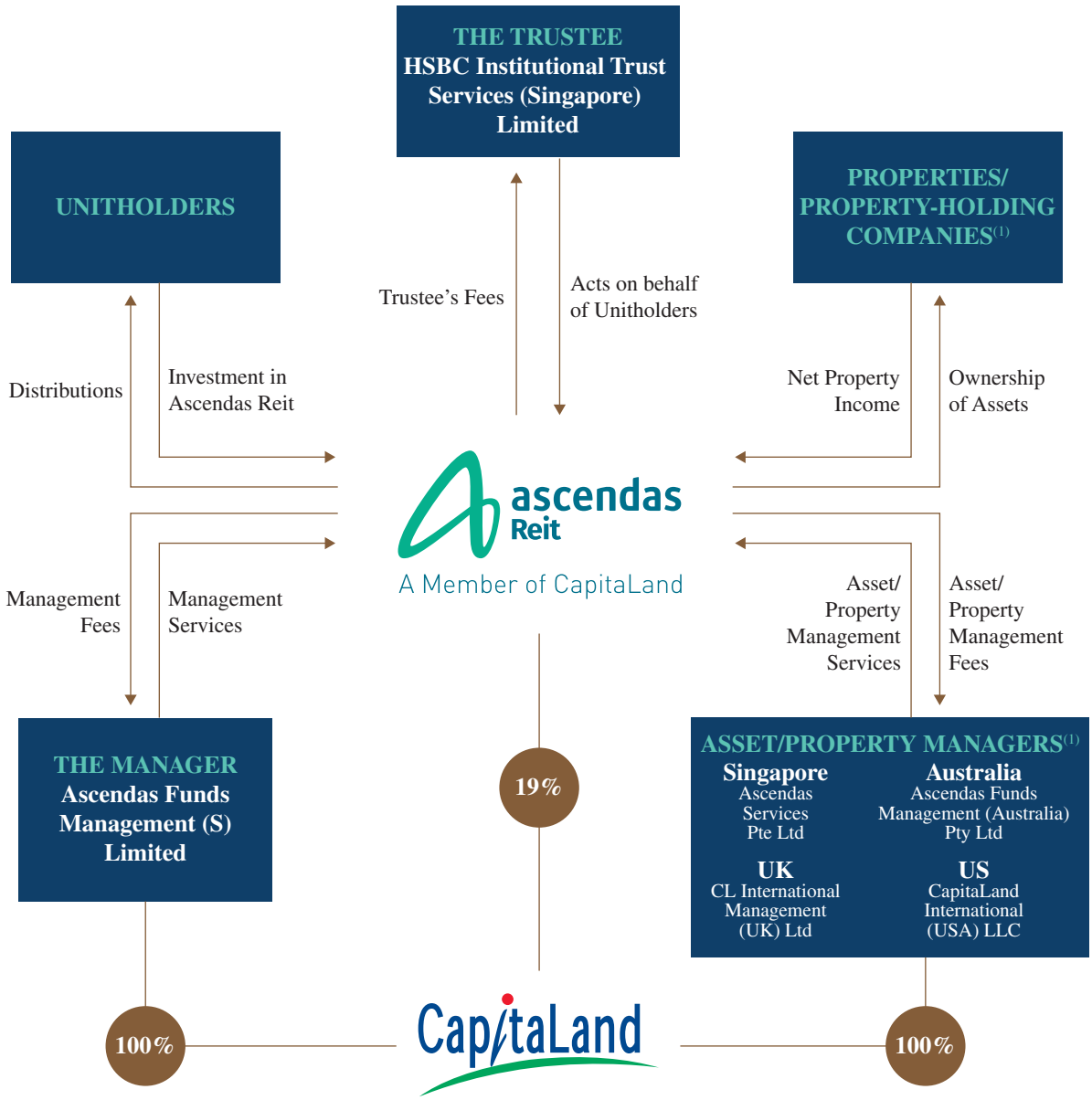
The Ascendas Reit Manager has general powers of management over the assets of Ascendas Reit. The Ascendas Reit Manager's main responsibility is to manage Ascendas Reit's assets and liabilities for the benefit of the Unitholders. The Ascendas Reit Manager sets the strategic direction of Ascendas Reit and gives recommendations to the Ascendas Reit Trustee on the acquisition, development and divestment or enhancement of assets of Ascendas Reit in accordance with its three-pronged strategy.

The Asset & Property Managers oversee day-to-day operational matters of the Properties in Ascendas Reit's portfolio.

The following chart illustrates the relationship between the Ascendas Reit Manager, the Asset & Property Managers, the Ascendas Reit Trustee and the Unitholders.

ASCENDAS REIT'S STRUCTURE

As at 30 June 2020



(1) Properties located in Singapore are held directly by Ascendas Reit.

Properties located in Australia are held through wholly owned subsidiaries of Ascendas Reit, and are managed by Ascendas Funds Management (Australia) Pty Ltd together with CapitaLand Australia Pty Ltd and third-party managing agents.

Properties located in the UK are held through wholly owned subsidiaries of Ascendas Reit and are managed by CL International Management (UK) Ltd (formerly known as Ascendas Management (UK) Ltd) together with third-party managing agents.

Properties located in the US are held through wholly owned subsidiaries of Ascendas Reit and are managed by CapitaLand International (USA) LLC together with third-party managing agents.

(A) The CapitaLand Group

The Ascendas Reit Manager and the Asset & Property Managers are wholly-owned subsidiaries of the CapitaLand Group.

CapitaLand is the leading real estate developer and owner in Singapore covering residential, retail, commercial and lodging sectors, with new complementary sectors including business park, industrial and logistics. Its portfolio comprises more than 150 properties.

Known for its distinctive and quality residential developments, CapitaLand has completed more than 13,000 homes since year 2000, with an additional approximately 1,500 homes under development. In the retail space, CapitaLand is Singapore's largest mall operator with a portfolio of 21 malls, including one under development. In the commercial sector, CapitaLand is one of Singapore's largest office landlords and managers with about 5.6 million square feet of commercial net lettable area. In the space of logistics, industrial and business parks, CapitaLand is the leading player in Singapore with 107 properties. Through its wholly owned lodging business unit, The Ascott Limited, CapitaLand is Singapore's largest serviced residence operator with more than 3,200 units across 18 properties.

CapitaLand's signature developments in Singapore include homes One Pearl Bank, The Interlace and Sky Habitat; shopping malls ION Orchard, Plaza Singapura and Westgate; Grade A office towers CapitaGreen, Capital Tower and 79 Robinson Road; integrated developments Raffles City Singapore, Funan and Jewel Changi Airport; business parks and spaces Singapore Science Park, Changi Business Park, Ascent and Galaxis; as well as serviced residences Ascott Orchard Singapore, Ascott Raffles Place Singapore and lyf Funan Singapore.

As at 30 June 2020, the CapitaLand Group has an interest of 695,322,612 Units (or approximately 19.2%) in Ascendas Reit.

(B) The Ascendas Reit Manager – Ascendas Funds Management (S) Limited

For more information on the Ascendas Reit Manager, please refer to the section "*Ascendas Funds Management (S) Limited (Ascendas Reit Manager)*".

(C) The Ascendas Reit Trustee – HSBC Institutional Trust Services (Singapore) Limited

For more information on the Ascendas Reit Trustee, please refer to the section "*HSBC Institutional Trust Services (Singapore) Limited (Ascendas Reit Trustee)*".

(D) The Asset & Property Managers

For more information on the Asset & Property Managers, please refer to the section "*The Asset & Property Managers*".

3. Ascendas Reit Strategies

The Ascendas Reit Manager's key objectives are to deliver long-term sustainable distributions and capital stability to Unitholders. This is achieved through the following three-pronged strategy:

- Proactive portfolio management
- Disciplined value-adding investments
- Prudent capital and risk management

(A) Proactive portfolio management

The Ascendas Reit Manager's primary strategy is to maximise the organic growth potential and returns of the portfolio through active asset management. The key areas of focus of portfolio and asset management include:

- proactive marketing and leasing of spaces to achieve a healthy occupancy rate;
- providing high standards of property and customer services to customers;
- enhancing operational efficiency and optimisation of operating costs; and
- carrying out asset enhancement initiatives.

The Ascendas Reit Manager works closely with the Asset & Property Managers in carrying out these principal strategies and the relevant activities.

(i) Proactive marketing and leasing

The Ascendas Reit Manager actively engages existing customers on their real estate needs and identifies their space expansion opportunities within the Ascendas Reit portfolio. The Ascendas Reit Manager also negotiates renewals at least six months in advance of lease expiry to minimise leasing downtime. As at 30 June 2020, the overall portfolio occupancy remained high at 91.5% and the portfolio achieved positive rental reversion of 4.3% for leases renewed in 2Q FY2020.

Leveraging on an extended marketing network, the dedicated Customer Acquisition & Management teams of the Asset & Property Managers proactively market available space and expected vacancy. The team considers prospective customers' business needs and nature of operations, and delivers the most suitable business space solutions within Ascendas Reit's extensive real estate portfolio. The Asset & Property Managers also identify growing trade sectors and works closely with government economy-promoting agencies to cultivate potential customers.

(ii) Property and customer services

Working hand-in-hand with the Ascendas Reit Manager's portfolio management team, the Asset & Property Managers ensure that the property specifications and service levels are commensurate with the intended market positioning of each property. The Asset & Property Managers are also responsible for managing site staff to ensure that the desired level of service and customer care is met in respect of the Properties.

(iii) Enhancement of operational efficiency to optimise operating costs

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

(iv) Asset enhancement initiatives

Asset enhancements are initiated if it is evaluated to be technically and financially feasible to:

- maximise the plot ratio of a property for additional lettable area and rental income,
- improve a property's specifications for better marketability or efficiency,
- reposition a property for higher specifications use and rental due to better connectivity or overall repositioning of surrounding areas, and
- convert a property from single-tenant use to multi-tenant use to meet specific needs of major tenants, and vice versa.

The Ascendas Reit Manager has a track record in undertaking asset enhancement projects that result in increased income. The Ascendas Reit Manager has successfully created, and subsequently leased, additional lettable areas in Telepark, The Alpha, Thales Building, Hoya Building, Techplace II, 9 Changi South Street 3, Sparkle, Techlink & Techview, 40 Penjuru Lane, Cintech I to IV, Acer Building, 2 Senoko South Road, 50 Kallang Avenue, Nordic European Centre, Aperia.

The table below summarises major asset enhancement projects that are currently ongoing or have been completed in 2019 or 2020:

Property	**Segment**	**Asset Enhancement Rationale**	**Estimated Costs (S$ million)**	**Completion**
ONE@Changi City	Business park	The property has a new lounge and discussion area at the lobby to create more buzz and enhance the experience for customers and visitors. The driveway was widened to improve traffic flow and the drop off area was fitted with a new ceiling design, video feature wall and facade glass.	4.5	October 2019
The Capricorn, Singapore	Business park	Asset enhancement works included a new canopy feature at the passenger drop-off point. The main lobby was redesigned with new collaborative spaces, fitted with a new ceiling design and upgraded to be fully air-conditioned. Lift interiors and common corridors will be refurbished to create a holistic look and feel.	6.0	February 2020
Plaza 8 (Part of 1, 3 & 5 Changi Business Park Crescent)	Business park	Enhancement works at Plaza 8 focused on the podiums, reception, lobby, restrooms, common corridors and perimeter walkways. The existing layout of the driveway was modified and new drop-off bays with new canopies were constructed. Futsal courts and end-of-trip facilities were added to generate vibrancy within the business park community.	8.5	March 2020

Property	Segment	Asset Enhancement Rationale	Estimated Costs (S$ million)	Completion
The Galen, Singapore	Business park	The asset enhancement works include refurbishment to the building entrance, lift lobbies and common corridors to create a premium look and feel. New collaborative spaces and meeting rooms will be created at the main lobby for customers' use. Enhancement work to the common area will also feature a reflection pond.	7.0	April 2020
484 – 490 & 494 – 500 Great Western Highway, Sydney, Australia	Logistics	Asset enhancement works include external redecoration of the warehouses, internal refurbishment and installation of new LED lighting and translucent sheeting.	1.4	April 2020
52 & 53 Serangoon North Avenue 4, Singapore	Light industrial	The asset enhancement works at 52 Serangoon North Avenue 4 will involve replacing the canopy at the drop-off point and upgrading existing toilets. At 53 Serangoon North Avenue 4, the remaining plot ratio will be fully utilised, by converting the 5th level to a new production area of about 2,281 sqm with new toilets and corridor. The addition of a passenger lift, installation of air-conditioning to all lifts, refinement of general building signage and refurbishment of the main lobby are part of the work scope.	8.5	Estimated 2Q 2020
Aperia, Singapore	IDAR	Enhancement works to the tower lift lobby and common corridors to create a premium look and feel, as well as to the common area with the introduction of a new playground.	1.2	Estimated 3Q 2020
197 – 201 Coward Street, Mascot, Sydney, Australia	Suburban Offices	Enhancement works involve improvement to existing building amenities which include new end-of-trip facilities for cyclists, landscaping of external gardens and construction of an outdoor seating area.	1.5	Estimated 3Q 2020
100 & 108 Wickham Street, Brisbane, Australia	Suburban Offices	Enhancement works include an upgrade of furnishing in the ground floor lobby and creation of collaboration spaces. The central courtyard will be refreshed with added landscaping and seating and architectural canopies will be added to integrate and unify the identity of both buildings.	10.1	Estimated 4Q 2020
21 Changi South Ave 2, Singapore	Logistics	Enhancement works include construction of a new substation (power upgrade from 1MVA to 3MVA), airconditioning installation and sprinkler upgrade at the 3rd and 4th storey of warehouse and a new service lift.	4.7	Estimated 1Q 2021

(B) Disciplined value-adding investments

The Ascendas Reit Manager is committed to undertake disciplined and value-adding investments through acquisitions and development of high quality properties and will continue to focus on the following key areas of activities:

- acquisition of income-producing properties leased to established customers;
- acquisition of high-quality properties with strong income stream and/or asset enhancement potential;
- developing built-to-suit development projects to cater to prospective customers' operational requirements and specifications;
- selective development/redevelopment to capitalise on the Ascendas Reit Manager's development capabilities; and
- sourcing of overseas investment opportunities to strengthen portfolio diversification and resilience.

Since the listing of Ascendas Reit in November 2002, Ascendas Reit's portfolio has grown from eight properties to 197 properties, hosting a customer base of about 1,460 local and international companies. Ascendas Reit's total asset value has increased from S$636 million as at November 2002 to S$14.3 billion as at 30 June 2020.

(i) Acquisition of properties

Ascendas Reit acquires completed high-quality properties which add value or provide strategic benefits to the existing portfolio. The Ascendas Reit Manager's considerations for acquisitions include property specifications and locations, enhancement of returns to Unitholders, improvement of customer profile and quality, portfolio diversification and rebalancing, and strengthening of competitive advantages.

The Ascendas Reit Manager actively sources for acquisition opportunities through its extensive network of real estate industrial players and customers. Ascendas Reit often enters into sale-and-leaseback arrangements with industrial end-users on their self-occupied properties by providing tailored leaseback arrangements to meet their business needs. Any property acquired from the CapitaLand Group will be conducted on an arm's length basis in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual.

The most recent acquisitions by Ascendas Reit include the following high-quality properties:

- On 31 March 2020, Ascendas Reit acquired a 25% equity stake in the holding entity for Galaxis, Singapore, a 17-storey building with business park and office space, a two-storey retail and F&B podium, a five-storey building with work lofts and a two-storey basement carpark. The property is zoned for business park use with a 30% white component. It has a land area of 19,283 sqm and the total purchase consideration for the 25% equity stake was S$102.9 million.
- On 11 December 2019, Ascendas Reit acquired the US Properties, comprising 28 business park properties located in the US tech-cities of San Diego, Raleigh and Portland, from Perpetual (Asia) Limited (as trustee of Ascendas US REIT). All three tech-cities house a critical mass of established, growth and start-up companies as well as top research universities and institutions, contributing to the vibrant innovation ecosystems. As at 30 June 2020, the freehold properties have a combined net lettable area of 310,076 sqm. Reputable customers within the portfolio include CareFusion Manufacturing, TD Ameritrade, Oracle and Nike. The total purchase consideration was S$1,285.3 million.

- On 11 December 2019, Ascendas Reit acquired Nucleos from Ascendas Venture Pte. Ltd.. Nucleos is a seven-storey twin tower located in Biopolis at one-north, which hosts a cluster of world class biomedical and research facilities. It is 10 minutes away by foot from one-north Mass Rapid Transit ("**MRT**") station and Buona Vista MRT station, and a few minutes' drive to Ayer Rajah Expressway. The property had a long remaining land lease tenure of 51 years and has a net lettable area of 38,149 sqm. The total purchase consideration was S$289.0 million.

- On 11 December 2019, Ascendas Reit acquired FM Global Centre from Singapore Science Park Ltd. The six-storey built-to-suit business park development is strategically located along Pasir Panjang Road and enjoys excellent frontage. It is nested within Singapore Science Park 2. The property is situated three minutes away by foot to Haw Par Villa MRT station, which serves the Circle Line. Accessibility to other parts of Singapore is also facilitated by its proximity off West Coast Highway and a 15-minute drive to the central business district. The property had a remaining land lease tenure of 72 years and has a net lettable area of 11,613 sqm. The total purchase consideration was S$91.0 million.

- Ascendas Reit acquired 254 Wellington Road from ESR FPA (Wellington Road) Pty Limited and its estimated practical date of completion is in 2Q 2020. It is a new, state-of-the-art suburban office building comprising an 8-level corporate office, workshop, café, end-of-trip facilities and multi-level car parking for 911 vehicles. The property has a net lettable area of 17,507 sqm and sits on freehold land. It is expected to achieve Five Star NABERS Energy Rating and Five Star Green Star Design. The property is well-located in one of Australia's most important innovation precincts, the Monash Technology Precinct, situated within proximity of greater Melbourne and 21 km south east of the Melbourne Central Business District. The total purchase consideration is S$104.4 million.

(ii) Development capabilities

The revision to the Property Funds Appendix in October 2005 allows REITs to undertake development projects for up to 10% of their Deposited Property and Ascendas Reit has capitalised on this to undertake development projects. Since Ascendas Reit embarked on its first development project in 2006, it has completed 16 development/redevelopment projects, of which two of the development projects, Four Acres Singapore and A-REIT Jiashan Logistics Centre in China, were divested in FY16/17. For the remaining 14 projects, the total cumulative unrealised development gains achieved was S$431.8 million or 40.9% over costs as at 31 December 2019.

The table below summarises major development/redevelopment projects that are currently ongoing:

Development, redevelopment and acquisition (under development) projects			**Cost (S$'m)**
Name	**Segment**	**Completion**	
Grab's Headquarters	Business park	Estimated 2Q 2021	181.2
UBIX (formerly 25 & 27 Ubi Road 4)	Light industrial	Estimated 4Q 2021	35.0
iQuest@IBP	Business park	Estimated 1Q 2023	84.3
254 Wellington Road	Suburban Offices, Australia	Estimated 3Q 2020	105.6
Lot 7 Kiora Crescent, Yennora	Logistics	Estimated 2Q 2021	22.4
Total			**428.5**

(iii) Divestment

During FY2019, the Ascendas Reit Manager completed the divestment of 8 Loyang Way 1, a light industrial building located in Singapore, to Seow Kim Polythelene Co Pte Ltd for a sale price of S$27.0 million.

Subsequent to FY2019, the Ascendas Reit Manager completed the divestment of three Singapore properties. Wisma Gulab, a high-specifications industrial property, was sold for S$88.0 million to Heap Seng Group Pte Ltd on 23 January 2020, 202 Kallang Bahru, a light industrial property, was sold for S$17.0 million to Work Plus Store (Kallang Bahru) Pte Ltd on 4 February 2020, and 25 Changi South Street 1, a light industrial property, was sold for S$20.3 million to Hao Mart Pte Ltd on 6 March 2020. The total sales proceeds from the three divestments was S$125.3 million.

(C) Prudent capital and risk management

The Ascendas Reit Manager regularly reviews Ascendas Reit's debt and capital management as well as financing policy so as to optimise Ascendas Reit's funding structure and costs. The Ascendas Reit Manager also monitors Ascendas Reit's exposure to various risk elements and externally-imposed requirements by closely adhering to clearly established management policies and procedures.

Risk management is integral to the whole business of Ascendas Reit. Ascendas Reit 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 Ascendas Reit Manager also monitors Ascendas Reit's risk management process closely to ensure that 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 Ascendas Reit's strategic direction.

The key aspects of the capital and risk management strategies are as follows:

- regular reviews of Ascendas Reit's debt and capital management, and financial policy;
- diversifying the sources of funding, managing interest rate risk, liquidity risk, credit risk and foreign currency risk;
- monitoring Ascendas Reit's exposure to various risk elements and externally imposed requirements in the markets it operates in by closely adhering to clearly established management policies and procedures;
- risk management policies and systems are reviewed regularly to reflect changes in market conditions and Ascendas Reit's strategic direction; and
- creating an acceptable balance between the benefits derived from managing risks and the cost of managing those risks.

(i) Capital structure management

The prevailing Property Funds Appendix requires that a REIT's total borrowings and deferred payments (collectively, the "**aggregate leverage**") should not exceed:

(a) before 1 January 2022, 50% of its Deposited Property; and

(b) on or after 1 January 2022, 45% of its Deposited Property. Ascendas Reit's aggregate leverage may exceed 45% of its Deposited Property (up to a maximum of 50%) only if Ascendas Reit has a minimum adjusted interest coverage ratio[10] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

The Ascendas Reit Manager maintains a fundamentally sound and efficient capital structure and a competitive weighted average cost of capital in its pursuit of investment opportunities. It is committed to optimising the capital structure of Ascendas Reit through prudent capital and risk management strategies with a long-term optimal gearing target of around 40% to 45%. Secured or unsecured debt, equity fund raising and hybrid financial instruments are considered by the Ascendas Reit Manager in line with the aim of delivering an optimised capital structure.

As at 30 June 2020, the aggregate leverage of Ascendas Reit was 36.1%.

In 2019, the Ascendas Reit Manager successfully raised gross proceeds of S$1,310 million via a renounceable rights issue of 498,040,904 new Units based on a ratio of 16 Rights Units for every 100 existing Units in Ascendas Reit. The Units were issued at a price of S$2.63, representing a discount of approximately 17% to the closing price of S$3.17 per Unit on the SGX-ST. This is approximately at a 15% discount to the TERP of S$3.0955 per Unit on 31 October 2019 and 23% premium to the NAV per Unit as at 30 September 2019. The Units were oversubscribed by 136.4% upon its close on 28 November 2019, and all proceeds have been entirely disbursed to partially finance the acquisitions of the US Properties, Nucleos and FM Global Centre and other related costs.

As at 30 June 2020, the Group has in place various short term banking credit facilities totalling S$1,319.9 million, of which S$198.6 million has been utilised.

As at 30 June 2020, the Group also has in place various term loan facilities totalling S$2,781.0 million which are fully utilised. Included in the amount of S$2,781.0 million is approximately S$516.5 million secured syndicated term loans from Australian banks, which are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from Ascendas Reit.

From 2019 to 30 June 2020, the Group secured from various banks and financial institutions (i) a US$250 million committed revolving credit facility maturing in 2024, (ii) a US$200 million committed term loan facility maturing in 2023, (iii) a US$280 million committed term loan facility maturing in 2024 and (iv) a US$198 million committed term loan facility maturing in 2025.

From 2018 to 30 June 2020, Ascendas Reit issued the following under its MTN Programme: (i) S$200,000,000 3.14 per cent. Series 016 Notes due 2025, (ii) HKD729,000,000 3.66 per cent. Series 017 Notes due 2025 and (iii) HKD1,450,000,000 3.57 per cent. Series 018 Notes due 2029.

As at 30 June 2020, the principal amount of the notes outstanding under the MTN Programme amounted to a total of S$1,930.2 million.

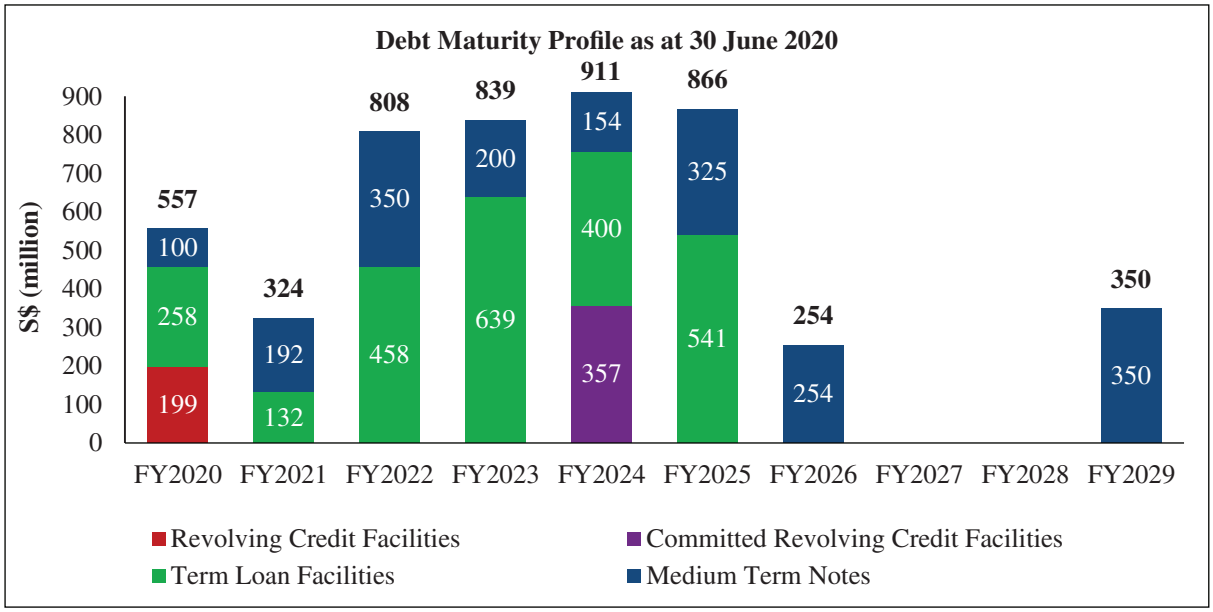
As at 30 June 2020, 92.0% of Ascendas Reit's total investment properties (which exclude properties reported as finance lease receivables) comprise unencumbered properties. As at 30 June 2020, the Weighted Average all-in Debt Cost stood at 2.9%.

10 "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

(ii) Liquidity risk management

The Ascendas Reit Manager diversifies Ascendas Reit's funding sources to access financial institutions and capital markets, both in Singapore and overseas. Ascendas Reit established a S$1.0 billion Multicurrency Medium Term Note Programme in March 2009, and upsized the programme limit to S$5.0 billion in March 2015.

To minimise any debt refinancing risk, the Ascendas Reit Manager maintains Ascendas Reit's current well-spread debt maturity profile, where not more than 20% of its debt will be due for refinancing in any one calendar year. Any refinancing requirements are considered ahead of the debt expiry date. As at 30 June 2020, Ascendas Reit's weighted average tenure of debt is 3.6 years.



The Ascendas Reit Manager also arranges sufficient standby credit facilities from financial institutions to meet Ascendas Reit's ad hoc funding requirements for acquisitions and other capital expenditures.

(iii) Interest rate risk management

Adopting a prudent stance on interest rate exposure management, the Ascendas Reit Manager has established a policy to hedge between 50% to 90% of Ascendas Reit's interest rate exposure via interest rate swaps and fixed rate debt.

As such, any volatility in interest rates is not expected to have a significant impact on Ascendas Reit's ability to service its floating rate debt obligations and to make distributions to its Unitholders.

(iv) Foreign currency risk management

The Ascendas Reit Manager borrows in foreign currency to naturally hedge the foreign currency risk of Ascendas Reit's overseas investments when it is practical and financially feasible to do so. Ascendas Reit also maintains a high level of natural hedging (as at 30 June 2020, 77% in Australia, 100% in the United Kingdom and 100% in the United States) to minimise the effects of adverse exchange rate fluctuations.

The Ascendas Reit Manager also enters into cross-currency swaps with financial institutions to fully eliminate the foreign currency risk associated with debts denominated in Japanese yen, Hong Kong dollars and other currencies if Ascendas Reit does not currently have property investments in those countries.

(v) Credit risk management

The Ascendas Reit Manager has an established process to evaluate the creditworthiness of its key and major customers to minimise potential credit risk. The amount of security deposit collected for long-term leases of major customers depends on its evaluation of the customer's credit standing. On a portfolio basis, the weighted average security deposit is about 5.1 months of rental income as at 30 June 2020.

More rigorous management of accounts receivables has resulted in low bad debt provisions as a percentage of total gross revenue. Bad debt provisions in FY2019 were 0.002% of total gross revenue.

4. Competitive strengths

The Ascendas Reit Manager believes that the success of Ascendas Reit can be attributed to its competitive strengths as follows:

(A) Ascendas Reit has the backing of a strong Sponsor.

(B) Ascendas Reit maintains its market focus and its market leadership in Singapore.

(C) The Properties are strategically located across a global platform of key developed markets and positioned for future growth.

(D) Ascendas Reit has a diverse asset class and customer base, a size advantage, and a track record of stability and continuous growth.

(E) The portfolio lease structure provides downside protection with rental escalation opportunities.

(F) Ascendas Reit has the capacity and capability to create its own assets.

(G) Ascendas Reit is managed by an experienced and professional management team with experience in fund, investment, marketing and property management.

(H) Ascendas Reit has a track record of transparency and good corporate governance.

(I) Ascendas Reit has consistently maintained a strong credit rating.

(A) Ascendas Reit has the backing of a strong Sponsor

The Sponsor is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S$131.9 billion as at 30 June 2020. The Sponsor's portfolio spans across diversified real estate classes which includes commercial; retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential.

With a presence across more than 200 cities in over 30 countries, the Sponsor focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

The Sponsor has one of the largest real estate investment management businesses globally. It manages seven listed REITs and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

A record of S$1.66 billion worth of properties were acquired by Ascendas Reit from the Sponsor, that was swiftly executed within a period of six months following the integration of CapitaLand and Ascendas-Singbridge on 1 July 2019. The acquisitions further broadened Ascendas Reit's portfolio geographically to include the US.

Being part of a larger CapitaLand group, Ascendas Reit is also able to tap on the Sponsor's financing and treasury support and gain wider and better access to the debt and equity capital markets for more favourable capital raising terms.

(B) Ascendas Reit maintains its market focus and its market leadership in Singapore

Ascendas Reit is focused on suburban business space and industrial properties and has a committed sponsor, CapitaLand. Ascendas Reit continues to stay at the forefront of the real estate investment trust sector as Singapore's first and largest business space and industrial REIT with a portfolio diversified across five major segments of the business space and industrial property market (being business and science parks, IDAR, high-specification industrial properties and data centres, light industrial properties/ flatted factories and logistics and distribution centres). Ascendas Reit has established itself as the market leader in Singapore in most of the segments that it operates in since its listing in 2002, growing from eight properties in 2002 to 96 properties in Singapore as at 30 June 2020.

(C) The Properties are strategically located across a global platform of key developed markets and positioned for future growth

Ascendas Reit is well-positioned for further growth with properties strategically located in four key developed markets. As at 30 June 2020, Ascendas has 96 properties located in Singapore, 35 located in Australia, 38 located in the United Kingdom and 28 in the United States.

Ascendas Reit's Singapore properties are conveniently located near major expressways. Business and science park properties and some high-specifications industrial properties are located in close proximity to the central business district of Singapore or at the heart of the regional centres, providing easy access to amenity and other business support infrastructure. High-specifications and light industrial properties are primarily located near major housing estates, providing convenient access to a ready skilled labour pool. Logistics and distribution centres are located near the airport, seaports and major transport nodes, providing a convenient flow of goods.

A large part of the Singapore properties by value are in the business and science parks segment, IDAR segment and the high-specifications industrial properties and data centres segment. These properties are well suited for the future development of Singapore into knowledge-based, service-oriented economies with higher productivity.

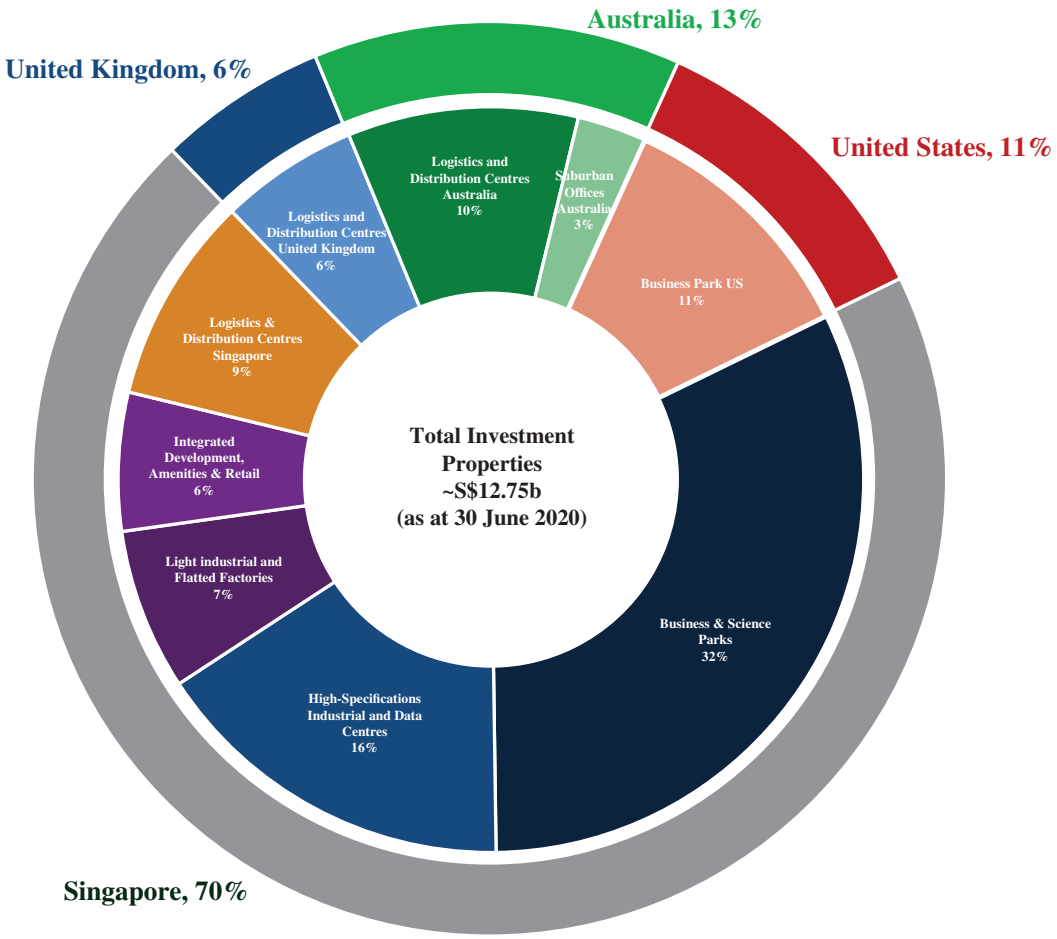
Outside Singapore, Ascendas Reit's Australian properties are well located in major cities where economic activities are supported by large domestic markers whilst the UK properties are spread across key regions and attractive hubs supporting the growing needs of the logistics sector, driven by strong e-commence activities in the region. In the U.S., the properties are strategically located in selected cities and well poised to benefit from the burgeoning technology and healthcare sectors in the U.S.

(D) Ascendas Reit has diversity in its asset classes and customer base, a size advantage, and a track record of stability and continuous growth

As a result of its disciplined investment strategy, Ascendas 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.

- **Diversity in asset class**

Ascendas Reit has a well-diversified portfolio of quality properties across five major segments of the business space and industrial property market.



As at 30 June 2020, no single property accounts for more than 4.6% of the monthly gross revenue.

- **Diversity in customer base**

As at 30 June 2020, Ascendas Reit's portfolio of 197 properties houses a customer base of more than 1,460 international and local companies, spanning a wide range of industries and activities. These properties serve the spatial requirements of various segments of the economy, which have different growth drivers, thereby providing diversification value to the portfolio.

Some leasing statistics are presented in the section "*5. Portfolio statistics and details – (B) Leasing Statistics*".

- **Size advantage**

Ascendas Reit is one of the 30 constituents of FTSE Straits Times Index, a capitalisation-weighted stock market index that is regarded as the benchmark index for the Singapore stock market. Ascendas Reit is also included in several major indices such as the Morgan Stanley Capital International Inc Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts Global Real Estate Index and Global Property Research Asia 250.

- **Track record of stability and continuous growth**

The Ascendas Reit Manager has an established track record of stability and continuous growth, increasing its assets under management through the years. As at 30 June 2020, the total assets of Ascendas Reit increased 18.6% year-on-year (compared against 30 June 2019) to S$14.3 billion.

(E) The portfolio lease structure provides downside protection with rental escalation opportunities

Ascendas Reit has a mix of single-tenanted properties (29% of asset value as at 30 June 2020) with long-term leases and multi-tenanted properties (71% of asset value as at 30 June 2020) with short-term leases. Long-term leases provide stability in earnings growth for the portfolio while the short-term leases can enjoy potential positive rental reversion during an upswing of the property cycle. In Singapore, leases typically have three-year tenures without any rental adjustments during their tenure. For the Australian leases, average rent escalation is around 3% per annum. For the US leases, a majority of them have annual escalations of between 2.5% to 4% per annum. For leases in the UK, rents are adjusted up to market rates, pegged to index inflation or increased by a pre-determined rate every five years.

This mix of short-term and long-term leases provides Ascendas Reit with a balance of stability and growth opportunities. Ascendas Reit is able to achieve organic growth by capitalising on the positive rental reversion cycle despite a tougher operating environment, while maintaining stability in its income with longer term leases.

(F) Ascendas Reit has the capacity and capability to create its own assets

The prevailing Property Funds Appendix allows REITs to undertake development with total contract value and investments in uncompleted properties not exceeding 10% of the Deposited Property. As at 30 June 2020, such development limit of Ascendas Reit is approximately S$1.4 billion, which enables Ascendas Reit to undertake development of a meaningful size without compromising income stability.

Ascendas Reit is a pioneer Singapore REIT in undertaking development projects on its own balance sheet. As at 30 June 2020, Ascendas Reit has completed 16 development/redevelopment projects, of which two of the development projects, Four Acres Singapore and A-REIT Jiashan Logistics Centre in China, were divested in FY16/17. For the remaining 14 projects, the total cumulative unrealised gains achieved was S$431.8 million or 40.9% over the total development cost, exemplifying the manner in which its growth in development capacities has maximised value-adding investments for Ascendas Reit's portfolio.

(G) Ascendas Reit is managed by an experienced and professional management team with experience in fund, investment, marketing and property management

The Ascendas Reit Manager is staffed by experienced professionals. Key staff members have in-depth real estate investment, finance, asset management, and property management expertise. For more information on the management of the Ascendas Reit Manager, please refer to the section "*Ascendas Funds Management (S) Limited (Ascendas Reit Manager)*".

(H) Ascendas Reit has a track record of transparency and good corporate governance

The Ascendas Reit Manager has won numerous accolades for its consistent and high standards of transparency and corporate governance. Ascendas Reit was the Runner Up for the "Sustainability Award" in the REITs and business trusts category at the 2019 Securities Investors Association of Singapore Investor's Choice Awards. Ascendas Reit was also the winner of the "Silver Award for Best Annual Report" in the REITs and business trusts category at the 2019 Singapore Corporate Awards.

(I) Ascendas Reit has consistently maintained a strong credit rating

Ascendas Reit has maintained a strong credit rating with Moody's of 'A3' since 27 August 2010, which was affirmed on 8 May 2020. The rating is '(P)A3' for the MTN Programme and 'Baa2' for Ascendas Reit's subordinated perpetual securities. The outlook on all ratings remains stable.

5. Portfolio statistics and details

(A) Property details

As at 30 June 2020, Ascendas Reit's portfolio consists of 197 strategically-located properties in five major business space and industrial property sectors, out of which 96 properties are located in Singapore, 35 located in Australia, 38 located in the United Kingdom and 28 in the United States. Its portfolio consists of the following:

- Business and science park/suburban office properties
- Integrated development, amenities and retail properties (IDAR)
- High-specifications industrial properties and data centres
- Light industrial properties/flatted factories
- Logistics and distribution centres

Ascendas Reit's portfolio of properties is valued at approximately S$12.8 billion as at 31 December 2019 or upon acquisition, whichever is later. The prevailing Property Funds Appendix requires that a full valuation of each real estate asset should be conducted by an independent valuer at least once every financial year, and such valuer should not value the same property for more than two consecutive financial years. The latest full valuation of Ascendas Reit's portfolio of properties was conducted as at 31 December 2019.

A brief description of Ascendas Reit's five major business space and industrial property sectors is set out below.

(i) Business and science park/suburban office properties

In Singapore, business & science park properties are clusters of suburban offices, corporate headquarters buildings and research and development space in government designated zones. Manufacturing activities are not allowed in these properties.

In Australia, the suburban offices comprise high-quality office space located in precincts outside the central business districts. The properties are well-serviced by public transportation and surrounding amenities include F&B and shopping malls.

The US business park properties are located within corporate campus environments. These campuses house a critical mass of established, growth and start-up companies, and are in proximity to top research universities and institutions, contributing to the vibrant innovation ecosystems.

As at 30 June 2020, the 58 business and science park/suburban office properties make up 46% of the Ascendas Reit portfolio by value.

(ii) Integrated development, amenities and retail properties (IDAR)

IDAR properties are properties that integrate two or more types of space such as business space, retail space and warehousing facilities, within one integrated development. They are typically larger-scale developments at prominent locations that possess requisite infrastructure and amenities to suit modern business needs.

Typical customers include multi-national corporations and corporations that desire quality space at prominent locations with a comprehensive range of amenities to house their corporate headquarters and conduct their businesses under one roof. Customers also include companies in the information technology services, fast-moving consumer goods, engineering, warehousing and retail activities sectors.

As at 30 June 2020, the three IDAR properties make up 6% of the Ascendas Reit portfolio by value.

(iii) High-specifications industrial properties and data centres

High-specifications industrial properties are vertical corporate campuses with higher office content combined with high-specifications mixed-use industrial space. The properties typically have modern facades, air-conditioned units, sufficient floor loading and ceiling height as well as high power capacity to allow both office functions and manufacturing activities to be carried out. Data centres house predominantly heavy equipment, such as servers. Typical customers include industrial companies and large local companies that wish to co-locate their headquarters functions with manufacturing services, engineering and research and development activities.

As at 30 June 2020, the 21 high-specifications properties, out of which three properties are data centres, make up 16% of the Ascendas Reit Portfolio by value.

(iv) Light industrial properties and flatted factories

Flatted factories, a subset of light industrial properties, are stacked-up manufacturing spaces used for general manufacturing. Light industrial properties are buildings with low office content combined with manufacturing space. The manufacturing content in light industrial properties is higher compared to high-specifications industrial buildings. Ground floor space for such buildings typically commands higher rental rate due to higher floor loading and better accessibility.

Typical customers include companies which house their light manufacturing activities and headquarters operations within a single facility. Light industrial properties are also popular with local small- and medium-sized enterprises engaged in general manufacturing activities. Some multi-national corporation manufacturers also house their manufacturing operations in such buildings.

As at 30 June 2020, the 24 light industrial properties, out of which two properties are flatted factories, make up 7% of the Ascendas Reit portfolio by value.

(v) Logistics and distribution centres

Logistics and distribution centres are warehouses equipped with high floor loading and high floor height. In Singapore, majority of the warehouses are single-storey or multi-storey facilities with vehicular ramp access; others are multi-storey facilities with heavy-duty cargo lift access.

In Australia, the properties are high-grade, functional and large-scale distribution facilities located in close proximity to major transport infrastructure in core submarkets of Sydney, Melbourne, Brisbane and Perth.

The portfolio in the UK comprises logistics properties located in established industrial areas across various regions including Yorkshire and the Humber, North West England, East and West Midlands, South East England and East of England.

Typical customers are third-party logistics providers, manufacturers, end-users and distributors and trading companies.

As at 30 June 2020, the 91 logistics and distribution centres make up 25% of the Ascendas Reit portfolio by value.

Unless otherwise specified below, the table below shows the details of the investment properties of the Group as at 30 June 2020:

No.	Property	Address	Acquisition/ Completion Date	Purchase Price[1]/ Development Cost (S$'m)	GFA (sqm)	NLA (sqm)	Occupancy as at 30 June 2020	Independent valuation as at 31 December 2019 (S$'m)	Independent valuer for the valuation
1	Neuros & Immunos[2]	8/8A Biomedical Grove	31 Mar 2011	125.6	36,931	26,035	99%	141.0	JLL
2	Nexus @one-north	1 & 3 Fusionopolis Link	4 Sep 2013	181.3	25,511	20,669	97%	194.0	JLL
3	Nucleos[2]	21 Biopolis Road	11 Dec 2019	289.0	46,174	38,149	92%	303.0	CBRE
4	Techquest[2]	7 International Business Park	5 Oct 2005	7.5	9,079	6,738	56%	22.0	CBRE
5	iQuest@IBP[3]	27 International Business Park	12 Jan 2007	18.6	–	–	–	26.6	CBRE
6	Acer Building	29 International Business Park	19 Mar 2008	75.0	29,185	22,553	40%	92.4	CBRE
7	31 International Business Park	31 International Business Park	26 Jun 2008	246.8	61,720	48,943	47%	206.6	CBRE
8	Nordic European Centre	3 International Business Park	8 Jul 2011	121.6	28,378	21,466	78%	119.5	CBRE
9	Honeywell Building[2]	17 Changi Business Park Central 1	19 Nov 2002	32.8	18,123	14,399	76%	71.6	CBRE
10	1 Changi Business Park Avenue 1	1 Changi Business Park Avenue 1	30 Oct 2003	18.0	11,556	9,150	94%	57.0	CBRE
11	Hansapoint@CBP	10 Changi Business Park Central 2	22 Jan 2008	26.1	19,448	16,395	100%	119.9	CBRE
12	1, 3 & 5 Changi Business Park Crescent	1, 3 & 5 Changi Business Park Crescent	16 Feb 2009 25 Sep 2009 31 Dec 2010	200.9	74,660	62,950	93%	337.3	CBRE

No.	Property	Address	Acquisition/ Completion Date	Purchase Price[1]/ Development Cost (S$'m)	GFA (sqm)	NLA (sqm)	Occupancy as at 30 June 2020	Independent valuation as at 31 December 2019 (S$'m)	Independent valuer for the valuation
13	DBS Asia Hub[2][4]	2 & 2A Changi Business Park Crescent	31 Mar 2010 15 Apr 2015	137.8	45,857	38,296	100%	191.0	CBRE
14	AkzoNobel House	3 Changi Business Park Vista	8 Dec 2011	80.0	19,225	15,072	79%	70.8	CBRE
15	ONE@Changi City[2]	1 Changi Business Park Central 1	1 Mar 2016	420.0	71,158	61,297	92%	502.0	CBRE
16	TÜV SÜD PSB Building	1 Science Park Drive	18 Nov 2005	35.0	32,013	21,343	100%	90.0	JLL
17	The Rutherford & Oasis[2]	87/89 Science Park Drive	26 Mar 2008	51.5	27,217	18,815	65%	100.0	JLL
18	Cintech I[2]	73 Science Park Drive	29 Mar 2012	47.1	14,943	10,529	87%	57.5	JLL
19	Cintech II[2]	75 Science Park Drive	29 Mar 2012	35.3	13,552	7,915	0%	46.0	JLL
20	Cintech III & IV[2]	77 & 79 Science Park Drive	29 Mar 2012	100.7	25,622	18,565	88%	128.0	JLL
21	12, 14 & 16 Science Park Drive[2]	12, 14 & 16 Science Park Drive	16 Feb 2017	420.0	78,871	78,871	100%	452.7	JLL
22	The Alpha[2]	10 Science Park Road	19 Nov 2002	52.3	28,533	21,373	56%	102.0	JLL
23	The Aries, Sparkle & Gemini	41, 45 & 51 Science Park Road	19 Nov 2002	129.2	49,851	36,405	81%	200.5	JLL
24	The Capricorn[2]	1 Science Park Road	19 Nov 2002	71.8	28,602	20,543	66%	119.0	JLL
25	The Galen[2]	61 Science Park Road	25 Mar 2013	126.0	30,685	21,792	66%	147.0	JLL
26	The Kendall[2]	50 Science Park Road	30 Mar 2015	112.0	20,190	16,985	93%	136.0	JLL
27	FM Global Centre[2]	288 Pasir Panjang Road	11 Dec 2019	91.0	11,613	11,613	100%	95.7	CBRE
28	Courts Megastore	50 Tampines North Drive 2	30 Nov 2006	46.0	28,410	28,410	100%	64.0	Savills

No.	Property	Address	Acquisition/ Completion Date	Purchase Price[1]/ Development Cost (S$'m)	GFA (sqm)	NLA (sqm)	Occupancy as at 30 June 2020	Independent valuation as at 31 December 2019 (S$'m)	Independent valuer for the valuation
29	Giant Hypermart	21 Tampines North Drive 2	6 Feb 2007	65.4	42,194	42,178	100%	81.5	Savills
30	Aperia	8,10 & 12 Kallang Avenue	8 Aug 2014	458.0	86,696	70,832	96%	584.0	Savills
31	Techlink[2]	31 Kaki Bukit Road 3	19 Nov 2002	69.8	49,837	36,222	75%	124.9	Knight Frank
32	10 Toh Guan Road	10 Toh Guan Road	5 Mar 2004	92.0	52,147	40,025	76%	129.0	Knight Frank
33	Siemens Centre	60 MacPherson Road	12 Mar 2004	65.8	36,529	28,000	100%	108.7	Knight Frank
34	Infineon Building[2]	8 Kallang Sector	1 Dec 2004	50.9	27,278	27,278	100%	90.7	Knight Frank
35	Techpoint[2]	10 Ang Mo Kio Street 65	1 Dec 2004	75.0	56,107	40,934	91%	155.2	Knight Frank
36	KA Centre	150 Kampong Ampat	2 Mar 2005	19.2	19,638	13,557	95%	54.9	Knight Frank
37	KA Place	159 Kampong Ampat	2 Mar 2005	11.1	10,163	6,652	79%	22.1	Knight Frank
38	Pacific Tech Centre	1 Jalan Kilang Timor	1 Jul 2005	62.0	25,718	19,573	87%	91.2	Knight Frank
39	Techview[2]	1 Kaki Bukit View	5 Oct 2005	76.0	50,985	37,477	76%	161.2	Knight Frank
40	1 Jalan Kilang	1 Jalan Kilang	27 Oct 2005	18.7	7,158	6,071	92%	25.0	Knight Frank
41	30 Tampines Industrial Avenue 3	30 Tampines Industrial Ave 3	15 Nov 2005	22.0	9,593	9,593	100%	37.8	Knight Frank
42	31 Ubi Road 1	31 Ubi Road 1	21 Feb 2006	23.0	17,709	13,007	73%	29.3	Knight Frank
43	Schneider Electric Building[5]	50 Kallang Avenue	27 Feb 2006 21 Jun 2017	45.2	18,970	18,970	100%	91.8	Knight Frank
44	138 Depot Road[2]	138 Depot Road	15 Mar 2006	42.3	29,626	26,695	85%	70.3	Knight Frank
45	2 Changi South Lane	2 Changi South Lane	1 Feb 2007	30.0	26,300	20,939	100%	38.3	Knight Frank
46	CGG Veritas Hub[2]	9 Serangoon North Avenue 5	25 Mar 2008	18.3	9,782	8,671	100%	16.3	Knight Frank
47	Corporation Place	2 Corporation Road	8 Dec 2011	99.0	76,185	55,713	73%	123.9	Knight Frank

No.	Property	Address	Acquisition/ Completion Date	Purchase Price[1]/ Development Cost (S$'m)	GFA (sqm)	NLA (sqm)	Occupancy as at 30 June 2020	Independent valuation as at 31 December 2019 (S$'m)	Independent valuer for the valuation
48	80 Bendemeer Road (formerly Hyflux Innovation Centre)	80 Bendemeer Road	30 Jun 2014	191.2	43,435	34,633	73%	212.3	Knight Frank
49	Telepark	5 Tampines Central 6	2 Mar 2005	186.0	40,555	24,596	100%	272.4	Knight Frank
50	Kim Chuan Telecommunications Complex	38 Kim Chuan Road	2 Mar 2005	100.0	35,456	25,129	100%	144.8	Knight Frank
51	38A Kim Chuan Road[6]	38A Kim Chuan Road	11 Dec 2009	98.4	33,745	32,885	100%	126.4	Knight Frank
52	Osim Headquarters	65 Ubi Avenue 1	20 Jun 2003	35.0	17,683	15,068	100%	39.7	Savills
53	12 Woodlands Loop	12 Woodlands Loop	29 Jul 2004	24.8	19,887	16,077	100%	28.2	ETC
54	247 Alexandra Road	247 Alexandra Road	1 Dec 2004	44.8	13,699	12,803	100%	70.0	Savills
55	5 Tai Seng Drive	5 Tai Seng Drive	1 Dec 2004	15.3	12,930	11,296	100%	21.8	ETC
56	35 Tampines Street 92	35 Tampines Street 92	1 Dec 2004	9.4	8,931	7,948	22%	12.6	ETC
57	53 Serangoon North Avenue 4	53 Serangoon North Avenue 4	27 Dec 2004	14.0	10,589	8,372	73%	16.8	ETC
58	3 Tai Seng Drive	3 Tai Seng Drive	1 Apr 2005	19.5	14,929	11,761	39%	19.5	ETC
59	27 Ubi Road 4[7]	27 Ubi Road 4	1 Apr 2005	12.6	–	–	–	–	–
60	52 Serangoon North Avenue 4	52 Serangoon North Avenue 4	4 Apr 2005	14.0	14,767	11,044	100%	21.8	ETC
61	25 Ubi Road 4[7]	25 Ubi Road 4	16 May 2005	9.0	–	–	–	–	–
62	Tampines Biz-Hub	11 Tampines Street 92	5 Oct 2005	16.8	18,086	14,100	64%	20.8	ETC
63	Hoya Building[2]	455A Jalan Ahmad Ibrahim	5 Oct 2005	5.3	6,505	6,282	100%	8.6	Savills
64	37A Tampines Street 92	37A Tampines Street 92	1 Dec 2005	12.3	12,011	9,753	100%	18.7	ETC

No.	Property	Address	Acquisition/ Completion Date	Purchase Price[1]/ Development Cost (S$'m)	GFA (sqm)	NLA (sqm)	Occupancy as at 30 June 2020	Independent valuation as at 31 December 2019 (S$'m)	Independent valuer for the valuation
65	Hamilton Sundstrand Building[2]	11 Changi North Rise	9 Dec 2005	31.0	17,737	16,744	100%	42.6	Savills
66	Thales Building (I & II)[2]	21 Changi North Rise	3 Jan 2006 20 Mar 2008	5.8	7,772	7,772	100%	12.9	Savills
67	Ubi Biz-Hub	150 Ubi Avenue 4	27 Mar 2006	13.2	12,978	10,688	96%	18.7	ETC
68	2 Senoko South Road	2 Senoko South Road	8 Jan 2007 8 Apr 2016	33.5	23,457	17,632	100%	40.1	ETC
69	18 Woodlands Loop	18 Woodlands Loop	1 Feb 2007	17.2	18,422	16,056	100%	34.4	Savills
70	9 Woodlands Terrace	9 Woodlands Terrace	1 Feb 2007	1.9	2,774	2,341	100%	3.6	Savills
71	11 Woodlands Terrace	11 Woodlands Terrace	1 Feb 2007	1.9	2,919	2,919	0%	4.6	Savills
72	FoodAxis @ Senoko[8]	1 Senoko Avenue	15 May 2007 16 Feb 2012	57.8	43,362	44,439	100%	92.7	ETC
73	31 Joo Koon Circle	31 Joo Koon Circle	30 Mar 2010	15.0	17,638	15,421	0%	17.0	Savills
74	TechPlace I[2]	Blk 4008-4012 Ang Mo Kio Avenue 10	19 Nov 2002	105.3	81,981	59,524	88%	144.0	ETC
75	TechPlace II[2]	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	19 Nov 2002	128.9	115,162	83,200	89%	191.4	ETC
76	20 Tuas Avenue 1[9]	20 Tuas Avenue 1	19 Feb 2004 2 Apr 2018	61.4	44,449	41,134	100%	87.3	Colliers
77	LogisTech	3 Changi North Street 2	4 Mar 2004	32.0	37,554	30,177	97%	55.0	Colliers
78	Changi Logistics Centre	19 Loyang Way	9 Mar 2004	45.6	51,742	39,460	69%	67.8	Colliers
79	4 Changi South Lane	4 Changi South Lane	31 May 2004	23.3	18,794	15,550	92%	26.8	Colliers
80	40 Penjuru Lane	40 Penjuru Lane	21 Jul 2004	225.0	160,938	151,619	86%	234.0	Colliers

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81	Xilin Districentre Building A&B	3 Changi South Street 2	2 Dec 2004	31.1	24,113	20,699	91%	35.6	Colliers
82	20 Tuas Avenue 6	20 Tuas Avenue 6	2 Dec 2004	5.5	5,085	5,085	100%	7.6	Colliers
83	Xilin Districentre Building D	6 Changi South Street 2	9 Dec 2004	33.5	18,619	15,753	96%	24.8	Colliers
84	9 Changi South Street 3	9 Changi South Street 3	28 Dec 2004	32.0	28,648	23,762	92%	43.9	Colliers
85	5 Toh Guan Road East	5 Toh Guan Road East	28 Dec 2004	36.4	29,740	23,607	90%	28.0	Colliers
86	Xilin Districentre Building C	7 Changi South Street 2	5 May 2005	30.6	18,708	13,035	97%	29.0	Colliers
87	19 & 21 Pandan Avenue	19 & 21 Pandan Avenue	23 Sep 2005 1 Feb 2008	105.2	87,842	71,749	100%	126.8	Colliers
88	1 Changi South Lane	1 Changi South Lane	5 Oct 2005	34.8	25,768	23,528	97%	39.0	Colliers
89	Logis Hub @ Clementi[2]	2 Clementi Loop	5 Oct 2005	18.1	26,505	23,107	91%	23.0	Colliers
90	11 Changi North Way	11 Changi North Way	18 Nov 2005	11.0	10,107	9,494	100%	15.0	Colliers
91	21 Jalan Buroh	21 Jalan Buroh	14 Jun 2006	58.4	48,139	48,167	100%	73.0	Colliers
92	21 Changi South Avenue 2	21 Changi South Avenue 2	19 Mar 2008	31.9	13,120	11,440	36%	18.0	Colliers
93	15 Changi North Way	15 Changi North Way	29 Jul 2008	36.2	31,961	28,974	100%	44.8	Colliers
94	Pioneer Hub	15 Pioneer Walk	12 Aug 2008	79.3	91,048	80,338	99%	116.0	Colliers
95	71 Alps Avenue	71 Alps Avenue	2 Sep 2009	25.6	12,756	11,046	100%	23.7	Colliers
96	90 Alps Avenue	90 Alps Avenue	20 Jan 2012	37.9	26,277	26,277	100%	57.0	Colliers
97	100 Wickham Street	100 Wickham Street, Fortitude Valley	25 Sep 2017	90.3	13,030	13,030	81%	67.1[10]	JLL (Aus)

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98	108 Wickham Street[11]	108 Wickham Street, Fortitude Valley	22 Dec 2017	109.0	11,913	11,913	96%	88.1[10]	JLL (Aus)
99	197-201 Coward Street	197-201 Coward Street, Mascot	9 Sep 2016	145.6	22,534	22,534	88%	164.5[10]	JLL (Aus)
100	62 Sandstone Place	62 Sandstone Place, Parkinson	23 Oct 2015	22.8	9,260	9,260	100%	19.5[10]	JLL (Aus)
101	62 Stradbroke Street	62 Stradbroke Street, Heathwood	23 Oct 2015	35.9	24,555	24,555	100%	34.3[10]	JLL (Aus)
102	82 Noosa Street	82 Noosa Street, Heathwood	23 Oct 2015	66.0	38,000	38,000	100%	48.0[10]	JLL (Aus)
103	92 Sandstone Place	92 Sandstone Place, Parkinson	23 Oct 2015	28.6	13,738	13,738	100%	20.3[10]	JLL (Aus)
104	95 Gilmore Road	95 Gilmore Road, Berrinba	23 Oct 2015	76.8	41,318	41,318	100%	79.8[10]	JLL (Aus)
105	77 Logistics Place	77 Logistics Place, Larapinta	18 Nov 2015	28.4	14,296	14,296	100%	24.4[10]	JLL (Aus)
106	99 Radius Drive	99 Radius Drive, Larapinta	18 Nov 2015	29.0	14,592	14,592	100%	24.0[10]	JLL (Aus)
107	1-7 Wayne Goss Drive[12]	1-7 Wayne Goss Drive, Berrinba	7 Sep 2018	30.8	17,907	17,907	100%	29.4[10]	JLL (Aus)
108	Cargo Business Park[12]	56 Lavarack Avenue, Eagle Farm	17 Sep 2018	33.9	8,216	8,216	84%	30.6[10]	JLL (Aus)
109	676-698 Kororoit Creek Road	676-698 Kororoit Creek Road, Altona North	23 Oct 2015	52.3	44,036	44,036	100%	64.3[10]	JLL (Aus)

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110	700-718 Kororoit Creek Road	700-718 Kororoit Creek Road, Altona North	23 Oct 2015	34.8	28,020	28,020	100%	35.3[10]	JLL (Aus)
111	2-16 Aylesbury Drive	2-16 Aylesbury Drive, Altona	18 Nov 2015	21.3	17,513	17,513	100%	21.8[10]	JLL (Aus)
112	9 Andretti Court	9 Andretti Court, Truganina	18 Nov 2015	26.6	24,140	24,140	100%	29.5[10]	JLL (Aus)
113	14-28 Ordish Road	14-28 Ordish Road, Dandenong South	18 Nov 2015	53.2	28,189	28,189	100%	40.8[10]	JLL (Aus)
114	31 Permas Way	31 Permas Way, Truganina	18 Nov 2015	48.2	44,540	44,540	100%	60.3[10]	JLL (Aus)
115	35-61 South Park Drive	35-61 South Park Drive, Dandenong South	18 Nov 2015	39.1	32,167	32,167	100%	43.0[10]	JLL (Aus)
116	81-89 Drake Boulevard	81-89 Drake Boulevard, Altona	18 Nov 2015	17.1	14,099	14,099	100%	15.3[10]	JLL (Aus)
117	162 Australis Drive	162 Australis Drive, Derrimut	18 Nov 2015	25.0	23,263	23,263	100%	26.0[10]	JLL (Aus)
118	52 Fox Drive[12]	52 Fox Drive, Dandenong South	3 Apr 2017	26.5	18,041	18,041	100%	27.6[10]	JLL (Aus)
119	169-177 Australis Drive	169-177 Australis Drive, Derrimut	4 Jun 2018	34.5	31,048	31,048	0%	33.6[10]	JLL (Aus)
120	1314 Ferntree Gully Drive[12]	1314 Ferntree Gully Drive, Scoresby	26 Jun 2018	16.4	16,134	16,134	0%	15.2[10]	JLL (Aus)
121	35 Baile Road	35 Baile Road, Canning Vale	23 Oct 2015	36.6	20,895	20,895	100%	37.6[10]	JLL (Aus)

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122	484-490 Great Western Highway	484-490 Great Western Highway, Arndell Park	23 Oct 2015	19.9	7,287[13]	7,287[13]	55%	19.5[10]	JLL (Aus)
123	494-500 Great Western Highway	494-500 Great Western Highway, Arndell Park	23 Oct 2015	33.4	12,775[13]	12,775[13]	100%	38.7[10]	JLL (Aus)
124	1 Distribution Place	1 Distribution Place, Seven Hills	18 Nov 2015	28.6	13,554	13,554	100%	26.2[10]	JLL (Aus)
125	1-15 Kellet Close	1-15 Kellet Close, Erskine Park	18 Nov 2015	44.7	23,205	23,205	100%	49.4[10]	JLL (Aus)
126	1A & 1B Raffles Glade	1A & 1B Raffles Glade, Eastern Creek	18 Nov 2015	42.9	21,694	21,694	100%	42.7[10]	JLL (Aus)
127	5 Eucalyptus Place	5 Eucalyptus Place, Eastern Creek	18 Nov 2015	21.8	10,732	10,732	100%	29.5[10]	JLL (Aus)
128	7 Grevillea Street	7 Grevillea Street, Eastern Creek	18 Nov 2015	104.8	51,708	51,708	100%	123.4[10]	JLL (Aus)
129	16 Kangaroo Avenue	16 Kangaroo Avenue, Eastern Creek	18 Nov 2015	33.1	19,918	19,918	100%	41.1[10]	JLL (Aus)
130	94 Lenore Drive	94 Lenore Drive, Erskine Park	18 Nov 2015	42.0	21,143	21,143	100%	44.1[10]	JLL (Aus)
131	6-20 Clunies Ross Road	6 – 20 Clunies Ross Street, Pemulway	22 Feb 2016	76.6	38,579	38,579	100%	79.8[10]	JLL (Aus)
132	Market Garden Road	Market Garden Road, Stratton Business Park, Biggleswade	16 Aug 2018	37.5	13,016	13,016	100%	36.8[14]	Knight Frank (UK)

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133	Common Road	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-ashfield	16 Aug 2018	54.4	47,298	47,298	100%	35.1[14]	Knight Frank (UK)
134	Units 1-5, Export Drive	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	16 Aug 2018	3.0	2,785	2,785	100%	3.0[14]	Knight Frank (UK)
135	Astmoor Road	Astmoor Road, Astmoor Industrial Estate, Runcorn	16 Aug 2018	52.4	45,043	45,043	100%	51.3[14]	Knight Frank (UK)
136	Transpennine 200	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	16 Aug 2018	15.3	8,522	8,522	100%	14.1[14]	Knight Frank (UK)
137	Leacroft Road	Leacroft Road, Birchwood, Warrington	4 Oct 2018	12.5	8,388	8,388	100%	12.4[14]	Knight Frank (UK)
138	Hawleys Lane	Hawleys Lane, Warrington	4 Oct 2018	43.5	35,104	35,104	100%	42.8[14]	Knight Frank (UK)
139	8 Leacroft Road	8 Leacroft Road, Birchwood, Warrington	4 Oct 2018	9.5	8,432	8,432	100%	9.4[14]	Knight Frank (UK)
140	Howard House	Howard House, Howard Way, Interchange Park, Newport Pagnell	16 Aug 2018	56.7	20,611	20,611	100%	53.1[14]	Knight Frank (UK)

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141	Units 1-2, Tower Lane	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	16 Aug 2018	20.0	7,803	7,572	100%	20.1[14]	Knight Frank (UK)
142	Lodge Road[11]	Lodge Road, Staplehurst, Kent	4 Oct 2018	21.0	12,025	12,025	100%	22.8[14]	Knight Frank (UK)
143	Eastern Avenue	Eastern Avenue, Derby Road, Burton-on-Trent	16 Aug 2018	26.4	15,994	15,994	100%	25.8[14]	Knight Frank (UK)
144	Vernon Road	Vernon Road, Stoke-on-Trent	16 Aug 2018	31.0	25,701	25,701	100%	30.2[14]	Knight Frank (UK)
145	1 Sun Street[11]	1 Sun Street, Wolverhampton	4 Oct 2018	39.1	24,929	24,929	100%	43.6[14]	Knight Frank (UK)
146	The Triangle	The Triangle, North View, Walsgrave, Coventry	4 Oct 2018	48.1	28,917	28,917	100%	44.3[14]	Knight Frank (UK)
147	Unit 103, Stonebridge Cross Business Park	Unit 103, Pointon Way, Stonebridge Cross Business Park, Droitwich	4 Oct 2018	2.2	1,233	1,233	100%	2.2[14]	Knight Frank (UK)
148	Unit 302, Stonebridge Cross Business Park	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	4 Oct 2018	35.7	21,590	21,590	100%	36.3[14]	Knight Frank (UK)
149	Unit 401, Stonebridge Cross Business Park	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	4 Oct 2018	11.0	6,265	6,265	100%	10.3[14]	Knight Frank (UK)

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150	Unit 402, Stonebridge Cross Business Park	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	4 Oct 2018	8.0	5,037	5,037	100%	8.2[14]	Knight Frank (UK)
151	Unit 404, Stonebridge Cross Business Park	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	4 Oct 2018	8.4	5,045	5,045	100%	8.2[14]	Knight Frank (UK)
152	Unit 1, Wellesbourne Distribution Park	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	43.8	21,243	21,243	100%	43.2[14]	Knight Frank (UK)
153	Unit 2, Wellesbourne Distribution Park	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	29.1	12,282	12,282	100%	28.6[14]	Knight Frank (UK)
154	Unit 3, Wellesbourne Distribution Park	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	41.9	19,551	19,551	100%	43.2[14]	Knight Frank (UK)
155	Unit 4, Wellesbourne Distribution Park	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	10.7	4,774	4,774	100%	10.6[14]	Knight Frank (UK)
156	Unit 5, Wellesbourne Distribution Park[12]	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	13.1	6,146	6,146	0%	12.2[14]	Knight Frank (UK)

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157	Unit 8, Wellesbourne Distribution Park[12]	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	21.4	8,759	8,759	100%	20.5[14]	Knight Frank (UK)
158	Unit 13, Wellesbourne Distribution Park[12]	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	9.5	5,618	5,618	0%	8.5[14]	Knight Frank (UK)
159	Unit 14, Wellesbourne Distribution Park	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	14.3	9,887	9,887	100%	14.2[14]	Knight Frank (UK)
160	Unit 16, Wellesbourne Distribution Park	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	3.0	1,598	1,598	100%	3.2[14]	Knight Frank (UK)
161	Unit 17, Wellesbourne Distribution Park	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	2.2	971	971	100%	2.0[14]	Knight Frank (UK)
162	Unit 18, Wellesbourne Distribution Park[12]	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	1.8	875	875	0%	1.7[14]	Knight Frank (UK)
163	Unit 19, Wellesbourne Distribution Park	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	2.1	835	835	100%	2.1[14]	Knight Frank (UK)

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164	Unit 20, Wellesbourne Distribution Park	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	4.2	3,157	3,157	100%	4.2[14]	Knight Frank (UK)
165	Unit 21, Wellesbourne Distribution Park	Unit 21, Wellesbourne Distribution Park, Wellesbourne, Warwick	4 Oct 2018	5.3	3,064	3,064	100%	5.5[14]	Knight Frank (UK)
166	12 Park Farm Road	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	16 Aug 2018	19.8	23,454	23,454	100%	18.6[14]	Knight Frank (UK)
167	Units 1a, 1b, 2 & 3, Upwell Street	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	16 Aug 2018	34.2	14,065	14,065	100%	29.6[14]	Knight Frank (UK)
168	Unit 3, Brookfields Way[12]	Unit 3, Brookfields Way, Rotherham	16 Aug 2018	22.5	18,341	18,341	100%	21.9[14]	Knight Frank (UK)
169	Lowfields Way	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	4 Oct 2018	17.8	11,549	11,549	100%	17.9[14]	Knight Frank (UK)
170	8300 Creekside[2]	8300 SW Creekside Place, Beaverton	11 Dec 2019	14.3	5,011	5,030	75%	14.7[15]	Newmark Knight Frank (US)
171	8305 Creekside[2]	8305 SW Creekside Place, Beaverton	11 Dec 2019	5.0	2,443	1,837	89%	4.9[15]	Newmark Knight Frank (US)
172	8405 Nimbus[2]	8405 SW Nimbus Avenue, Beaverton	11 Dec 2019	18.0	5,084	4,997	100%	20.3[15]	Newmark Knight Frank (US)

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173	8500 Creekside[2]	8500 SW Creekside Place, Beaverton	11 Dec 2019	20.9	5,923	6,085	100%	22.7[15]	Newmark Knight Frank (US)
174	8700-8770 Nimbus[2]	8700-8770 SW Nimbus Avenue, Beaverton	11 Dec 2019	7.8	3,430	3,317	79%	8.0[15]	Newmark Knight Frank (US)
175	9205 Gemini[2]	9205 SW Gemini Drive, Beaverton	11 Dec 2019	10.2	3,784	3,800	100%	10.5[15]	Newmark Knight Frank (US)
176	9405 Gemini[2]	9405 SW Gemini Drive, Beaverton	11 Dec 2019	15.7	4,201	4,382	100%	18.1[15]	Newmark Knight Frank (US)
177	Creekside 5[2]	8705 SW Nimbus Avenue, Beaverton	11 Dec 2019	13.2	4,557	4,463	92%	14.1[15]	Newmark Knight Frank (US)
178	Creekside 6[2]	8905 SW Nimbus Avenue, Beaverton	11 Dec 2019	22.5	7,262	6,927	89%	25.0[15]	Newmark Knight Frank (US)
179	Greenbrier Court[2]	14600-14700 NW Greenbrier Parkway, Beaverton	11 Dec 2019	21.2	6,529	6,938	100%	22.9[15]	Newmark Knight Frank (US)
180	Parkside[2]	15350-15400 NW Greenbrier Parkway, Beaverton	11 Dec 2019	32.2	15,231	14,739	100%	27.6[15]	Newmark Knight Frank (US)
181	Ridgeview[2]	15201 NW Greenbrier Parkway, Beaverton	11 Dec 2019	20.2	8,747	8,767	73%	21.5[15]	Newmark Knight Frank (US)

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182	The Atrium[2]	15220 NW Greenbrier Parkway, Beaverton	11 Dec 2019	41.3	16,473	15,899	85%	44.6[15]	Newmark Knight Frank (US)
183	The Commons[2]	15455 NW Greenbrier Parkway, Beaverton	11 Dec 2019	16.4	6,570	6,352	67%	17.3[15]	Newmark Knight Frank (US)
184	Waterside[2]	14908, 14924, 15247 and 15272 NW Greenbrier Parkway, Beaverton	11 Dec 2019	29.5	11,261	11,752	88%	31.2[15]	Newmark Knight Frank (US)
185	5200 East & West Paramount Parkway[2]	5200 East & West Paramount Parkway, Morrisville	11 Dec 2019	105.8	29,500	29,320	89%	101.3[15]	Newmark Knight Frank (US)
186	Perimeter One[2]	3005 Carrington Mill Boulevard, Morrisville	11 Dec 2019	76.8	19,599	18,865	95%	75.0[15]	Newmark Knight Frank (US)
187	Perimeter Two[2]	3020 Carrington Mill Boulevard, Morrisville	11 Dec 2019	76.0	19,484	19,220	97%	75.4[15]	Newmark Knight Frank (US)
188	Perimeter Three[2]	3015 Carrington Mill Boulevard, Morrisville	11 Dec 2019	82.8	23,179	22,794	95%	76.6[15]	Newmark Knight Frank (US)
189	Perimeter Four[2]	3025 Carrington Mill Boulevard, Morrisville	11 Dec 2019	70.3	18,331	16,918	100%	71.0[15]	Newmark Knight Frank (US)
190	10020 Pacific Mesa Boulevard[2]	10020 Pacific Mesa Boulevard, San Diego	11 Dec 2019	169.2	29,225	29,543	100%	173.6[15]	Newmark Knight Frank (US)

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191	15051 Avenue of Science[2]	15051 Avenue of Science, San Diego	11 Dec 2019	35.5	6,426	6,500	100%	37.6[15]	Newmark Knight Frank (US)
192	15073 Avenue of Science[2]	15073 Avenue of Science, San Diego	11 Dec 2019	26.3	4,455	4,497	100%	27.5[15]	Newmark Knight Frank (US)
193	15231, 15253 & 15333 Avenue of Science[2]	15231, 15253 & 15333 Avenue of Science, San Diego	11 Dec 2019	92.0	16,127	16,553	63%	100.4[15]	Newmark Knight Frank (US)
194	15378 Avenue of Science[2]	15378 Avenue of Science, San Diego	11 Dec 2019	35.1	6,409	6,391	100%	41.5[15]	Newmark Knight Frank (US)
195	15435 & 15445 Innovation Drive[2]	15435 & 15445 Innovation Drive, San Diego	11 Dec 2019	57.2	8,986	9,508	93%	60.8[15]	Newmark Knight Frank (US)
196	5005 & 5010 Wateridge[2]	5005 & 5010 Wateridge Vista Drive, San Diego	11 Dec 2019	119.0	16,009	16,051	100%	117.8[15]	Newmark Knight Frank (US)
197	6055 Lusk Boulevard[2]	6055 Lusk Boulevard, San Diego	11 Dec 2019	47.3	8,823	8,640	100%	47.9[15]	Newmark Knight Frank (US)

Notes:

(1) Purchase Price excludes transaction cost associated with the purchase of the property.

(2) Acquired from the Sponsor.

(3) iQuest@IBP was decommissioned for redevelopment in January 2020.

(4) DBS Asia Hub Phase 2, an extension of DBS Asia Hub was completed on 15 April 2015.

(5) Schneider Electric Building was first acquired on 27 February 2006 for S$28.6 million and was subsequently redeveloped into a single-tenant building for a multinational corporation. The redevelopment was completed on 21 June 2017.

(6) 38A Kim Chuan Road was valued by an independent valuer at S$176.7 million. Ascendas Reit has recorded the property at S$176.7 million comprising S$126.4 million in land and building, and S$50.3 million in M&E equipment.

(7) 25 Ubi Road 4 and 27 Ubi Road 4 are decommissioned for redevelopment into a single high-specifications property.

(8) FoodAxis @ Senoko 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.

(9) 20 Tuas Avenue 1 was first acquired on 19 February 2004 for S$50.0 million and was subsequently redeveloped to maximise the allowable plot ratio. The redevelopment was completed on 2 April 2018.

(10) Based on exchange rate of A$1.0000: S$0.9279 as at 31 December 2019.

(11) Purchase Price includes outstanding incentives reimbursed by the vendor.

(12) Purchase Price includes rental guarantee provided by the vendor.

(13) Excludes partial space decommissioned for asset enhancement works as at 31 December 2019.

(14) Based on exchange rate of £1.0000: S$1.7547 as at 31 December 2019.

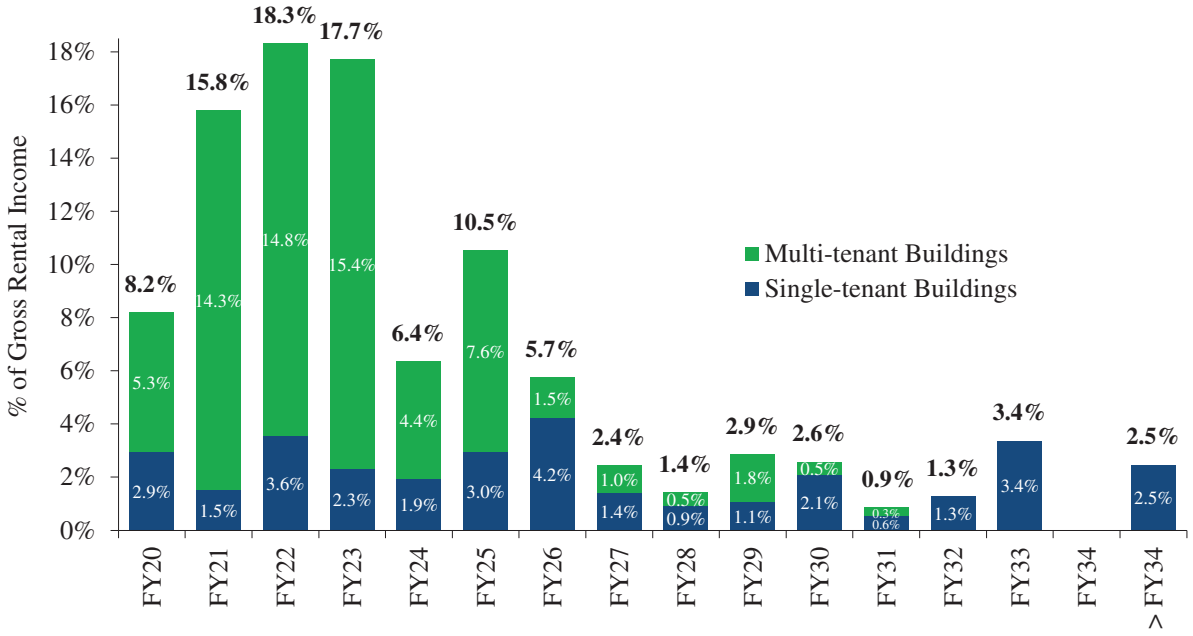
(15) Based on exchange rate of US$1.0000: S$1.3606 as at 31 December 2019.

(B) Leasing Statistics

(i) Weighted average lease term to expiry

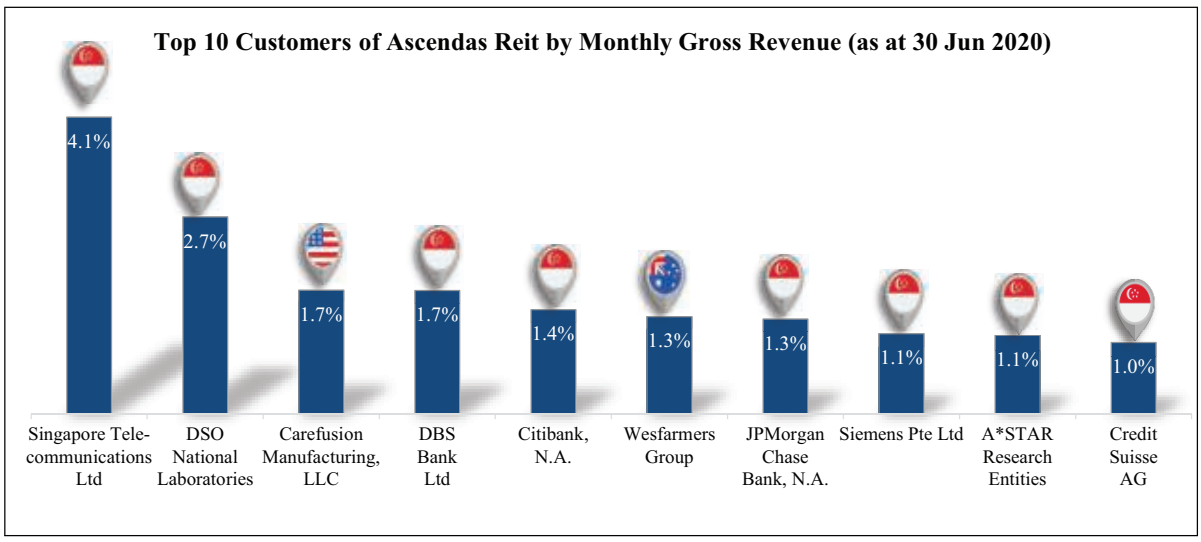
The chart below shows the lease expiry profile as at 30 June 2020, based on monthly gross rental income. As at 30 June 2020, the overall weighted average lease term to expiry ("**WALE**") of the portfolio is about 3.9 years. Specifically, the WALE in Singapore was at 3.5 years, Australia was at 4.3 years, the UK was at 9.2 years and the US was at 3.8 years. Weighted average lease term of new leases signed in the six months ended 30 June 2020 was 3.6 years and they accounted for 3.1% of total gross rental income for 2Q FY2020.

Ascendas Reit's Portfolio Lease Expiry Profile (As at 30 June 2020)



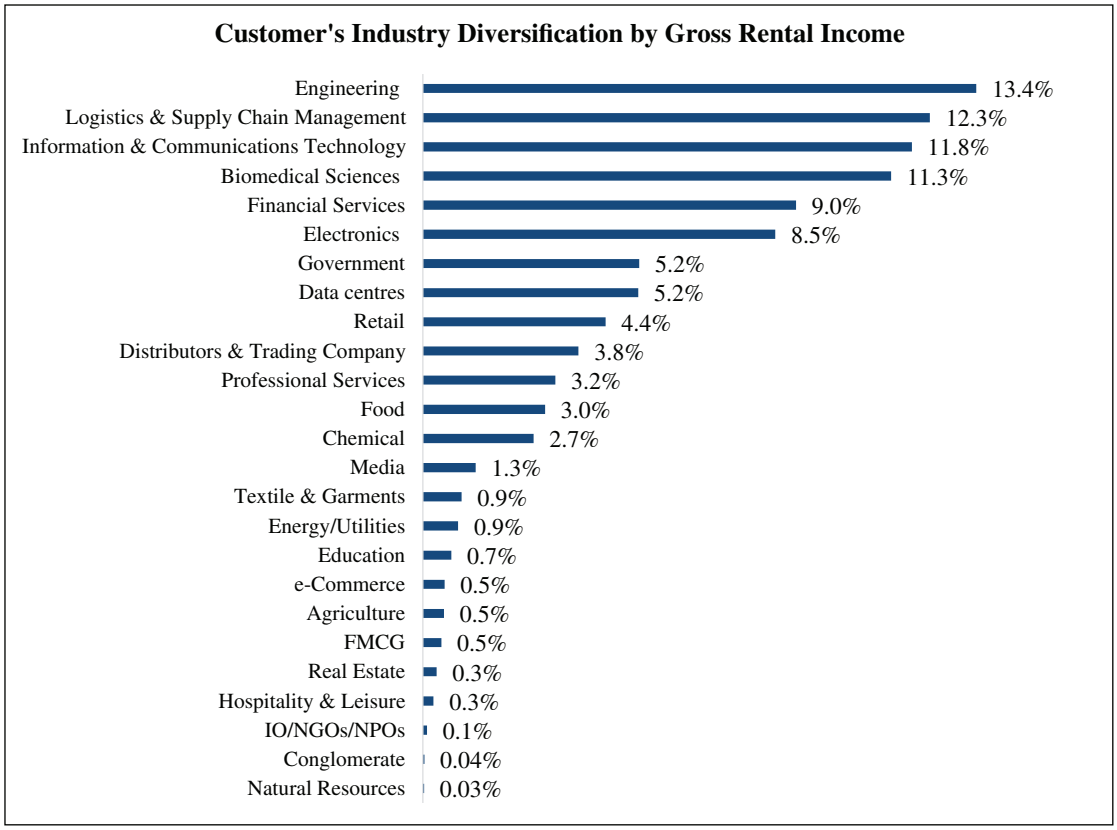
(ii) Top 10 customers of Ascendas Reit portfolio

The chart below shows the top ten customers of Ascendas Reit as at 30 June 2020 based on monthly gross rental income. The top ten customers' rental contributions are only 17.4% of the portfolio's monthly gross rental income.



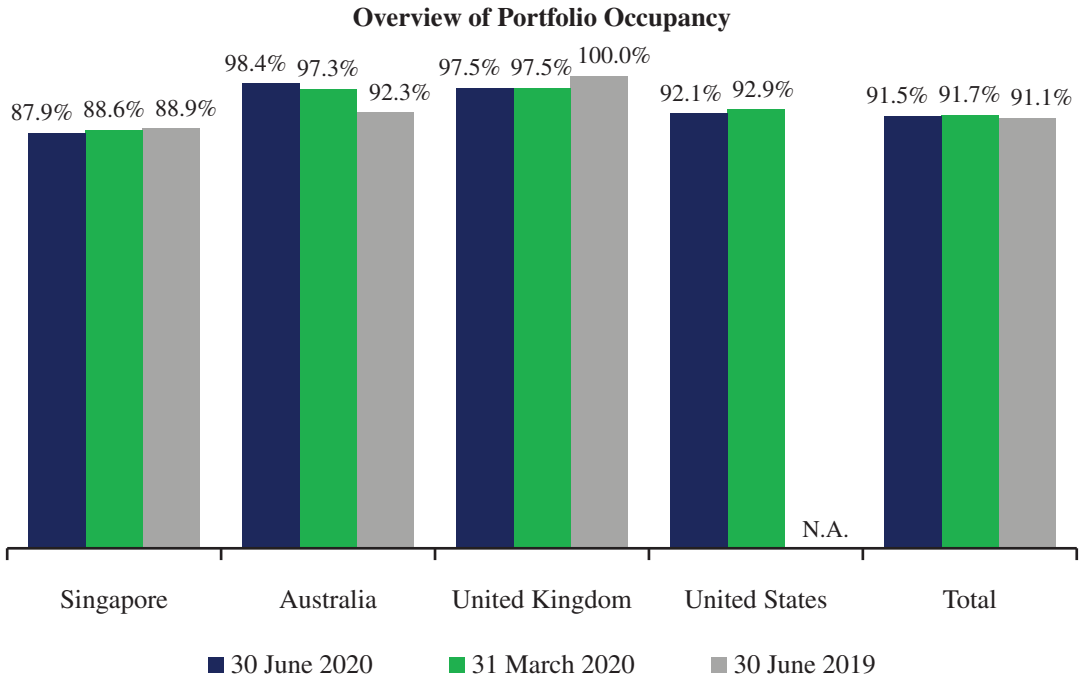
(iii) Trade sector analysis of the Ascendas Reit portfolio

The chart below provides a breakdown by monthly gross rental income of the customers' trade sectors as at 30 June 2020. Ascendas Reit's customers are involved in more than 20 industries.



(iv) Portfolio occupancy

The chart below provides a comparison of Ascendas Reit's portfolio occupancy and industrial average occupancy as at 30 June 2020.



6. Insurance

Ascendas Reit is insured in accordance with industry practices in Singapore. This includes property damage, business interruption as well as public liability insurance policies. The Ascendas Reit Manager believes that Ascendas Reit has adequate insurance coverage provided by reputable independent insurance companies, with coverage and financial limits that are commercially reasonable and appropriate for its size and activities.

Notwithstanding the insurance coverage, damage to its facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, power loss, communications failure, intentional unlawful act, human error or natural disaster could nevertheless have a material adverse effect on its financial condition and results of operations to the extent that such occurrences disrupt the normal operation of its businesses.

7. Recent Developments

As at 30 June 2020, Ascendas Reit's aggregate leverage remains at 36.1% and Ascendas Reit has available debt headroom of approximately S$3.8 billion before reaching the 50.0% aggregate leverage limit.

As at 30 June 2020, Ascendas Reit's total assets include cash and equivalent of approximately S$361 million to meet current financial and operational obligations. Ascendas Reit also has S$200 million of committed facilities and approximately S$1.1 billion uncommitted facilities that are unutilised as at 30 June 2020.

The COVID-19 pandemic has had varying adverse effects on the business and operations on the properties of Ascendas Reit depending on where they are situated. Without being exhaustive, the effects include the following:

- In the case of Singapore, the government has implemented a gradual relaxation of the Circuit Breaker Measures commencing on 2 June 2020, following the enforcement of such measures from 7 April 2020 to 1 June 2020. The Singapore government has also passed legislation granting temporary relief to qualifying tenants which are unable to perform their obligations under the lease, being obligations which are to be performed on or after 1 February 2020. Pursuant to the COVID-19 (Temporary Measures) Act 2020, subject to the relevant criteria being satisfied, landlords in Singapore are prevented from, among other things, (a) taking any court and insolvency proceedings in respect of a tenant's non-performance of obligations; (b) exercising certain self-help remedies such as rights of re-entry or forfeiture under the lease; and (c) terminating the lease of such tenant for non-payment of rent. The COVID-19 (Temporary Measures) Act 2020 also obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants. The Ascendas Reit Manager expects the leasing environment to be challenging, and as at the date of the 1H FY2020 Results Announcement and Business Update, two tenants have pre-terminated their lease. The COVID-19 pandemic has also resulted in a delay of the construction of Grab's headquarters from the fourth quarter of 2020 to the second quarter of 2021.

- In the case of Australia, beginning from April 2020 and until restrictions caused by COVID-19 are lifted, rent collection from retail/F&B tenants (<1% of the Australia portfolio by rental income) has been suspended until restrictions are lifted. The lease of one leisure/hospitality tenant has been restructured, with rental rebates being provided and pro-active discussions are being conducted with tenants to offer assistance via existing lease incentives or rent deferral. Further, commercial leases with certain small- and medium-sized enterprise tenants are subject to a mandatory code of conduct, whereby landlords are unable to terminate leases and are obliged to offer reductions in rent (as waivers and deferrals) based on such tenant's reduction in trade during this period. As at the date of the 1H FY2020 Results Announcement and Business Update, none of the tenants has pre-terminated their lease due to the COVID-19 pandemic. However, there has been no leasing inspections and few enquiries. The Ascendas Reit Manager however expects that existing tenants are more likely to renew leases.

- In the case of the United Kingdom, no rent rebates have been given as at the date of the 1H FY2020 Results Announcement and Business Update. Some tenants have been allowed to change their rental payment from quarterly to monthly in advance and some were also allowed to defer rent payments to the later part of the year, to help them with their cashflow management. VAT payment has been deferred by one year to March 2021. Until 30 June 2020 (and such date as extended by the UK government), landlords are not allowed to terminate leases for any missed payments, although tenants remain liable to pay rent. Available space for short-term leases has been extended to targeted industries, including those in the food, pharmaceuticals and medical industries. Whilst none of the tenants has indicated that they intend to pre-terminate in the near term, the Ascendas Reit Manager expects leasing environment to be challenging as many interests have been aborted or put on hold.

- In the case of the United States, no rent rebates have been given as at the date of the 1H FY2020 Results Announcement and Business Update. In Portland until 30 June 2020, and in San Diego until 25 September 2020, landlords are not allowed to evict tenants due to non-payment of rent. Whilst none of the tenants has indicated that they intend to pre-terminate in the near term, the majority are operating with skeleton crews serving essential functions on site, with rest of the staff working remotely. There has also been a slowdown in leasing activity as tenants are holding back expansion plans, and there is a trend towards shorter-term extensions for near-term expiries.

In addition, please see "*Risk Factors – Risks Associated with Ascendas Reit's Business and Operations – The outbreak of an infectious disease or any other serious public health concerns in Singapore and countries where the Properties are located and elsewhere could adversely impact Ascendas Reit's business, results of operations and financial condition.*" for further details on the impact of the COVID-19 pandemic.

On 1 July 2020, the Ascendas Reit Manager announced the acquisition of a new logistics property to be developed on Lot 7, Kiora Crescent, Yennora, in Sydney, Australia for A$23.5 million (S$21.1 million), 19.8% lower than the "as if complete" market valuation of the property (A$29.3 million (S$26.4 million) as at 30 June 2020), having entered into a vendor sale and purchase agreement for the purchase of the freehold land at Lot 7, Kiora Crescent, Yennora and a development management agreement for the ensuing development of the logistics property. The development of the logistics property is expected to complete in the second quarter of 2021. This prime grade logistics warehouse is located on freehold land with a land area of 26,632 sqm and approximate lettable floor area of 13,100 sqm. It is also well located in the established inner-western Sydney industrial precinct of Yennora, an area that enjoys renewed growth given its proximity to central western Sydney and the trend towards last mile logistics.

ASCENDAS FUNDS MANAGEMENT (S) LIMITED
(ASCENDAS REIT MANAGER)

The Ascendas Reit Manager was incorporated in Singapore on 13 March 2002. It has an issued and paid-up capital of S$1,000,000 and its registered office is located at 1 Fusionopolis Place, #10-10, Galaxis, Singapore 138522.

1. Roles and responsibilities of the Ascendas Reit Manager

On 1 August 2008, a new licensing regime for REIT managers was introduced by MAS. Under this licensing regime, a person conducting REIT management activities is required to hold a capital markets services licence pursuant to the SFA and to comply with the conditions of such licence. On 17 December 2008, the Ascendas Reit Manager obtained from the MAS a capital markets services licence to conduct REIT management.

The Ascendas Reit Manager has general powers of management over the assets of Ascendas Reit. The Ascendas Reit Manager's main responsibility is to manage Ascendas Reit's assets and liabilities for the benefit of Unitholders.

The Ascendas Reit Manager will set the strategic direction of Ascendas Reit and make recommendations to the Ascendas Reit Trustee on the acquisition, development, divestment or enhancement of assets of Ascendas Reit in accordance with its stated investment strategy.

The Ascendas Reit Manager has covenanted in the Ascendas Reit Trust Deed to use its best endeavours to carry on and conduct its and Ascendas Reit's business in a proper and efficient manner and to conduct all transactions with or for Ascendas Reit at arm's length.

Further, the Ascendas Reit Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on inflation, annual turnover, occupancy costs and any other relevant assumptions. The purpose of these plans is to explain the performance of Ascendas Reit's assets.

The Ascendas Reit Manager will also be responsible for ensuring compliance with the applicable provisions of the SFA and all other relevant legislation, the listing rules of the SGX-ST, the CIS Code (including the Property Funds Appendix), the Ascendas Reit Trust Deed, the applicable tax rulings and all relevant contracts. The Ascendas Reit Manager will be responsible for all regular communications with Unitholders.

The Ascendas Reit Manager may require the Ascendas Reit Trustee to borrow on behalf of Ascendas Reit (upon such terms and conditions as the Ascendas Reit Manager deems appropriate, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Ascendas Reit Manager considers, among other things, that such borrowings are necessary or desirable in order to enable Ascendas Reit to meet any liabilities or to finance the acquisition of any property. However, the Ascendas Reit Manager must not direct the Ascendas Reit Trustee to incur a borrowing if to do so would mean that Ascendas Reit's aggregate leverage would exceed the limits prescribed in the Property Funds Appendix, being:

(a) before 1 January 2022, 50% of its Deposited Property; and

(b) on or after 1 January 2022, 45% of its Deposited Property. Ascendas Reit's aggregate leverage may exceed 45% of its Deposited Property (up to a maximum of 50%) only if Ascendas Reit has a minimum adjusted interest coverage ratio[11] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

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11 "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

In the absence of fraud, negligence, wilful default or breach of the Ascendas Reit Trust Deed, the Ascendas Reit Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Ascendas Reit Trust Deed. In addition, the Ascendas Reit Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Ascendas Reit Manager to have recourse to the Deposited Property of any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Ascendas Reit Trust Deed by the Ascendas Reit Manager. The Ascendas Reit Manager may, in managing Ascendas Reit and in carrying out and performing its duties and obligation under the Ascendas Reit Trust Deed, with the written approval of the Ascendas Reit Trustee, appoint such person(s) to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Ascendas Reit Trust Deed, provided always that the Ascendas Reit Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

2. Removal and retirement of the Ascendas Reit Manager

The Ascendas Reit Manager shall have the power to retire in favour of any corporation approved by the Ascendas Reit Trustee to act as the manager of Ascendas Reit.

Also, the Ascendas Reit Manager may be removed by notice in writing by the Ascendas Reit Trustee if:

(a) the Ascendas Reit Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Ascendas Reit Trustee) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the Ascendas Reit Manager;

(b) the Ascendas Reit Manager ceases to carry on business;

(c) the Ascendas Reit Manager fails or neglects after reasonable notice from the Ascendas Reit Trustee to carry out or satisfy any material obligations imposed on the Ascendas Reit Manager by the Ascendas Reit Trust Deed;

(d) the Unitholders by a resolution passed by a simple majority of Unitholders present and voting (with no Unitholder being disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions of the Ascendas Reit Trust Deed shall so decide that the Ascendas Reit Manager is to be removed; or

(e) for good and sufficient reason, the Ascendas Reit Trustee is of the opinion, and so states in writing for such reason and opinion, that a change of manager of Ascendas Reit is desirable in the interests of the Unitholders.

Where the Ascendas Reit Manager is removed under sub-paragraph (e) above, the Ascendas Reit Manager has a right under the Ascendas Reit Trust Deed to refer the matter to arbitration in accordance with the provisions of the Ascendas Reit Trust Deed. Any decision made pursuant to such arbitration proceeding is binding upon the Ascendas Reit Manager, the Ascendas Reit Trustee and all Unitholders.

3. Ascendas Reit Manager's fees

The Ascendas Reit Manager is entitled to the following management fees:

(a) a base fee ("**Base Fee**") which is 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. Deposited Property is defined in the Ascendas Reit Trust Deed to mean all the assets of Ascendas Reit, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Ascendas Reit Trust Deed;

(b) an annual performance fee ("**Performance Fee**") of:

(i) 0.1% of the Deposited Property, provided that the annual growth in distribution per unit ("**DPU**") in a given financial year (calculated before accounting for the Performance Fee in that financial year) exceeds 2.5%; and

(ii) an additional 0.1% per annum of the Deposited Property, provided that the annual growth in DPU in a given financial year (calculated before accounting for the Performance Fee in that financial year) exceeds 5.0%.

(c) an acquisition fee ("**Acquisition Fee**") of 1.0% of the purchase price of investment property acquired by the Ascendas Reit Trustee on behalf of Ascendas Reit;

(d) a divestment fee ("**Divestment Fee**") of 0.5% of the sale price of investment property sold or divested by the Ascendas Reit Trustee behalf of Ascendas Reit; and

(e) a development management fee ("**Development Management Fee**"), not exceeding 3.0% of the total project cost incurred in development projects undertaken by Ascendas Reit. In cases where the market pricing for comparable services is materially lower, the Ascendas Reit Manager will reduce the development management fee to less than 3.0%. In addition, when the estimated total project cost is greater than $100.0 million, the Ascendas Reit Trustee and the Ascendas Reit Managers' independent directors will review and approve the quantum of the Development Management Fee.

20.0% of the Base Fee will be in the form of Units issued at the prevailing Market Price at the time of issue of the Units. The cash component of the Base Fee 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 of the last day of every financial year. When paid in the form of Units, the Ascendas Reit Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the management fee attributable to such period at an issue price equal to the Market Price. For this purpose, "**Market Price**" means the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days preceding the last day of the relevant period in which the Ascendas Reit Manager's management fees accrues or, if the Ascendas Reit Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit, means an amount as determined by the Ascendas Reit Manager (after consultation with a stockbroker approved by the Ascendas Reit Trustee), and as approved by the Ascendas Reit Trustee, as being the fair Market Price.

Units issued to the Ascendas Reit Manager in payment of the Ascendas Reit Manager's management fees are equally entitled to distribution as with all other Units. Subject to the Ascendas Reit Manager's undertaking to the MAS not to deal in the Units during certain specified periods, the Ascendas Reit Manager may, at its option, sell any such Units issued and is entitled to keep any gains made on such sale for its own account.

Any increase in the maximum permitted level of the Acquisition Fee, Divestment Fee or Development Management Fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened under the provisions of the Ascendas Reit Trust Deed.

(A) Base Fee

The Ascendas Reit Manager has decided to improve the computation of the Base Fee in favour of Unitholders by charging the Base Fee based on 0.5% per annum of the Deposited Property less such value of the Deposited Property attributable to derivative assets and investment properties under development, and excluding right-of-use assets from the computation of the Deposited Property (the "**Adjusted Deposited Property**").

(B) Performance Fee

The Ascendas Reit Manager will unilaterally waive part of its Performance Fee to ensure equitable distribution of the growth in Distributable Income in the manner described below.

The Ascendas Reit Manager shall waive such amount of Performance Fee payable such that any increase in DPU (which is calculated before accounting for the Performance Fee) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the Performance Fee.

In addition, the Performance Fee payable will be based on 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 changes to the Performance Fee are tabulated below for easy reference.

Performance Fee	**DPU Growth**	**Management Fee Structure prescribed in the Ascendas Reit Trust Deed**	**Revised Management Fee Structure after the Unilateral Waiver with effect from FY14/15**
Tier 1	2.5% but less than 5%	0.1% of Deposited Property	0.1% of Adjusted Deposited Property, provided Performance Fee payable will be such that DPU growth to Unitholders will not be less than 2.5%
Tier 2	5% or more	0.2% of Deposited Property	0.2% of Adjusted Deposited Property, provided Performance Fee payable will be such that DPU growth to Unitholders will not be less than the amount they would have received if the DPU growth is at 5.0% after deducting Tier 1 Performance Fee

The above revised arrangement announced on 17 January 2014 regarding the Base Fee and the Performance Fee is a unilateral waiver of fees on the part of the Ascendas Reit Manager and this waiver will not prejudice the interests of the Unitholders. Such arrangement shall continue until further notice by the Ascendas Reit Manager.

Lease Management Fees

Pursuant to the Lease Management Agreement dated 18 September 2012 made between the Issuer, as trustee of Ascendas Reit, and the Ascendas Reit Manager, as the manager of Ascendas Reit, the Ascendas Reit Manager also performs lease management services for the Properties located in Singapore (with effect from 1 October 2012) which are held by the Issuer, and is entitled to certain fees to be borne out of the Deposited Property on the Properties as set out below:

(a) a lease management fee of 1.0% per annum of the adjusted gross revenue of each Property;

(b) a lease commission ranging from 0.5 to 1.5 months' gross rent inclusive of service charge (or a prorated portion thereof) in relation to a tenancy which is renewed or a lease commission ranging from 1.0 to 3.0 months' gross rent inclusive of service charge (or a prorated portion thereof) 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, subject to a refund of 50.0% of the commission paid if the tenancy is prematurely terminated within six months of the commencement of the tenancy; and

(c) a fee for property tax services ranging from 5.0% to 7.5% of the property tax savings, depending on the quantum of proposed reduction in annual value, if as a result of the Ascendas Reit Manager's objections to the tax authorities, the proposed annual value is reduced resulting in property tax savings for the Property, where such tax savings is defined as the annual value reduced from the proposed annual value or taxable value by the tax authorities.

Lease commissions payable to the Ascendas Reit Manager depend on the length of tenancy renewed or secured while fees for property tax services payable to the Ascendas Reit Manager depend on such reduction in annual value or taxable value by the tax authorities. For further details, please refer to the Ascendas Reit's Circular to Unitholders dated 13 June 2012.

4. Board of Directors of the Ascendas Reit Manager

Ascendas Reit is externally managed by the Ascendas Reit Manager and accordingly, it has no employees. The Ascendas Reit Manager appoints experienced and well-qualified managers to handle its day-to-day operations. All directors and employees of the Ascendas Reit Manager are remunerated by the Ascendas Reit Manager, not Ascendas Reit.

The Board is responsible for the overall management and corporate governance of the Ascendas Reit Manager and Ascendas Reit. The Board is supported by Ascendas Reit Board committees and appropriate delegation of authority and approval sub-limits are also provided at the management level to facilitate operational efficiency.

The members of the Board are set out below:

Name	Age	Designation
Dr Beh Swan Gin	52	Chairman and Non-Executive Independent Director
Mr William Tay Wee Leong	49	Chief Executive Officer and Executive Non-Independent Director
Mr Chan Pengee Adrian	55	Non-Executive Lead Independent Director
Ms Chong Chiet Ping	65	Non-Executive Independent Director
Ms Lim Sau Hoong	59	Non-Executive Independent Director
Mr Wong Yew Meng	69	Non-Executive Independent Director
Mr Daniel Cuthbert Ee Hock Huat	67	Non-Executive Independent Director
Mr Khiatani Manohar Ramesh	60	Non-Executive Non-Independent Director
Mr Lim Cho Pin Andrew Geoffrey	50	Non-Executive Non-Independent Director

The Board is responsible for the Ascendas Reit Manager's corporate governance standards and policies. It oversees the Ascendas Reit Manager's strategic direction, performance and affairs, in furtherance of the Ascendas Reit Manager's primary responsibility to foster the success of Ascendas Reit so as to deliver sustainable value over the long term to Unitholders. All Board members participate in matters relating to corporate governance, business operations and risks and financial performance. The Board has established a framework for the management of the Ascendas Reit Manager and Ascendas Reit, including a system of internal control and a business risk management process. The Board presently consists of nine members, six of whom are independent directors. The Chairman of the Board is Dr Beh Swan Gin. The composition of the Board is determined using the following principles:

- the Board should comprise directors with a broad range of commercial experience in funds management and the property industry; and

- one-third, with a minimum of two, of the Board members should be independent directors.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Information on the business and working experience of each of the Directors on the Board is set out below:

Dr Beh Swan Gin
Chairman and Non-Executive Independent Director

Dr Beh Swan Gin was appointed as Chairman on 6 July 2020. Dr Beh is presently Chairman of the Singapore Economic Development Board ("**EDB**"). Dr Beh also chairs the Boards of Directors of EDB Investments and EDBI.

Dr Beh was Permanent Secretary of the Ministry of Law from 1 July 2012 to 30 November 2014. Prior to the Ministry of Law, Dr Beh had been Managing Director of EDB from 1 August 2008 to 30 June 2012. Dr Beh joined EDB in November 1992 and held various portfolios over the years including leadership roles in the development of Singapore's Biomedical Sciences industry cluster, as well as overseas assignments in EDB's North American operations.

In 2006 and 2007, Dr Beh also held concurrent appointments as the Executive Director of the Biomedical Research Council at the Agency for Science, Technology & Research, as well as the Director of the Ministry of Trade & Industry's Energy Planning Division.

Dr Beh is a medical doctor by training and graduated from the National University of Singapore. Dr Beh is also a Sloan Fellow with a Master of Science in Management from Stanford University's Graduate School of Business, and completed the Advanced Management Programme at Harvard Business School.

Dr Beh was a Board Director for Singapore Technologies Engineering Ltd from September 2014 to May 2020. Dr Beh is also a Board Director for Design Singapore Council Pte Ltd, Enterprise Singapore, Human Capital Leadership Institute Pte Ltd, LucasFilm Animation Pte Ltd, Singapore Exchange Limited, Singapore Innovate Pte Ltd and Temasek Foundation Connects. Dr Beh is a member of the Advisory Board for the University of St Gallen, and also a member of the Young Presidents' Organisation.

Mr William Tay Wee Leong
Executive Director, Chief Executive Officer

Mr William Tay was appointed as Executive Director and CEO of the Ascendas Reit Manager on 1 February 2018. Prior to his current appointment, Mr Tay was the Deputy CEO of Singapore and South East Asia (SSEA) of the Ascendas-Singbridge Group. In addition to leading Ascendas-Singbridge SSEA regional teams in Singapore, Malaysia, Indonesia and Vietnam, he was concurrently the CEO for South Korea, overseeing the real estate private equity funds business and investments in South Korea.

Mr Tay has more than 22 years of wide-ranging experience in real estate, straddling both the public and private sectors as well as Singapore and overseas. Since joining Ascendas-Singbridge in 2007, he held various leadership positions in investment, business development, asset and fund management as well as country operations. He started his career with JTC Corporation where he spent 12 years in the development and marketing of Ready-Built Factories, Wafer Fabrication Parks and Logistics Parks, as well as strategic and corporate planning.

Mr Tay holds a Bachelor's Degree in Estate Management (Honours) from the National University of Singapore.

Mr Chan Pengee Adrian
Non-Executive Lead Independent Director

Mr Chan Pengee Adrian has been a director since 1 December 2014. He was appointed as the Chairman of the Audit Committee on 1 November 2015. Mr Chan is Head of Corporate and a Senior Partner at the law firm Lee & Lee. He is a Board member of the Accounting and Corporate Regulatory Authority, a member of the Council of the Law Society of Singapore and the Vice-Chairman of the Singapore Institute of Directors. He serves on the Legal Service Commission, which is constituted under the Constitution of the Republic of Singapore, and the SGX has appointed him to its Catalist Advisory Panel to review Catalist Sponsor and Registered Professional applications.

He is an independent director of Yoma Strategic Holdings Ltd, Hong Fok Corporation Ltd, Global Investments Limited, AEM Holdings Ltd and Best World International Ltd which are listed on the SGX. He also serves on the Catalist Advisory Panel of the SGX. He is the Chairman of both the Corporate Practice Committee of the Law Society of Singapore and the Panel of the Institute of Corporate Law at ACRA. He also serves as a director on Astrea III and Azalea Asset Management, which are wholly-owned subsidiaries of Temasek. He sits on the Corporate Governance and Regulations Committee of the Singapore International Chamber of Commerce and the Board of Shared Services for Charities Limited, which is a registered charity and an Institution of a Public Character. He currently lectures on Corporate Governance for the Singapore Institute of Legal Education and the Bar Admissions and Examinations.

He was appointed to the Audit Committee Guidance Committee, established by the MAS, ACRA and the SGX, and served on the Corporate Governance and Directors' Duties Working Group of the Steering Committee established by the Ministry of Finance to review and rewrite the Companies Act.

Mr Chan holds a Bachelor of Laws (Honours) from National University of Singapore.

Ms Chong Chiet Ping
Non-Executive Independent Director

Ms Chong Chiet Ping was appointed as a director on 1 November 2015.

She is currently the Managing Partner of Small World Group Incubator Pte Ltd as well as GreenMeadows Accelerator Pte Ltd. She is appointed as the Technical Advisor (Central Gap Fund) of National Research Foundation and is involved in early stage incubation of technology companies working in conjunction with National Research Foundation Holding and Spring Seed Capital.

Ms Chong had worked for 33 years with Hewlett Packard and her last position was Senior Vice President of Operations, HP Asia Pacific. Her experience includes the areas of supply chain, logistics, process and information technology re-engineering. She also led the mega merger of HP and Compaq Operations across the whole of Asia Pacific where there were major changes and consolidations made to organisations, workforce, factories locations, business processes and IT systems. Ms Chong holds a Diploma in Electronics and Electrical Engineering, Singapore Polytechnic.

Ms Lim Sau Hoong
Non-Executive Independent Director

Ms Lim Sau Hoong is currently an Independent Director of NTUC Fairprice Co-operative Limited, board member of NTUC FairPrice Foundation, Chinese Development Assistance Council and Multi Water Holdings Ltd (formerly known as Hyfluxshop Holdings Ltd.). She was formally the CEO and Executive Creative Director of 10AM Communications, an advertising agency that she founded in 2000. Since its founding, 10AM has garnered more than 300 awards including Cannes, the One Show, the British Designer & Art Directors club, Clio and Communication Arts. Prior to the founding of 10AM communications, she spent 12 years in both BBDO Asia (Singapore) and Ogilvy & Mather (Singapore, Beijing & Shanghai) as the head of the creative teams, attaining more than 500 awards for the two agencies.

Identified for her unique creative talent, Ms Lim was invited to join the Planning Committee for the 2008 Beijing Olympics' Opening Ceremony as visual advisor, and contributed to the success of the Beijing Olympics. She headed the Shanghai World Expo 2010 Singapore Pavilion Advisory Panel from 2008 to 2010, and chaired the Speak Mandarin Council (Singapore) from 2008 to 2011. She is also a Member of the 5th Singapore Note and Coin Advisory Committee and Singapore50 Culture and Community Committee. She was nominated as one of the top three most influential persons in media, marketing, and advertising in Singapore.

Ms Lim holds a Diploma in Education, Institute of Education and Bachelor of Arts (Honours) at National University of Singapore.

Mr Wong Yew Meng
Non-Executive Independent Director

Mr Wong Yew Meng was appointed as a director on 1 November 2015. He was a Certified Public Accountant and an audit partner at PricewaterhouseCoopers, Singapore, before he retired in June 2008.

He is an independent director of Venture Corporation Limited and currently serves on the boards of various organisations including the Land Transport Authority of Singapore, Singapore Deposit Insurance Corporation Limited, Nanyang Technological University and Kidney Dialysis Foundation Ltd.

Mr Wong holds a Bachelor of Science (Economics), London School of Economics. He is a Fellow Member of the Institute of Chartered Accountants in England and Wales and a Member of the Institute of Singapore Chartered Accountants.

Mr Daniel Cuthbert Ee Hock Huat
Non-Executive Independent Director

Mr Daniel Ee was appointed to the Board of Ascendas Funds Management (S) Limited on 1 October 2018. He is an independent director of Keppel Infrastructure Fund Management Pte Ltd, the trustee-manager of Keppel Infrastructure Trust since 2015, and an independent director and the non-executive chairman of Olive Tree Estates Ltd (formerly known as Changjiang Fertilizer Holdings Ltd) since December 2017. Mr Ee also serves as a non-executive director of the Singapore Mediation Centre.

He has more than 14 years of experience in the banking sector and was the Chief Executive of Standard Chartered Merchant Bank Asia Ltd from 1996 to 1999. He served as a non-executive director of Citibank Singapore Limited from 2005 to 2015. Prior to being in banking, he had served in various capacities in the public sector from 1975 to 1985.

Mr Ee was formerly the Chairman of CitySpring Infrastructure Management Pte Ltd, the trustee manager of CitySpring Infrastructure Trust, and the Chairman of Gas Supply Pte Ltd. He was also formerly the Deputy Chairman of the Securities Industry Council and the Singapore Institute of Directors, and also served as a member of the Corporate Governance Council.

Mr Ee graduated from the University of Bath, UK with a Bachelor of Science in Systems Engineering (1st Class Honours) and has a Master of Science in Industrial Engineering from the National University of Singapore. He was awarded the Public Service Medal in 2003.

Mr Khiatani Manohar Ramesh
Non-Executive Non-Independent Director

Mr Manohar Khiatani is the Senior Executive Director of CapitaLand Group. Mr Khiatani assists the Group CEO in matters relating to organisation integration, and the India and business parks businesses. He also oversees the Group Centres of Excellence for Business Communities Development and Customer Services & Solutions. Mr Khiatani is a member of the CapitaLand Executive Committee.

Prior to joining CapitaLand in July 2019, he was the Deputy Group CEO of Ascendas-Singbridge. Before joining Ascendas in 2013, he served as the CEO of JTC Corporation (JTC), the Singapore government's lead agency to plan, promote and develop industrial infrastructure and facilities. At JTC, he spearheaded the development of specialised infrastructure solutions for various sectors and positioned the organisation as an industrial infrastructure innovator.

Prior to joining JTC in 2009, Mr Khiatani was the Deputy Managing Director at the Singapore Economic Development Board (EDB). He joined the EDB in 1986 where he played an instrumental role in the development and transformation of important sectors in Singapore's economy such as aerospace, marine and offshore, electronics, precision engineering, logistics, infocomms and media, and clean technology. He was also in charge of the EDB's operations in the Americas and Europe.

Between 1994 and 1999, Mr Khiatani was the Managing Director of Preussag SEA, a diversified German conglomerate, where he was responsible for developing the group's business in South East Asia. He returned to the EDB in 1999.

Mr Khiatani is a Board Member of several companies listed on the Singapore Stock Exchange. This includes Ascendas Funds Management (S) Limited (the manager of the Singapore-listed Ascendas Real Estate Investment Trust), Ascendas Property Fund Trustee Pte Ltd (the trustee-manager of the Singapore-listed Ascendas India Trust), Ascendas Hospitality Fund Management Pte Ltd and Ascendas Hospitality Trust Management Pte Ltd (the managers of Singapore-listed Ascendas Hospitality Trust) and SIA Engineering Company Ltd. He also sits on various business and government committees.

Mr Khiatani's previous Board Directorships include JTC Corporation, Jurong International, Jurong Port, SPRING Singapore and Media Development Authority.

He holds a Master in Naval Architecture from the University of Hamburg, Germany. He also attended the Advanced Management Program at the Harvard Business School in 2006.

Mr Lim Cho Pin Andrew Geoffrey
Non-Executive Non-Independent Director

Mr Andrew Lim was appointed to the Board of Ascendas Funds Management (S) Limited on 10 October 2019. Mr Andrew Lim is the Group Chief Financial Officer of CapitaLand Group. In his role, he has direct oversight of the functions of Group finance, financial reporting and controls, treasury, tax, risk management, investor relations, and the administrative matters of the internal audit department of CapitaLand. Mr Lim is also responsible for Group Strategic Investments, evaluating merger and acquisitions and strategic investments at the group level. He oversees the CapitaLand Group's Centre of Excellence for Sustainability with effect from 1 July 2019. Mr Lim is a member of the CapitaLand Executive Committee.

Mr Lim is also a Director of CapitaLand Commercial Trust Management Limited, a Director of Ascott Residence Trust Management Limited, a Director of CapitaLand Retail China Trust Management Limited and a Director of CapitaLand Malaysia Mall REIT Management Sdn. Bhd.

Mr Lim is the President of the Real Estate Investment Trust Association of Singapore. He is a member of the Institute of Singapore Chartered Accountants' CFO Committee, a member of the Accounting Standards Council, and represents CapitaLand as a founding member of the first Accounting for Sustainability Circle of Practice in Asia.

Prior to joining CapitaLand in January 2017, he was at HSBC where he served as Managing Director and Head of South East Asia Advisory Coverage, Real Estate and Hospitality.

Mr Lim has a Master of Business Administration and a Bachelor of Commerce degree from the Rotman School of Business at the University of Toronto, and is a Chartered Financial Analyst charterholder.

5. Management Team of the Ascendas Reit Manager

The profiles of the members of the management team of the Ascendas Reit Manager are set out below:

Name	Designation
Mr William Tay Wee Leong	Chief Executive Officer
Ms Koo Lee Sze	Chief Financial Officer
Ms Yeow Kit Peng	Head, Capital Markets & Investor Relations
Mr Lawden Tan	Head, Investment and Business Development
Ms Serena Teo	Head, Portfolio Management

Mr William Tay Wee Leong
Chief Executive Officer

Please refer to the section "*4. Board of Directors of the Ascendas Reit Manager – Mr William Tay Wee Leong*".

Ms Koo Lee Sze
Chief Financial Officer

Ms Koo Lee Sze oversees financial and regulatory reporting, risk management and taxation matters. She develops key business strategies of Ascendas Reit together with the management team, ensures principle base governance and executes the strategies through financial management. Prior to joining the Ascendas Reit Manager, Ms Koo was the Director of Finance at Popular Holdings Limited where she was responsible for the financial management and reporting of various aspects of the business including retail and distribution, publishing and e-Learning.

Ms Koo started her career in the audit and assurance division of Deloitte & Touche after graduation. She has extensive exposure in real estate, manufacturing, retail and service industries, and has more than two decades of experience in key financial and managerial roles.

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

Ms Yeow Kit Peng
Head, Capital Markets & Investor Relations

Ms Yeow Kit Peng drives the capital structure, funding and hedging strategy, and treasury management of Ascendas Reit. She also heads up the Investor Relations function.

Ms Yeow has established a strong network with both local and international financial institutions to maximise the capital market strategy of Ascendas Reit. In Investor Relations, she is intimately involved in the promotion of Ascendas Reit to investors globally.

She has over 25 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 area of exposure and experience covers Asia Pacific. Her stint includes Corporate Strategies and Development in Ascendas, followed by Associate Director of Equity Research at Standard & Poor's. Prior to her joining the Ascendas Reit Manager, she was an Asian Property Analyst at Nomura Asset Management. Her role involved strategising on REITs and property investments in Asia Pacific.

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

Mr Lawden Tan
Head, Investment and Business Development

Mr Lawden Tan is responsible for developing and executing Ascendas Reit's investment and business development strategy. He leads the team to actively look for suitable acquisitions and development opportunities to drive the portfolio growth in Singapore and overseas markets.

Prior to joining the Ascendas Reit Manager, Mr Tan was with the Ascendas-Singbridge Group serving as Co-Head (Business Development, Singapore and Southeast Asia). He has over 20 years of experience in real estate industry covering investment, development, asset management and property management.

Mr Tan holds a Bachelor of Science (First Class Honours) in Estate Management from the University of Reading, a Master of Science in Real Estate and a Master of Business Administration from the National University of Singapore. He is a member of the Singapore Institute of Surveyors and Valuers and the Association of Property and Facility Managers.

Ms Serena Teo
Head, Portfolio Management

Ms Serena Teo oversees portfolio management for the Properties in Singapore, Australia, the United Kingdom and the United States. She is responsible for formulating and executing business strategies to maximise income and asset value of the properties and oversees the Property Managers in the delivery of marketing and leasing, property management, lease management, customer care services and asset enhancement initiatives.

Ms Teo has more than 23 years of work experience spanning private and public sectors. Since joining Ascendas Group in 2008, she has held various positions in group strategy, funds management as well as country operations. Prior to Ascendas Group, she was in the Singapore Economic Development Board and EDB Investments, where she spent more than 10 years in the development of the semiconductors and other electronics industries in Singapore, as well as direct equity investments in communications, software and logistics companies. She started her career as an engineer in Chartered Semiconductors.

Ms Teo holds a Master in Business Administration from INSEAD and a Bachelor in Electrical and Electronic Engineering (Hons) degree from the National University of Singapore.

ASSET & PROPERTY MANAGERS

The daily operations of Ascendas Reit's portfolio of properties located in Singapore, Australia, the UK and the US are undertaken by asset and property managers that are wholly-owned subsidiaries of CapitaLand, as well as third-party managing agents.

The asset and property managers have over 200 staff members located across Ascendas Reit's markets, providing professional services to customers, and enhancing the market positioning and attractiveness of the Properties so as to maximise returns to Unitholders.

The asset and property managers have the following key responsibilities:

- **Asset Management**:
  - Execute asset management strategy formulated by the Ascendas Reit Manager
  - Oversee property performance, lease management, building safety, etc.
  - Oversee third-party managing agents
- **Property management**:
  - Provide expertise in areas of construction, project management for development projects.
- **Facilities management**:
  - Ensure that the property specifications and service levels are commensurate with the intended market positioning of each property.
- **Marketing & Leasing**:
  - Proactive prospecting of customers and partnership with leasing agents to improve occupancy and revenue of properties

The Asset & Property Managers are: (1) Ascendas Services Pte Ltd, (2) Ascendas Funds Management (Australia) Pty Ltd, (3) CL International Management (UK) Ltd and (4) CapitaLand International (USA) LLC.

1. Singapore: Ascendas Services Pte Ltd

Ascendas Services Pte Ltd was appointed under a property management agreement to provide property management services, marketing services, project management services, energy audit services and car park management services in relation to the Singapore properties.

For property management services, a fee of 2.0% per annum of the adjusted gross revenue of each property managed by Ascendas Services Pte Ltd is payable.

For marketing services, commissions ranging from 1.0 to 3.0 months' gross rent inclusive of service charge (or a prorated portion thereof), subject to a refund of 50.0% of the commission paid to Ascendas Services Pte Ltd if the tenancy is prematurely terminated within six months of the commencement of the tenancy, is payable to Ascendas Services Pte Ltd.

For project management services, fees ranging from 1.35% to 3.00% of the constructions costs, depending on the quantum of the construction costs, are payable to Ascendas Services Pte Ltd, subject to applicable provisions of the Property Funds Appendix and applicable MAS regulations.

For energy audit services, a base energy audit fee of $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property is payable, with an additional fee of 40.0% of the cost savings achieved in each property during the first three years after the completion of the works in such property being payable, subject to a maximum of $40,000 per property.

For car park management services, a base car park management fee of S$2.16 million per annum and 40.0% of hourly parking collections for such car parks managed by Ascendas Services Pte Ltd is payable, subject to adjustments to the fees in accordance with the property management agreement.

2. Australia: Ascendas Funds Management (Australia) Pty Ltd

Ascendas Funds Management (Australia) Pty Ltd, a wholly-owned subsidiary of the Ascendas Reit Manager, is appointed to provide strategic management services and asset management services relating to the properties in Australia until 30 September 2022.

For strategic management services, a strategic management fee of 1.0% per annum of the adjusted gross revenue of each property is payable.

For asset management services, an asset management fee (to be mutually agreed between the Group and Ascendas Funds Management (Australia) Pty Ltd) is payable under the asset management agreement. To the extent that the asset management fees payable to Ascendas Funds Management (Australia) Pty Ltd exceeds the fees charged to Ascendas Funds Management (Australia) Pty Ltd by third-party licensed real estate agents and results in a net positive balance for any financial year to Ascendas Funds Management (Australia) Pty Ltd, the fees payable to Ascendas Funds Management (Australia) Pty Ltd under the strategic management agreement will be reduced by such net positive balance such that the total fee payable to Ascendas Funds Management (Australia) Pty Ltd under both the strategic management agreement and the asset management agreement, after taking into consideration the fees charged by the third-party licensed real estate agents, will not exceed the aggregate fee of 1.0% per annum of the adjusted gross revenue of the properties for which strategic management services and asset management services are provided.

3. United Kingdom: CL International Management (UK) Ltd

Ascendas Investment Pte Ltd was appointed until 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the UK, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time.

CL International Management (UK) Ltd, a wholly-owned subsidiary of Ascendas Investment Pte Ltd was appointed as the asset manager for the UK properties till 30 September 2022.

In consideration of CL International Management (UK) Ltd providing asset management services in respect of the UK properties, an asset management fee of 0.4% per annum of the Deposited Property is payable to CL International Management (UK) Ltd, with corresponding reductions of the Base Fee paid to the Ascendas Reit Manager to ensure no double-counting of the asset management fee paid to CL International Management (UK) Ltd and the Base Fee paid to the Ascendas Reit Manager. For lease management services, a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the UK is payable to CL International Management (UK) Ltd.

4. United States: CapitaLand International (USA) LLC

The Group appointed CapitaLand International (USA) LLC as the asset manager until 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the US, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time.

In consideration of CapitaLand International (USA) LLC providing the asset management services relating to the US properties, an asset management fee of up to 0.4% per annum of the Deposited Property is payable to CapitaLand International (USA) LLC, with corresponding reductions of the Base Fee paid to the Ascendas Reit Manager to ensure no double-counting of the asset management fee paid to CapitaLand International (USA) LLC and the Base Fee paid to the Ascendas Reit Manager. For lease management services, a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the US is payable to CapitaLand International (USA) LLC.

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (ASCENDAS REIT TRUSTEE)

The Ascendas Reit Trustee is HSBC Institutional Trust Services (Singapore) Limited, a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee of authorised collective investment schemes under the SFA. As at the Latest Practicable Date, HSBC Institutional Trust Services (Singapore) Limited has a paid-up capital of S$5,150,000. The registered address of HSBC Institutional Trust Services (Singapore) Limited is 10 Marina Boulevard, #48-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

1. Powers, duties and obligations of the Ascendas Reit Trustee

The Ascendas Reit Trustee's powers, duties and obligations are set out in the Ascendas Reit Trust Deed. The powers and duties of the Ascendas Reit Trustee include:

(a) acting as trustee of Ascendas Reit and, therefore, watching the rights and interests of the Unitholders;

(b) holding the assets of Ascendas Reit on the trusts contained in the Ascendas Reit Trust Deed for the benefit of the Unitholders; and

(c) exercising all the powers of the Ascendas Reit Trustee and the powers that are incidental to the ownership of the assets of Ascendas Reit. The Ascendas Reit Trustee has covenanted in the Ascendas Reit Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in watching the rights and interests of the Unitholders.

In the exercise of its powers, the Ascendas Reit Trustee may (on the recommendation of the Ascendas Reit Manager) and subject to the provisions of the Ascendas Reit Trust Deed, acquire or dispose of any real or personal property, lend, borrow and encumber any asset.

The Ascendas Reit Trustee may, subject to the provisions of the Ascendas Reit Trust Deed, appoint and engage:

(a) a person or entity as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations; and

(b) any real estate agents or managers, including a Related Party of the Ascendas Reit Manager, in relation to the management, development, leasing, purchase or sale of any of the Ascendas Reit Properties.

The Ascendas Reit Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Ascendas Reit Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the tax ruling dated 25 May 2002 issued by the Inland Revenue Authority of Singapore ("**IRAS**") on the taxation of Ascendas Reit and Unitholders and all other relevant laws. It must retain Ascendas Reit's assets, or cause Ascendas Reit's assets to be retained in safe custody and cause Ascendas Reit's accounts to be audited. It can appoint valuers to value the assets of Ascendas Reit.

The Ascendas Reit Trustee is not personally liable to a Unitholder in connection with the office as the trustee of Ascendas Reit except in respect of its own fraud, negligence, wilful default, breach of the Ascendas Reit Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the Ascendas Reit Trustee shall be limited to the assets of Ascendas Reit over which the Ascendas Reit Trustee has recourse, provided that the Ascendas Reit Trustee has acted without fraud, negligence, wilful default, breach of the Ascendas Reit Trust Deed or breach of trust. The Ascendas Reit Trust Deed contains certain

indemnities in favour of the Ascendas Reit Trustee under which it will be indemnified out of the assets of Ascendas Reit for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

2. Retirement and replacement of the Ascendas Reit Trustee

As set out in the Ascendas Reit Trust Deed, the Ascendas Reit Trustee may retire or be replaced under the following circumstances:

(a) The Ascendas Reit Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Ascendas Reit Trust Deed).

(b) The Ascendas Reit Trustee may be removed by notice in writing to the Ascendas Reit Trustee by the Ascendas Reit Manager:

  (i) if the Ascendas Reit Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Ascendas Reit Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Ascendas Reit Trustee;

  (ii) if the Ascendas Reit Trustee ceases to carry on business;

  (iii) if the Ascendas Reit Trustee fails or neglects after reasonable notice from the Ascendas Reit Manager to carry out or satisfy any material obligation imposed on the Ascendas Reit Trustee by the Ascendas Reit Trust Deed; or

  (iv) if the Unitholders by an Extraordinary Resolution, and of which at least 21 days' notice has been given to the Ascendas Reit Trustee and the Ascendas Reit Manager, shall so decide.

3. Ascendas Reit Trustee's fee

The maximum fee payable to the Ascendas Reit Trustee permitted under the Ascendas Reit Trust Deed is 0.25% per annum of the Deposited Property. The actual fee payable will be determined between the Ascendas Reit Trustee and the Ascendas Reit Manager from time to time. Any increase in the maximum permitted amount or any change in the structure of the Ascendas Reit Trustee's fees must be passed by an Extraordinary Resolution of Unitholders at a Unitholders' meeting convened under the provisions of the Ascendas Reit Trust Deed.

TAXATION

Singapore Taxation

The statements herein regarding taxation are based on the laws (including certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS and IRAS) in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Ascendas Reit Manager, the Group, the Arranger, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, any distribution payment made under any tranche of Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by Oversea-Chinese Banking Corporation Limited, which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of

persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to less than four persons and 50% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Ascendas Reit Manager, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if at any time during the tenure of such tranche of Relevant Securities, 50% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer or the Ascendas Reit Manager, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the Issuer or the Ascendas Reit Manager; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the Ascendas Reit Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

(a) "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(b) "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(c) "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Securities is made. Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes*".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Australian Taxation

*The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "**Australian Tax Act**"), at the date of this Offering Circular, of payments of interest on the AMTNs, including Perpetual AMTNs, to be issued by the Issuer under the Programme and certain other tax matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Securities (including, dealers in securities, custodians or other third parties who hold Securities on behalf of other persons).*

The summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holders. It is a general guide only and should be treated with appropriate caution. Prospective holders who are in any doubt as to their tax position should consult their professional advisors on the tax implications of an investment in the Securities for their particular circumstances.

Interest withholding tax

So long as the Issuer continues to be a non-resident of Australia and the Securities issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Notes issued by it should not be subject to Australian interest withholding tax.

Other tax matters

Under Australian laws as presently in effect:

(a) *death duties* – no Securities will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(b) *stamp duty and other taxes* – no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Securities provided that:

(i) if all the Units in the Issuer are quoted on the Official List of the SGX-ST at the time of issue or transfer of the Perpetual AMTNs, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 90 per cent. or more; or

(ii) if not all the Units in the Issuer are quoted on the Official List of the SGX-ST at the time of issue or transfer of the Perpetual AMTNs, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 50 per cent. or more.

The stamp duty legislation generally requires the interests of associates to be added in working out whether the relevant threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the relevant threshold is reached;

(c) *other withholding taxes on payments in respect of Securities* – so long as the Issuer continues to be a non-resident of Australia and does not issue Securities in carrying on a business at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Australian Tax Act and Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") should not apply to the Issuer in connection with Securities issued by the Issuer;

(d) *supply withholding tax* – payments in respect of the Securities can be made free and clear of the "supply withholding tax" imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act; and

(e) *goods and services tax ("**GST**")* – neither the issue nor receipt of the Securities will give rise to a liability for GST in Australia on the basis that the supply of Securities will comprise either an input taxed financial supply, a GST-free supply or a supply which is outside the scope of the GST law. Furthermore, neither the payment of principal or interest by the Issuer nor the disposal of the Securities, would give rise to any GST liability in Australia.

Proposed Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes or Perpetual Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes or Perpetual Securities should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes or Perpetual Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State or; (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes or Perpetual Securities are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes or Perpetual Securities (as described under "*Terms and Conditions of the Notes – Further Issues*" and "*Terms and Conditions of the Perpetual Securities – Further Issues*", respectively) that are not

distinguishable from previously issued Notes or Perpetual Securities, as the case may be, are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes or Perpetual Securities, as the case may be, including the Notes or Perpetual Securities, as the case may be, offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes or Perpetual Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes or Perpetual Securities, as the case may be, no person will be required to pay additional amounts as a result of the withholding.

In respect of AMTNs, the Issuer has covenanted in the Australian Agency Agreement that it will provide the Australian Agent with information as it may have in its possession (other than where providing such information to the Australian Agent is in breach of any applicable laws or regulations) so as to enable the Australian Agent to determine whether or not the Australian Agent is obliged, in respect of any payments to be made by it pursuant to the AMTNs, to make any withholding or deduction pursuant to FATCA or an IGA. Each holder of an AMTN or an interest therein, by acceptance of such AMTN or such interest in such AMTN, will be deemed to have agreed to provide the Australian Agent the Securityholder Tax Identification Information and Securityholder FATCA Information (each as defined in the Australian Agency Agreement). If the Australian Agent determines that a holder of an AMTN or a beneficial interest therein has failed to provide such information, the Issuer shall at its sole option, pursuant to the relevant provisions of the Australian Agency Agreement, enter into one or more supplements and/or amend the Australian Agency Agreement to enable the Issuer to achieve FATCA compliance. In addition, each holder of an AMTN will be required or deemed to understand and acknowledge that the Australian Agent has the right, under such provisions and the AMTNs, to withhold interest or distribution payable with respect to the AMTN (without any corresponding gross-up) on any beneficial owner of an interest in an AMTN that fails to comply with the foregoing requirements.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes and Perpetual Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes and Perpetual Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes and Perpetual Securities which are accepted for clearance by CDP, the entire issue of the Notes and Perpetual Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Notes or Perpetual Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes and Perpetual Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes and Perpetual Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Notes and Perpetual Securities in direct securities accounts with CDP, and who wish to trade Notes and Perpetual Securities through the Depository System, must transfer the Notes and Perpetual Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Notes and Perpetual Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the CDP Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes and Perpetual Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Clearance and Settlement under the Austraclear System

On issue of any AMTNs, the Issuer may, as specified in the applicable Pricing Supplement, procure that the AMTNs are lodged in the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, Austraclear Participants may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the accountholders. Any prospective investors who are not Austraclear Participants would need to hold their interest in the relevant AMTNs through a nominee who is an Austraclear Participant. All payments by or on behalf of the Issuer in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations. Each AMTN will have an ISIN and Austraclear Code.

On entry in the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by J.P. Morgan Nominees Australia Pty Limited as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Any transfer of AMTNs will be subject to the Corporations Act and the other requirements set out in the Conditions and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations. The transferor of an AMTN is deemed to remain the holder of such AMTN until the name of the transferee is entered in the register in respect of such AMTN. Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Austraclear Participants who acquire an interest in AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such Notes and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Austraclear Participants.

Where Austraclear is registered as the holder of any AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between the nominees in the Austraclear system.

SUBSCRIPTION AND SALE

The Arranger has, in the Programme Agreement dated 11 August 2020, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes or Perpetual Securities. Any such agreement will extend to those matters stated (in the case of Notes) under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" or (in the case of Perpetual Securities) under "*Form of the Perpetual Securities*" and "*Terms and Conditions of the Perpetual Securities*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes and Perpetual Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers or certain of their respective affiliates may purchase the Notes and Perpetual Securities and be allocated the Notes and Perpetual Securities for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each tranche of Notes and Perpetual Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and Perpetual Securities and be allocated Notes and Perpetual Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes and Perpetual Securities for their own account (without a view to distributing such Notes and Perpetual Securities) and such orders and/or allocations of the Notes and Perpetual Securities may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes and Perpetual Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes or Perpetual Securities being "offered" should be read as including any offering of the Notes or Perpetual Securities to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

In respect of Notes or Perpetual Securities offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes or Perpetual Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold, and will not offer or sell, any Notes or Perpetual Securities constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act.

In respect of Notes or Perpetual Securities offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes or Perpetual Securities have not been and will not be registered under the Securities Act and may not be offered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver such Notes or Perpetual Securities: (a) as part of its distribution at any time; or (b) otherwise until 40 days after the completion of the

distribution, of all Notes or Perpetual Securities of the Tranche of which such Notes or Perpetual Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has agreed, and each further Dealer appointed under the Programme will agree that it will send to each dealer to which it sells any Notes or Perpetual Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes or Perpetual Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Accordingly, if Category 1 is specified in the Pricing Supplement, the Notes or Perpetual Securities are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes or Perpetual Securities, an offer or sale of such Notes or Perpetual Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes or Perpetual Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each issue of Dual Currency Notes or Dual Currency Perpetual Securities shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes or Perpetual Securities, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

European Economic Area and the United Kingdom

The following selling restrictions is applicable to issues of Perpetual Securities only:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offers or sales of the Perpetual Securities will be made in, or to any person domiciled in, or having their registered office located in, any member of the European Economic Area and in the United Kingdom.

The following selling restrictions is applicable to issues of Notes only:

(a) Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not engage in the offer or marketing of the Notes in any jurisdiction in which Directive 2011/61/EU (the "**AIFM Directive**") has been implemented, save that they may, notwithstanding the foregoing but without prejudice to any other matter contained in this section, engage in the offer or marketing of the Notes in Germany, France, The Netherlands, the United Kingdom, Norway, Denmark, Finland, Italy, Spain, Belgium, Austria, Luxembourg, Portugal, Ireland and such further jurisdictions as agreed in writing between the Issuer and the relevant Dealer prior to any such marketing or offer taking place (each such jurisdiction in which such marketing or offer is permitted pursuant to this paragraph being a "**Relevant AIFMD Jurisdiction**").

(b) For the avoidance of doubt, and notwithstanding the foregoing or the generality of the matters set out under "*Subscription and Sale*" of this Offering Circular, no Dealer has made any representation, undertaking or agreement that it has complied with the provisions of the AIFM Directive, as such directive is implemented into, and interpreted in accordance with, the laws of each Relevant AIFMD Jurisdiction.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Pricing Supplement in respect of any Notes or Perpetual Securities specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or Perpetual Securities.

If the Pricing Supplement in respect of any Notes or Perpetual Securities specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes or Perpetual Securities to the public in that Relevant State:

(a) if the Pricing Supplement in relation to the Notes or Perpetual Securities specifies that an offer of those Notes or Perpetual Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes or Perpetual Securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes or Perpetual Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes or Perpetual Securities to the public**" in relation to any Notes or Perpetual Securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or Perpetual Securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

The following selling restriction is applicable to issues of Notes only:

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes or Perpetual Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes or Perpetual Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes or Perpetual Securities (except for Notes and Perpetual Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**")) other than: (i) to "professional investors" as defined in the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes or Perpetual Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes or Perpetual Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or Perpetual Securities or caused the Notes or Perpetual Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or Perpetual Securities or cause the Notes or Perpetual Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes or Perpetual Securities, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes and Perpetual Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA;

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme, the Notes or the Perpetual Securities has been, or will be, lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes or Perpetual Securities in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes or Perpetual Securities in Australia,

unless (i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act, (ii) the offer or invitation does not constitute an offer or invitation to a "retail client" for the purposes of section 761G of the Corporations Act, (iii) such action complies with all applicable laws, regulations and directives, and (iv) such action does not require any document to be lodged with ASIC.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes or Perpetual Securities in the PRC (excluding Hong Kong and Macau Special Administrative Regions and Taiwan) as part of the initial distribution of the Notes or Perpetual Securities.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or Perpetual Securities or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes or Perpetual Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee or any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes or Perpetual Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions as may be agreed between the Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes or Perpetual Securities under the Programme have been duly authorised by (i) resolutions of the Board of Directors of the Ascendas Reit Manager dated 3 August 2020 and (ii) resolutions of the Board of Directors of the Ascendas Reit Trustee dated 20 April 2020.

Listing

Application has been made to the SGX-ST for permission to deal in, and quotation of, any Notes or Perpetual Securities that may be issued pursuant to the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST takes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this document, makes no representations as to its accuracy of completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents herein. The approval-in-principle from, and the admission of any Notes or Perpetual Securities to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, Ascendas Reit, the Ascendas Reit Manager, the Group, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or the Notes or Perpetual Securities. Unlisted Notes or Perpetual Securities may be issued under the Programme.

The relevant Pricing Supplement in respect of any Series will specify whether or not such Notes or Perpetual Securities will be listed and, if so, on which exchange(s) the Notes or Perpetual Securities are to be listed. For so long as any Notes or Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes or Perpetual Securities will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Clearing systems

The Notes or Perpetual Securities to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. Each Series of AMTNs will (unless specified in the relevant Pricing Supplement) be registered in the name Austraclear Ltd and entered into the Austraclear System. The appropriate Common Code and ISIN for each Tranche of Notes or Perpetual Securities will be specified in the applicable Pricing Supplement. In addition, the Issuer may also apply to have the Notes or Perpetual Securities accepted for clearance through CDP and the Austraclear System. If the Notes or Perpetual Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDP is #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588.

Conditions for determining price

The price and amount of Notes or Perpetual Securities to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

No material adverse change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of the Group since 31 December 2019.

Litigation

None of the Issuer, Ascendas Reit, the Group or any other member of the Group is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer is aware which may in the opinion of the Issuer have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position or profitability of the Issuer, Ascendas Reit or the Group.

Auditors

The Issuer's auditors are Ernst & Young, who have audited the Group's accounts without qualification, in accordance with RAP 7 and generally conforming with Singapore Financial Reporting Standards for each of FY17/18, FY18/19 and FY2019. Ernst & Young have reviewed the interim financial statements for the six-month period ended 30 June 2019 and 1H FY2020 in accordance with SSRE 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

Documents

So long as Notes or Perpetual Securities may be issued under the Programme and upon prior written request and proof of holding, copies of the following documents shall be made available for inspection: (i) at the specified offices of the Ascendas Reit Manager (email: afm-capitalmarkets@capitaland.com); and (ii) at the specified office of the Issuing and Paying Agent via email to the relevant holder free of charge:

(i) the audited consolidated financial statements of the Group in respect of FY18/19 and FY2019 (together with the audit reports in connection therewith);

(ii) the Trust Deed, the Agency Agreement, the Australian Note Deed Poll, the Australian Agency Agreement and the forms of the Global Notes, the Notes or Perpetual Securities in definitive form, the Receipts, the Coupons and the Talons;

(iii) a copy of this Offering Circular; and

(iv) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note or Perpetual Securities will only be available for inspection by a holder of such Note or Perpetual Securities and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes or Perpetual Securities and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

So long as Notes or Perpetual Securities may be issued under the Programme, copies of the following documents may be inspected by prior appointment at the specified offices of the Ascendas Reit Manager (email: afm-capitalmarkets@capitaland.com):

(i) the constitutional documents of the Ascendas Reit Manager; and

(ii) the Ascendas Reit Trust Deed.

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REPORT OF THE TRUSTEE

YEAR ENDED 31 MARCH 2018

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)[1] 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 142 to 228, 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

Authorised Signatory
18 May 2018

1 As 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, the First Amending and Restating Deed dated 11 June 2008, 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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016 and the Second Amending and Restating Deed dated 10 August 2017.

STATEMENT BY THE MANAGER

YEAR ENDED 31 MARCH 2018

In the opinion of the directors of Ascendas Funds Management (S) Limited (the "Manager"), the accompanying financial statements set out on pages 142 to 228 comprising the Statements of Financial Position and Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, Statement of Total Return, Distribution Statement, Investment Properties Portfolio Statement and Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 March 2018, the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group for the year then ended 31 March 2018, 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

William Tay Wee Leong
Director

18 May 2018

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 MARCH 2018

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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 March 2018, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 142 to 228.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2018 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust 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.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (continued)

Valuation of Investment Properties

The Group owns a portfolio of investment properties, comprising business and science park properties, integrated development, amenities and retail properties, high-specifications industrial properties and data centres, light industrial and flatted factories and logistics and distribution centres, located mainly in Singapore and Australia. As at 31 March 2018, the investment properties, with a carrying amount of approximately $10.1 billion, represent the single largest asset category on the statement of financial position.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to changes in the key assumptions applied, particularly those relating to capitalisation, discount and terminal yield rates, and price per square metre.

We assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence and competence of the external valuers. We also read the terms of engagement of the valuers entered into with the Group to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in the scope of their work.

We considered the valuation methodologies adopted against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and external industry and economic data where available. We assessed the reasonableness of the capitalisation, discount and terminal yield rates, and price per square metre, used in the valuations by comparing them against historical rates and industry data where available, taking into consideration comparability and market factors. We also assessed the overall appropriateness of the movements in fair value of the investment properties.

We further reviewed the appropriateness of the disclosures in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The management of the Manager of the Trust (the "Manager") 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 management of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Manager for the Financial Statements (continued)

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 MARCH 2018

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with the audit committee of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nagaraj Sivaram.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

18 May 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	Group		Trust	
		31/3/2018 $'000	31/3/2017 $'000	**31/3/2018 $'000**	31/3/2017 $'000
Non-current assets					
Investment properties	4	**10,118,978**	9,874,204	**8,625,500**	8,567,210
Investment properties under development	5	**95,463**	125,062	**86,400**	125,062
Plant and equipment	6	**–**	–	**–**	–
Finance lease receivables	7	**53,243**	55,627	**53,243**	55,627
Interests in subsidiaries	8	**–**	–	**938,892**	774,851
Investment in joint venture	9	**123**	126	**–**	–
Derivative assets	14	**9,129**	16,042	**9,129**	16,014
		10,276,936	10,071,061	**9,713,164**	9,538,764
Current assets					
Finance lease receivables	7	**2,385**	2,104	**2,385**	2,104
Trade and other receivables	10	**28,337**	63,497	**28,275**	35,506
Derivative assets	14	**819**	12,156	**759**	12,156
Investment property held for sale	11	**20,300**	–	**20,300**	–
Cash and fixed deposits	12	**25,016**	22,000	**3,860**	4,684
		76,857	99,757	**55,579**	54,450
Current liabilities					
Trade and other payables	13	**143,831**	192,717	**140,122**	186,482
Security deposits		**42,095**	41,946	**42,044**	41,887
Derivative liabilities	14	**616**	32,837	**371**	32,837
Short term borrowings	15	**624,700**	592,638	**624,700**	592,638
Term loans	15	**285,243**	–	**–**	–
Medium term notes	15	**–**	231,548	**–**	231,548
Exchangeable collateralised securities	16	**–**	–	**–**	–
Collateral loan	16	**–**	–	**–**	–
Provision for taxation		**7,016**	30,316	**1,437**	24,738
		1,103,501	1,122,002	**808,674**	1,110,130

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	Group		Trust	
		31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
		$'000	$'000	**$'000**	$'000
Non-current liabilities					
Security deposits		**77,985**	78,873	**76,537**	77,371
Derivative liabilities	14	**62,923**	58,943	**59,258**	53,307
Amount due to a subsidiary		**–**	–	**25,492**	26,951
Term loans	15	**1,008,211**	1,345,030	**722,968**	745,087
Medium term notes	15	**1,601,066**	1,230,850	**1,601,066**	1,230,850
Deferred tax liabilities	17	**1,411**	–	**–**	–
		2,751,596	2,713,696	**2,485,321**	2,133,566
Net assets		**6,498,696**	6,335,120	**6,474,748**	6,349,518
Represented by:					
Unitholders' funds		**6,194,310**	6,030,710	**6,170,366**	6,045,136
Perpetual securities holders' funds	18	**304,382**	304,382	**304,382**	304,382
		6,498,692	6,335,092	**6,474,748**	6,349,518
Non-controlling interests	19	**4**	28	**–**	–
		6,498,696	6,335,120	**6,474,748**	6,349,518
Units in issue ('000)	20	**2,928,504**	2,924,767	**2,928,504**	2,924,767
Net asset value per unit ($)		**2.12**	2.06	**2.11**	2.07

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

STATEMENT OF TOTAL RETURN

YEAR ENDED 31 MARCH 2018

	Note	Group 2018 $'000	2017 $'000
Gross revenue	21	**862,111**	830,592
Property operating expenses	22	**(232,711)**	(219,638)
Net property income		**629,400**	610,954
Management fees	23		
– Base management fee		**(50,707)**	(48,398)
– Performance fee		**–**	(1,902)
Trust expenses	24	**(7,714)**	(10,412)
Finance income	25	**9,081**	6,832
Finance costs	25	**(109,842)**	(117,694)
Net foreign exchange gain/(loss)		**7,275**	(22,987)
Gain on disposal of investment properties		**5,309**	–
Gain on divestment of subsidiaries		**–**	21,385
Derecognition of finance lease receivables		**–**	241
Net income		**482,802**	438,019
Net change in fair value of financial derivatives		**9,805**	(11,659)
Net change in fair value of investment properties	4	**3,800**	(18,360)
Share of joint venture's results	9	**514**	475
Total return for the year before tax		**496,921**	408,475
Tax (expense)/credit	26	**(2,827)**	19,012
Total return for the year		**494,094**	427,487
Attributable to:			
Unitholders of the Trust and perpetual securities holders		**494,118**	427,480
Non-controlling interests		**(24)**	7
Total return for the year		**494,094**	427,487
Earnings per unit (cents)			
– Basic and diluted	27	**16.396**	14.827
Distribution per unit (cents)	27	**15.988**	15.743

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

DISTRIBUTION STATEMENT

YEAR ENDED 31 MARCH 2018

	Group	
	2018	2017
	$'000	$'000
Total amount available for distribution to Unitholders at beginning of the year	**57,694**	112,283
Total return for the year attributable to Unitholders and perpetual securities holders	**494,118**	427,480
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)
Distribution adjustments (Note A)	**(41,488)**	7,095
	438,380[1]	420,325[1]
Distribution from capital (current period)	**29,665**	14,206
Distribution from capital (prior periods)	**–**	1,883
Tax-exempt income (current period)	**–**	3,683
Tax-exempt income (prior periods)	**–**	6,207
Total amount available for distribution to Unitholders for the year	**468,045**	446,304
Distribution of 8.108 cents per unit for the period from 01/04/17 to 30/09/17	**(237,289)**	–
Distribution of 1.959 cents per unit for the period from 16/02/17 to 31/03/17	**(57,296)**	–
Distribution of 5.886 cents per unit for the period from 01/10/16 to 15/02/17	**–**	(169,649)
Distribution of 2.263 cents per unit for the period from 11/08/16 to 30/09/16	**–**	(64,277)
Distribution of 5.635 cents per unit for the period from 01/04/16 to 10/08/16	**–**	(155,094)
Distribution of 1.191 cents per unit for the period from 01/03/16 to 31/03/16	**–**	(1,125)
Distribution of 4.296 cents per unit for the period from 18/12/15 to 31/03/16	**–**	(110,748)
	(294,585)	(500,893)
Total amount available for distribution to Unitholders at end of the year	**231,154**	57,694
Distribution per unit (cents)	**15.988**	15.743
[1] Comprises:		
– Taxable income	**438,380**	420,148
– Tax-exempt income	**–**	177
	438,380	420,325

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

DISTRIBUTION STATEMENT

YEAR ENDED 31 MARCH 2018

Note A – Distribution adjustments comprise:

	Group	
	2018	2017
	$'000	$'000
Amount reserved for distribution to perpetual securities holders	**14,250**	14,250
Management fee paid/payable in Units	**10,139**	9,691
Rollover adjustment from prior years	**5,851**	–
Trustee fee	**2,749**	2,953
Others	**15,071**	6,669
Income from subsidiaries and joint ventures	**(63,359)**	(68,258)
Net change in fair value of financial derivatives	**(9,805)**	11,659
Net foreign exchange (gain)/loss	**(7,275)**	22,987
Gain on disposal of investment properties	**(5,309)**	–
Net change in fair value of investment properties (Note 4)	**(3,800)**	18,360
Gain on divestment of subsidiaries	**–**	(21,385)
Accretion loss on security deposits	**–**	6,840
Change in fair value of exchangeable collateralised securities ("ECS")	**–**	3,570
Derecognition of finance lease receivables	**–**	(241)
Total distribution adjustments	**(41,488)**	7,095

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 MARCH 2018

	Group		Trust	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Unitholders' Funds				
Balance at beginning of the financial year	**6,030,710**	5,480,879	**6,045,136**	5,411,443
Operations				
Total return for the year attributable to Unitholders of the Trust	**494,118**	427,480	**423,926**	525,288
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)	**(14,250)**	(14,250)
Net increase in net assets resulting from operations	**479,868**	413,230	**409,676**	511,038
Movement in foreign currency translation reserve	**(31,822)**	15,006	**–**	–
Divestment of subsidiaries	**–**	(1,060)	**–**	–
Unitholders' transactions				
Units issued through equity fund raising	**–**	512,257	**–**	512,257
Consideration units for acquisition of properties	**–**	100,000	**–**	100,000
Acquisition fees paid/payable in Units	**–**	4,200	**–**	4,200
Management fees paid/payable in Units	**10,139**	9,691	**10,139**	9,691
Unit issue costs	**–**	(2,600)	**–**	(2,600)
Distributions to Unitholders	**(294,585)**	(500,893)	**(294,585)**	(500,893)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(284,446)**	122,655	**(284,446)**	122,655
Balance at end of the financial year carried forward	**6,194,310**	6,030,710	**6,170,366**	6,045,136
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	**304,382**	304,421	**304,382**	304,421
Amount reserved for distribution to perpetual securities holders	**14,250**	14,250	**14,250**	14,250
Distribution to perpetual securities holders	**(14,250)**	(14,289)	**(14,250)**	(14,289)
Balance at end of the financial year	**304,382**	304,382	**304,382**	304,382
Non-controlling interests				
Balance at beginning of the financial year	**28**	21	**–**	–
Total return for the year attributable to non-controlling interests	**(24)**	7	**–**	–
Balance at end of the financial year	**4**	28	**–**	–
Total	**6,498,696**	6,335,120	**6,474,748**	6,349,518

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
						$'000	$'000	**%**	%
Group									
SINGAPORE									
Business & Science Park Properties									
One-north									
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	8/8A Biomedical Grove	**139,000**	122,600	**2.24**	2.03
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	1 & 3 Fusionopolis Link	**191,400**	191,400	**3.09**	3.17
International Business Park									
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	7 International Business Park	**24,200**	26,700	**0.39**	0.44
13 International Business Park [ix]	10 Oct 2006	Leasehold	60 years	15 Jul 2064	13 International Business Park	**–**	22,400	**–**	0.37
iQuest @ IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	27 International Business Park	**31,400**	36,400	**0.51**	0.60
Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	29 International Business Park	**97,900**	94,900	**1.58**	1.58
31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	31 International Business Park	**216,900**	227,600	**3.50**	3.78
Nordic European Centre	08 Jul 2011	Leasehold	60 years[a]	31 Mar 2057[a]	3 International Business Park	**111,900**	113,500	**1.81**	1.88
Changi Business Park									
Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	17 Changi Business Park Central 1	**74,300**	73,100	**1.20**	1.21
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	1 Changi Business Park Avenue 1	**52,200**	43,000	**0.84**	0.72
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	10 Changi Business Park Central 2	**113,400**	99,800	**1.83**	1.65
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years[a]	30 Sep 2067[a]	1, 3 & 5 Changi Business Park Crescent	**323,400**	315,200	**5.22**	5.23
DBS Asia Hub	31 Mar 2010 & 15 April 2015	Leasehold	60 years[a]	30 Sep 2067[a]	2&2A Changi Business Park Crescent	**166,000**	165,600	**2.68**	2.75
AkzoNobel House	08 Dec 2011	Leasehold	60 years[a]	28 Feb 2061[a]	3 Changi Business Park Vista	**69,100**	68,700	**1.12**	1.14
ONE@Changi City	01 Mar 2016	Leasehold	60 years	29 Apr 2069	1 Changi Business Park Central 1	**478,600**	446,300	**7.73**	7.40
Balance carried forward – (Business & Science Park Properties)						**2,089,700**	2,047,200	**33.74**	33.95

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
						$'000	$'000	**%**	%
SINGAPORE									
Business & Science Park Properties (continued)									
Balance brought forward – (Business & Science Park Properties)						**2,089,700**	2,047,200	**33.74**	33.95
Science Park I									
TÜV SÜD PSB Building (formerly known as "PSB Science Park Building")	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	1 Science Park Drive	**88,000**	85,500	**1.42**	1.42
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	87 & 89 Science Park Drive	**100,000**	95,900	**1.61**	1.59
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	73 Science Park Drive	**58,800**	59,400	**0.95**	0.98
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	75 Science Park Drive	**45,000**	47,300	**0.73**	0.78
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	77 & 79 Science Park Drive	**130,500**	127,400	**2.11**	2.11
12,14 &16 Science Park Drive [i]	16 Feb 2017	Leasehold	99 years	31 May 2081	12, 14 and 16 Science Park Drive	**450,000**	440,000	**7.26**	7.30
Science Park II									
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	10 Science Park Road	**105,000**	122,300	**1.70**	2.03
The Aries, Gemini & Sparkle[ii]	19 Nov 2002	Leasehold	60 years	18 Nov 2062	41, 45 & 51 Science Park Road	**204,400**	207,000	**3.30**	3.43
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	1 Science Park Road	**113,000**	126,500	**1.82**	2.10
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	61 Science Park Road	**143,200**	144,600	**2.31**	2.40
The Kendall	30 Mar 2015	Leasehold	64 years	24 Mar 2079	50 Science Park Road	**130,000**	132,200	**2.10**	2.19
Total Singapore Business & Science Park Properties						**3,657,600**	3,635,300	**59.05**	60.28
Integrated Development, Amenities & Retail Properties									
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	50 Tampines North Drive 2	**65,700**	65,100	**1.06**	1.08
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	21 Tampines North Drive 2	**86,000**	85,200	**1.39**	1.41
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	8, 10 & 12 Kallang Avenue	**573,300**	572,600	**9.25**	9.50
Total Singapore Integrated Development, Amenities & Retail Properties						**725,000**	722,900	**11.70**	11.99

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
						$'000	$'000	**%**	%
SINGAPORE									
High-Specifications Industrial Properties & Data Centres									
Data Centres									
Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	5 Tampines Central 6	**267,600**	275,000	**4.32**	4.56
Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	38 Kim Chuan Road	**142,200**	142,000	**2.30**	2.35
38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	38A Kim Chuan Road	**123,400**	123,100	**1.99**	2.04
High-Specifications Industrial Properties									
Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	31 Kaki Bukit Road 3	**126,400**	126,400	**2.04**	2.10
Siemens Centre	12 Mar 2004	Leasehold	60 years[a]	15 Dec 2061[a]	60 MacPherson Road	**101,100**	99,700	**1.63**	1.65
Infineon Building	01 Dec 2004	Leasehold	47 years[c]	30 Jun 2050[c]	8 Kallang Sector	**87,200**	86,000	**1.41**	1.43
Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	10 Ang Mo Kio Street 65	**154,900**	151,100	**2.50**	2.51
Wisma Gulab	01 Dec 2004	Freehold	Freehold	–	190 MacPherson Road	**82,500**	82,000	**1.33**	1.36
KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	150 Kampong Ampat	**49,000**	46,790	**0.79**	0.78
KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	159 Kampong Ampat	**21,700**	21,520	**0.35**	0.36
Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang Timor	**90,500**	90,000	**1.46**	1.49
Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	1 Kaki Bukit View	**152,500**	141,400	**2.46**	2.34
1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang	**24,800**	27,000	**0.40**	0.45
30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[a]	31 Dec 2063[a]	30 Tampines Industrial Avenue 3	**37,400**	37,000	**0.61**	0.61
138 Depot Road	15 Mar 2006	Leasehold	60 years[a]	30 Nov 2064[a]	138 Depot Road	**65,600**	69,000	**1.06**	1.14
2 Changi South Lane	01 Feb 2007	Leasehold	60 years[a]	15 Oct 2057[a]	2 Changi South Lane	**37,000**	36,800	**0.60**	0.61
CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[a]	31 Dec 2066[a]	9 Serangoon North Avenue 5	**24,100**	24,000	**0.39**	0.40
Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	2 Corporation Road	**123,800**	117,000	**2.00**	1.94
31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[a]	28 Feb 2050[a]	31 Ubi Road 1	**31,700**	35,000	**0.51**	0.58
Hyflux Innovation Centre	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	80 Bendemeer Road	**212,300**	212,000	**3.43**	3.52
50 Kallang Avenue[iii]	27 Feb 2006	Leasehold	60 years	15 Nov 2055	50 Kallang Avenue	**90,000**	–	**1.45**	–
10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	10 Toh Guan Road	**128,900**	126,700	**2.08**	2.10
Total Singapore High-Specifications Industrial Properties & Data Centres						**2,174,600**	2,069,510	**35.11**	34.32

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
						$'000	$'000	**%**	%
SINGAPORE									
Light Industrial Properties & Flatted Factories									
Flatted Factories									
Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 4008-4012 Ang Mo Kio Avenue 10	**144,300**	141,900	**2.33**	2.35
Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	**189,800**	189,800	**3.06**	3.15
Light Industrial Properties									
OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	65 Ubi Avenue 1	**39,500**	39,500	**0.64**	0.66
41 Changi South Avenue 2	13 Oct 2003	Leasehold	60 years[a]	28 Feb 2055[a]	41 Changi South Avenue 2	**11,600**	11,600	**0.19**	0.19
12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[a]	15 Jan 2056[a]	12 Woodlands Loop	**28,200**	28,200	**0.46**	0.47
SB Building	26 Nov 2004	Leasehold	60 years[a]	30 Sep 2057[a]	25 Changi South Street 1	**21,600**	21,600	**0.35**	0.36
247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	247 Alexandra Road	**66,000**	66,000	**1.07**	1.09
5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	5 Tai Seng Drive	**19,900**	18,900	**0.32**	0.31
35 Tampines Street 92 (formerly known as "Volex Building")	01 Dec 2004	Leasehold	60 years[a]	31 Jan 2052[a]	35 Tampines Street 92	**12,600**	12,600	**0.20**	0.21
53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[a]	30 Nov 2055[a]	53 Serangoon North Avenue 4	**13,900**	13,400	**0.22**	0.22
3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	3 Tai Seng Drive	**19,100**	19,100	**0.31**	0.32
27 Ubi Road 4	01 Apr 2005	Leasehold	60 years[a]	31 Oct 2055[a]	27 Ubi Road 4	**12,500**	13,200	**0.20**	0.22
52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[a]	15 Sep 2055[a]	52 Serangoon North Avenue 4	**21,800**	21,400	**0.35**	0.36
Hyflux Building	04 Apr 2005	Leasehold	60 years	15 Jan 2041	202 Kallang Bahru	**19,000**	21,700	**0.31**	0.36
25 Ubi Road 4	16 May 2005	Leasehold	60 years[a]	29 Feb 2056[a]	25 Ubi Road 4	**10,300**	10,800	**0.17**	0.18
Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[a]	30 Nov 2049[a]	11 Tampines Street 92	**24,100**	23,800	**0.39**	0.39
84 Genting Lane [ix]	05 Oct 2005	Leasehold	43 years	30 Nov 2039	84 Genting Lane	**–**	15,800	**–**	0.26
Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	455A Jalan Ahmad Ibrahim	**7,200**	7,800	**0.12**	0.13
10 Woodlands Link (formerly known as "NNB Industrial Building") [ix]	05 Oct 2005	Leasehold	60 years[a]	15 Jan 2056[a]	10 Woodlands Link	**–**	16,500	**–**	0.27
37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[a]	31 Aug 2054[a]	37A Tampines Street 92	**15,600**	15,200	**0.25**	0.25
Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[a]	28 Feb 2065[a]	11 Changi North Rise	**41,000**	41,000	**0.66**	0.68
Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[f]	30 Jun 2047[f]	21 Changi North Rise	**12,000**	12,000	**0.19**	0.20
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	150 Ubi Avenue 4	**18,400**	18,400	**0.30**	0.31
2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	2 Senoko South Road	**37,200**	36,700	**0.60**	0.61
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	18 Woodlands Loop	**30,300**	30,300	**0.49**	0.50
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	9 Woodlands Terrace	**3,500**	3,600	**0.06**	0.06
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	11 Woodlands Terrace	**4,600**	4,700	**0.07**	0.08
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	1 Senoko Avenue	**87,100**	84,700	**1.40**	1.40
8 Loyang Way 1	05 May 2008	Leasehold	30 years[g]	15 Jul 2052[g]	8 Loyang Way 1	**23,600**	23,600	**0.38**	0.39
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	31 Joo Koon Circle	**18,700**	19,400	**0.30**	0.32
Total Singapore Light Industrial Properties & Flatted Factories						**953,400**	983,200	**15.39**	16.30

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
						$'000	$'000	**%**	%
SINGAPORE									
Logistics & Distribution Centres									
LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	3 Changi North Street 2	**49,800**	49,800	**0.80**	0.83
Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[a]	15 Oct 2050[a]	19 Loyang Way	**80,800**	84,800	**1.30**	1.41
4 Changi South Lane (formerly known as "Nan Wah Building")	31 May 2004	Leasehold	60 years[a]	15 Oct 2057[a]	4 Changi South Lane	**26,500**	27,400	**0.43**	0.45
40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[d]	31 Dec 2049[d]	40 Penjuru Lane	**243,000**	245,500	**3.92**	4.07
Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[a]	31 May 2054[a]	3 Changi South Street 2	**34,500**	34,900	**0.56**	0.58
20 Tuas Avenue 6 (formerly known as "MacDermid Building")	02 Dec 2004	Leasehold	60 years[a]	15 Jul 2050[a]	20 Tuas Avenue 6	**7,400**	7,400	**0.12**	0.12
Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[a]	31 Oct 2055[a]	6 Changi South Street 2	**25,300**	25,300	**0.41**	0.42
9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[a]	30 Apr 2055[a]	9 Changi South Street 3	**42,600**	40,800	**0.69**	0.68
5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[a]	15 Dec 2049[a]	5 Toh Guan Road East	**27,300**	30,300	**0.44**	0.50
Xilin Districentre Building C	05 May 2005	Leasehold	60 years[a]	30 Sep 2054[a]	7 Changi South Street 2	**27,300**	26,400	**0.44**	0.44
19 & 21 Pandan Avenue (formerly known as "Senkee Logistics Hub (Phase I and II)")	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[e]	31 Jan 2049[e]	19 & 21 Pandan Avenue	**124,400**	124,300	**2.01**	2.06
1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	1 Changi South Lane	**47,400**	45,700	**0.76**	0.76
Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[a]	15 May 2053[a]	2 Clementi Loop	**32,000**	32,000	**0.52**	0.53
11 Changi North Way (formerly known as "Serial I-Tech Building")	18 Nov 2005	Leasehold	60 years[a]	15 Nov 2063[a]	11 Changi North Way	**16,800**	16,400	**0.27**	0.27
21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[a]	30 Sep 2055[a]	21 Jalan Buroh	**75,900**	78,700	**1.23**	1.30
30 Old Toh Tuck Road[x]	14 Jun 2006	Leasehold	60 years[a]	15 Feb 2057[a]	30 Old Toh Tuck Road	**–**	20,300	**–**	0.34
21 Changi South Avenue 2 (formerly known as "Sim Siang Choon Building")	19 Mar 2008	Leasehold	60 years[a]	30 Sep 2054[a]	21 Changi South Avenue 2	**22,300**	26,100	**0.36**	0.43
15 Changi North Way	29 Jul 2008	Leasehold	60 years[a]	31 Dec 2066[a]	15 Changi North Way	**39,700**	48,400	**0.64**	0.80
Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	15 Pioneer Walk	**119,800**	119,800	**1.93**	1.99
71 Alps Avenue	02 Sep 2009	Leasehold	60 years[a]	14 Aug 2068[a]	71 Alps Avenue	**21,600**	21,600	**0.35**	0.36
90 Alps Avenue	20 Jan 2012	Leasehold	60 years[a]	22 Oct 2070[a]	90 Alps Avenue	**50,500**	50,400	**0.82**	0.83
Total Singapore Logistics & Distribution Centres						**1,114,900**	1,156,300	**18.00**	19.17
Total Singapore investment properties						**8,625,500**	8,567,210	**139.25**	142.06

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018	31/3/2017	**31/3/2018**	31/3/2017
						$'000	$'000	**%**	%
AUSTRALIA									
Logistics & Distribution Centres[iv]									
Logistics & Distribution Centres (Sydney, New South Wales)									
484 – 490 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	484-490 Great Western Highway, Arndell Park	**22,293**	22,253	**0.36**	0.37
494 – 500 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	494-500 Great Western Highway, Arndell Park	**37,492**	37,736	**0.61**	0.63
1A & 1B Raffles Glade^	18 Nov 2015	Freehold	Freehold	–	1A & 1B Raffles Glade, Eastern Creek	**41,545**	42,700	**0.67**	0.71
7 Grevillea Street^	18 Nov 2015	Freehold	Freehold	–	7 Grevillea Street, Eastern Creek	**122,103**	130,235	**1.97**	2.16
5 Eucalyptus Place^	18 Nov 2015	Freehold	Freehold	–	5 Eucalyptus Place, Eastern Creek	**27,359**	25,940	**0.44**	0.43
16 Kangaroo Avenue (formerly known as "Lot 4 Honeycomb Drive")^	18 Nov 2015	Freehold	Freehold	–	16 Kangaroo Avenue, Eastern Creek	**37,492**	39,925	**0.61**	0.66
1-15 Kellet Close^	18 Nov 2015	Freehold	Freehold	–	1-15 Kellet Close, Erskine Park	**44,079**	45,903	**0.71**	0.76
94 Lenore Drive^	18 Nov 2015	Freehold	Freehold	–	94 Lenore Drive, Erskine Park	**39,519**	42,220	**0.64**	0.70
1 Distribution Place^	18 Nov 2015	Freehold	Freehold	–	1 Distribution Place, Seven Hills	**28,879**	31,064	**0.47**	0.51
6-20 Clunies Ross Street	22 Feb 2016	Freehold	Freehold	–	6-20 Clunies Ross Street, Pemulway	**85,117**	88,869	**1.37**	1.47
Logistics & Distribution Centres (Melbourne, Victoria)									
676-698 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	676-698 Kororoit Creek Road, Altona North	**56,745**	59,246	**0.92**	0.98
700-718 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	700-718 Kororoit Creek Road, Altona North	**34,351**	32,559	**0.55**	0.54
14-28 Ordish Road^	18 Nov 2015	Freehold	Freehold	–	14-28 Ordish Road, Dandenong South	**44,484**	48,892	**0.72**	0.81
35-61 South Park Drive^	18 Nov 2015	Freehold	Freehold	–	35-61 South Park Drive, Dandenong South	**39,367**	36,509	**0.63**	0.61
2-16 Aylesbury Drive^	18 Nov 2015	Freehold	Freehold	–	2-16 Aylesbury Drive, Altona	**18,391**	19,589	**0.30**	0.32
81-89 Drake Boulevard^	18 Nov 2015	Freehold	Freehold	–	81-89 Drake Boulevard, Altona	**15,503**	17,294	**0.25**	0.29
9 Andretti Court^	18 Nov 2015	Freehold	Freehold	–	9 Andretti Court, Truganina	**27,967**	29,250	**0.45**	0.48
31 Permas Way^	18 Nov 2015	Freehold	Freehold	–	31 Permas Way, Truganina	**54,718**	48,571	**0.88**	0.81
162 Australis Drive^	18 Nov 2015	Freehold	Freehold	–	162 Australis Drive, Derrimut	**25,333**	26,261	**0.41**	0.44
52 Fox Drive[v]	3 April 2017	Freehold	Freehold	–	52 Fox Drive, Dandenong South	**26,852**	–	**0.43**	–
Balance carried forward – (Logistics & Distribution Centres)						**829,589**	825,016	**13.39**	13.68

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
						31/3/2018 $'000	31/3/2017 $'000	31/3/2018 %	31/3/2017 %
AUSTRALIA									
Logistics & Distribution Centres (continued)[iv]									
Balance brought forward – (Logistics & Distribution Centres)						**829,589**	825,016	**13.39**	13.68
Logistics & Distribution Centres (Melbourne, Victoria) (continued)									
62 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	62 Sandstone Place, Parkinson	**23,179**	22,845	**0.37**	0.38
92 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	92 Sandstone Place, Parkinson	**24,725**	26,367	**0.40**	0.44
62 Stradbroke Street^	23 Oct 2015	Freehold	Freehold	–	62 Stradbroke Street, Heathwood	**36,859**	33,306	**0.60**	0.55
82 Noosa Street^	23 Oct 2015	Freehold	Freehold	–	82 Noosa Street, Heathwood	**59,075**	60,314	**0.95**	1.00
95 Gilmore Road (formerly known as "2-56 Australand Drive")^	23 Oct 2015	Freehold	Freehold	–	95 Gilmore Road, Berrinba	**85,751**	86,468	**1.39**	1.43
77 Logistics Place^	18 Nov 2015	Freehold	Freehold	–	77 Logistics Place, Larapinta	**27,055**	28,609	**0.44**	0.47
99 Radius Drive^	18 Nov 2015	Freehold	Freehold	–	99 Radius Drive, Larapinta	**25,991**	25,727	**0.42**	0.43
Logistics & Distribution Centres (Perth, Western Australia)									
35 Baile Road^	23 Oct 2015	Freehold	Freehold	–	35 Baile Road, Canning Vale	**37,999**	40,352	**0.61**	0.67
Total Australia Logistics & Distribution Centres						**1,150,223**	1,149,004	**18.57**	19.05
Suburban Offices (Sydney, New South Wales)									
197-201 Coward Street[vi]	09 Sep 2016	Freehold	Freehold	–	197-201 Coward Street, Mascot	**158,075**	157,990	**2.55**	2.62
Suburban Offices (Brisbane, Queensland)									
100 Wickham[vii]	25 Sep 2017	Freehold	Freehold	–	No. 100 Wickham Street, Fortitude Valley	**83,597**	–	**1.35**	–
108 Wickham[viii]	22 Dec 2017	Freehold	Freehold	–	No. 108 Wickham Street, Fortitude Valley	**101,583**	–	**1.64**	–
Total Australia Suburban Offices						**343,255**	157,990	**5.54**	2.62
Total Australia investment properties						**1,493,478**	1,306,994	**24.11**	21.67
Total Group's investment properties						**10,118,978**	9,874,204	**163.36**	163.73
Investment properties under development						**95,463**	125,062	**1.54**	2.07
Investment property held for sale (Note 5)						**20,300**	–	**0.33**	–
Other assets and liabilities (net) (Note 11)						**(3,736,045)**	(3,664,146)	**(60.32)**	(60.75)
Net assets of the Group						**6,498,696**	6,335,120	**104.91**	105.05
Perpetual securities						**(304,382)**	(304,382)	**(4.91)**	(5.05)
Non-controlling interests						**(4)**	(28)	–	–
Net assets attributable to Unitholders						**6,194,310**	6,030,710	**100.00**	100.00

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

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Independent valuations for 131 (2016: 133) properties including investment properties, investment properties under development and investment property held for sale were undertaken by the following valuers on the dates stated below:

Valuers	2018 Valuation date	2017 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	**31 March 2018**	31 March 2017
CBRE Valuations Pty Limited	**31 March 2018**	31 March 2017
CBRE Pte. Ltd.	**31 March 2018**	31 March 2017
Edmund Tie & Company (SEA) Pte Ltd (formerly known as "DTZ Debenham Tie Leung (SEA) Pte Ltd")	**31 March 2018**	31 March 2017
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	**31 March 2018**	31 March 2017
Cushman & Wakefield VHS Pte Ltd	**–**	31 March 2017
Knight Frank Pte Ltd	**31 March 2018**	31 March 2017
Jones Lang LaSalle Property Consultants Pte Ltd	**31 March 2018**	31 March 2017

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 2018, the valuations adopted for investment properties amounted to $10,119.0 million (2017: $9,874.2 million). The net fair value gain on investment properties and investment properties under development recognised in Statement of Total Return is $3.8 million (2017: Loss of $18.4 million).

(i) 12, 14 and 16 Science Park Drive were acquired from Ascendas Land (Singapore) Pte Ltd, a related party of the Manager, in February 2017.

(ii) The land titles of both The Aries and The Gemini have been amalgamated subsequent to the completion of asset enhancement works for Sparkle, a link block connecting the two buildings.

(iii) The redevelopment of 50 Kallang Avenue was completed in June 2017 and then the property was transferred from investment properties under development to investment properties (Note 5).

(iv) The 27 logistics and distribution centre properties in Australia were acquired in October 2015 (10 properties), November 2015 (16 properties) and February 2016 (1 property).

(v) 52 Fox Drive, a Logistics & Distribution Centre located in Australia was completed in April 2017.

(vi) 197- 201 Coward Street, a Suburban Office property located in Australia was acquired in September 2016.

(vii) 100 Wickham, a Suburban Office property located in Australia was acquired in September 2017.

(viii) 108 Wickham, a Suburban Office property located in Australia was acquired in December 2017.

(ix) 10 Woodlands Link, 13 International Business Park, and 84 Genting Lane in Singapore were divested in July, August 2017 and January 2018 respectively.

(x) The Trust entered into a sale and purchase agreement on 3 April 2018 for the sale of No. 30 Old Toh Tuck Road. Accordingly, the property was classified as investment property held for sale as at 31 March 2018 (Note 11).

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

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

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

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

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

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

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

(g) 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 term of 16 years, 4 months and 16 days.

^ These properties were pledged as securities in relation to the syndicated term loans from Australian banks for the financial year ended 31 March 2018 and 2017.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2018

	Note	Group 2018 $'000	2017 $'000
Cash flows from operating activities			
Total return for the year before tax		**496,921**	408,475
Adjustments for:			
Finance costs	25	**109,842**	117,694
Management fees paid/payable in Units	23	**10,139**	9,691
Provision/(reversal of) impairment loss on doubtful receivables	10	**10**	(54)
Net change in fair value of financial derivatives		**(9,805)**	11,659
Finance income	25	**(9,081)**	(6,832)
Net foreign exchange (gain)/loss		**(7,275)**	22,987
Gain from disposal of investment properties		**(5,309)**	–
Net change in fair value of investment properties		**(3,800)**	18,360
Share of joint venture's results		**(514)**	(475)
Depreciation of plant and equipment	6	**–**	19
Derecognition of finance lease receivables		**–**	(241)
Gain on divestment of subsidiaries		**–**	(21,385)
Operating income before working capital changes		**581,128**	559,898
Changes in working capital:			
Trade and other receivables		**10,984**	(5,782)
Trade and other payables		**(28,548)**	(18,184)
Cash generated from operating activities		**563,564**	535,932
Income tax paid		**(24,677)**	(6,664)
Net cash generated from operating activities		**538,887**	529,268
Cash flows from investing activities			
Acquisition of investment properties	(A)	**(206,643)**	(468,903)
Deposits received for the divestment of subsidiaries		**–**	24,087
Deposits paid for the acquisition of investment properties		**–**	(25,496)
Payment for capital improvement on investment properties		**(77,630)**	(76,999)
Payment for investment properties under development		**(55,088)**	(25,953)
Payment of deferred sum payable for an investment property		**(20,000)**	–
Proceeds from divestment of subsidiaries	(B)	**–**	381,503
Proceeds from disposal of investment properties		**60,760**	–
Proceeds from derecognition of finance lease receivables		**–**	34,000
Dividend received from joint venture	9	**517**	393
Interest received		**22,971**	19,728
Net cash used in investing activities		**(275,113)**	(137,640)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2018

	Note	Group 2018 $'000	2017 $'000
Cash flows from financing activities			
Distributions paid to Unitholders		**(294,585)**	(500,893)
Distributions paid to perpetual securities holders		**(14,250)**	(14,289)
Finance costs paid		**(118,388)**	(111,511)
Transaction costs paid in respect of borrowings		**(1,633)**	(1,830)
Proceeds from borrowings		**1,103,111**	1,513,304
Repayment of borrowings		**(982,319)**	(1,462,915)
Proceeds from issue of Units through equity fund raising		**–**	154,688
Unit issue costs paid		**–**	(2,690)
Net cash used in financing activities		**(308,064)**	(426,136)
Net decrease in cash and cash equivalents		**(44,290)**	(34,508)
Cash and cash equivalents at beginning of financial year	12	**22,000**	56,236
Effect of exchange rate changes on cash balances		**(659)**	272
Cash and cash equivalents at end of financial year	12	**(22,949)**	22,000

Notes:

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

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

	Group 2018 $'000	2017 $'000
Investment properties (including acquisition costs)	**232,139**	596,022
Other payables	**–**	(2,919)
Net identifiable assets acquired	**232,139**	593,103
Total consideration	**232,139**	593,103
Deferred payment within one year from the acquisition	**–**	(20,000)
Consideration paid in the form of Units	**–**	(100,000)
Acquisition costs paid in the form of Units	**–**	(4,200)
Less: prepaid deposits	**(25,496)**	–
Net cash outflow	**206,643**	468,903

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

(B) Net cash inflow from divestment of subsidiaries

Net cash inflow from divestment of subsidiaries for the financial year ended 31 March 2017 is set out below:

	Group 2017 $'000
Investment properties	(370,776)
Plant and equipment	(49)
Trade and other receivables	(5,931)
Trade and other payables	9,092
Provision for taxation	(595)
Short term borrowings	10,792
Deferred tax liabilities	(5,588)
Net assets disposed	(363,055)
Transfer from foreign currency translation reserve	116
Transfer from other reserve	1,061
	(361,878)
Sale proceeds	391,458
Provision for divestment costs	(8,195)
Gain on disposal of subsidiaries	21,385
Net sales consideration	391,458
Receivables from vendor	(9,955)
Net cash inflow	381,503

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

(C) Significant non-cash transactions

During the financial year ended 31 March 2018:

- 3,736,735 new Units amounting to $9,995,000 were issued at issue prices ranging from $2.6734 to $2.6761 per unit for the payment of 20% base management fee to the Manager in Units.

During the financial year ended 31 March 2017:

- 4,074,004 new Units amounting to $9,557,000 were issued at issue prices ranging from $2.3225 to $2.3691 per unit as payment for 20% of the base management fee to the Manager in Units.
- 1,694,710 new Units amounting to $4,200,000 were issued at issue price $2.4783 per unit as payment of acquisition fees to the Manager for acquisition of 12, 14 & 16 Science Park Drive.
- 40,834,660 new Units amounting to $100,000,000 were issued on 15 February 2017, at an issue price of $2.4489 per unit as partial consideration for the acquisition of 12, 14 & 16 Science Park Drive. These units rank *pari passu* in all respects with the Units in issue on the day immediately preceding the date of issue.
- 148,587,770 new Units were issued at issue prices from $2.0144 to $2.0505 per unit pursuant to the conversion of ECS on various dates during the financial year ended 31 March 2017. These units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 18 May 2018.

1. GENERAL

Ascendas Real Estate Investment Trust (the "Trust" or "Ascendas Reit") 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, the First Amending and Restating Deed dated 11 June 2008, 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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016 and the Second Amending and Restating Deed dated 10 August 2017 (collectively, the "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 8.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in an equity-accounted investee.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fees structures of these services are as follows:

1.1 Trustee fee

Trustee 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. The Trustee 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.

1. GENERAL (CONTINUED)

1.2 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 ("DPU") 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 comparable services is materially lower, the Manager will reduce the development management fee 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 1 April 2014, the Manager has improved the basis of determining management fees by excluding derivative assets and investment properties under development from the computation of Deposited Property (the "Adjusted Deposited Property").

The Manager will also unilaterally waive part of its performance fee to ensure equitable distribution of the growth in distributable income such that any increase in DPU (which is calculated before accounting for the performance fee) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the performance fee. In addition, the performance fee payable will be based on 0.1% per annum, or as the case may be, 0.2% per annum of the Adjusted Deposited Property instead of the Deposited Property.

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.

1. GENERAL (CONTINUED)

1.2 Management fees (continued)

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 2017.

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.

1.3 Fees under the property management agreement (for the Singapore properties)

(i) Property management services

For property management services, the Group will pay Ascendas Services Pte Ltd ("ASPL") (the "Property Manager"), a fee of 2.0% per annum of the adjusted gross revenue of each property, managed by the Property Manager, and in the event that the Property Manager only manages such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Property Manager manages such property divided by the number of days in such year.

(ii) Marketing services

For marketing services, the Group will pay the Property Manager the following commissions, subject to a refund of 50.0% of the commission paid to the Property Manager 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 Manager 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 Manager 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;

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(ii) Marketing services (continued)

- if a third party agent secures a tenancy, the Property Manager shall pay to the third party agent the same fees as stated above. Prior approval of the Manager is required for the Property Manager 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 Manager as the commissions payable to such third party agents shall be paid out of the Property Manager's fee; and

- an administrative charge of 20.0% of the commission is payable to the Manager or the Property Manager 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 Manager.

(iii) Project management services

For project management services, the Group will pay the Property Manager 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;

- 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.

For purpose of calculating the fees payable to the Property Manager, 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.

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(iv) Energy audit services

For energy audit services, the Group will pay the Property Manager $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property (being the base energy audit fee). 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 (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees:

- in relation to the car parks located at certain 33 properties as set out in the property management agreement ("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.

1. GENERAL (CONTINUED)

1.4 Fees under the lease management agreement (for the Singapore properties)

(i) Lease management services

For lease management services, the Group will pay the Manager or its nominees (as the Manager may direct), a fee of 1.0% per annum of the adjusted gross revenue 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;

1. GENERAL (CONTINUED)

1.4 Fees under the lease management agreement (for the Singapore properties) (continued)

(i) Lease management services (continued)

- 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.

(ii) Property tax services

For property tax services, 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;
- 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; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million.

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.

1.5 Fees under the strategic and asset management agreements (for the Australia properties)

For strategic management services, the Group will pay Ascendas Funds Management (Australia) Pty Ltd ("AFMA"), a wholly owned subsidiary of the Manager, a strategic management fee of 1.0% per annum of the adjusted gross revenue of each property.

For asset management services, the Group will pay AFMA an asset management fee (to be mutually agreed between the Group and AFMA) under the asset management agreement. To the extent that the asset management fees payable to AFMA exceeds the fees charged to AFMA by third-party licensed real estate agents and results in a net positive balance for any financial year to AFMA (an "Excess"), the fees payable to AFMA under the strategic management agreement will be reduced by the Excess such that the total fee payable to AFMA under both the strategic management agreement and the asset management agreement, after taking into consideration the fees charged by the third-party licensed real estate agents, will not exceed the aggregate fee of 1.0% per annum of the adjusted gross revenue of the properties for which strategic management services and asset management services are provided.

2. BASIS OF PREPARATION

2.1 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. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Functional and presentation currency

The financial statements are presented in Singapore dollars ("SGD"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.3 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, investment property held for sale, investment properties under development and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

As at 31 March 2018, the Group and the Trust's current liabilities exceed its current assets by $1,026.6 million (2017: $1,022.2 million) and $753.1 million (2017: $1,055.7 million) respectively. Notwithstanding the net current liabilities position, based on the Group and the Trust's existing financial resources, the Manager is of the opinion that the Group and the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.4 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, expenses and the disclosure of contingent liabilities at the end of each reporting period. 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.

Information about significant areas of estimation that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 32 (d) – Valuation of investment properties
- Note 32 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation 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 in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 32 (d) – Valuation of investment properties
- Notes 32 (b) and (c) – Valuation of financial instruments

3. SUMMARY OF 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 which addresses changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. 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 adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in Statement of Total Return. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investment in joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

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. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

Subsidiaries in the separate financial statements

Interest in subsidiaries and joint venture are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3.2 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, which are recognised in Unitholders' funds.

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.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in Unitholders' funds. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties and investment properties under development

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 under development include properties that are being constructed or developed for future use as investment properties.

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.

3.4 Investment properties held for sale

Investment properties that are expected to be recovered primarily through disposal rather than through continued use, are classified as held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 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.

3.6 Leases

(i) Operating lease

Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.14. Contingent rents are recognised as revenue in the period in which they are earned.

Lessee

Payments made under operating leases (net of any incentives received from the lessor) are recognised in the Statement of Total Return on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(ii) Finance lease

Lessor

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 Statements of Financial Position. 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.

3.7 Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in Statement of Total Return when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in Statement of Total Return when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

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 in its fair value are recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment

(i) Financial assets

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 credit 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 to the extent that the carrying amount of the assets does not exceed its amortised cost at the reversal date.

(ii) Non-financial assets

The carrying amounts of Group's non-financial assets, other than investment properties, investment properties held for sale 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 of disposal. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(ii) Non-financial assets (continued)

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.

3.9 Taxation

(i) Current tax 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 or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the liability method in respect of 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; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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 that are measured at fair value in Singapore and Australia, the presumption that the carrying amounts will be recovered through sale has not been rebutted. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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);

(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);

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

(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% has been extended to 31 March 2020.

(ii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3.11 Distribution policy

The Trust's distribution policy is to distribute 100% of its taxable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains. Distributions are made semi-annually, for the six months ending 30 September and 31 March each year. Income from the overseas subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax payable, at the discretion of the Manager.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs related to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders funds.

3.13 Perpetual securities

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity.

The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.14 Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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.

3.15 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 1.3 and Note 1.4 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 1.2.

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee fee which is based on the applicable formula stipulated in Note 1.1.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Finance costs

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.

3.17 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.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.19 New standards and interpretations not adopted

The Group has not adopted the following standards as applicable to the Group that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to FRS 40 *Transfer of Investment Properties*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to FRS 109 *Prepayment Features with Negative Compensation*	1 January 2019
Improvements to FRSs	
– Amendments to FRS 12 *Income Taxes*	1 January 2019
– Amendments to FRS 23 *Borrowing Costs*	1 January 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 New standards and interpretations not adopted (continued)

Except for FRS 109, FRS 115 and FRS 116, the Group expects that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. The Group does not expect any significant impact to arise from these changes.

- FRS 115 adopts a five-step model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group does not expect any significant impact to arise from these changes.

- FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

  The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

4. INVESTMENT PROPERTIES

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
At 1 April	**9,874,204**	9,598,654	**8,567,210**	8,142,650
Acquisition of investment properties	**232,139**	596,022	**–**	437,495
Transfer from/(to) investment properties under development (Note 5)	**64,190**	(93,537)	**64,190**	(93,537)
Transfer to investment property held for sale (Note 11)	**(20,300)**	–	**(20,300)**	–
Capital expenditure incurred	**83,838**	61,911	**79,793**	60,919
Transfer from other receivables	**–**	58,716	**–**	60,068
Disposal of investment properties	**(54,700)**	–	**(54,700)**	–
Divestment of subsidiaries	**–**	(370,776)	**–**	–
Exchange differences	**(74,832)**	36,539	**–**	–
Fair value change	**14,439**	(13,325)	**(10,693)**	(40,385)
At 31 March	**10,118,978**	9,874,204	**8,625,500**	8,567,210

4. INVESTMENT PROPERTIES (CONTINUED)

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Statement of Total Return:				
Fair value change of investment properties	**14,439**	(13,325)	**(10,693)**	(40,385)
Fair value change of investment properties under development (Note 5)	**(11,544)**	–	**(11,544)**	–
Effect of lease incentive and marketing fee amortisation	**905**	(5,035)	**809**	(3,342)
Net fair value change on investment properties recognised in the Statement of Total Return (unrealised)	**3,800**	(18,360)	**(21,428)**	(43,727)

Details of the properties are shown in the Investment Properties Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating lease or finance lease (Note 21 and Note 29).

As at 31 March 2018, investment properties with an aggregate carrying amount of $1,038,254,000 (2017: $1,060,100,000) have been pledged as collateral for certain term loans taken out by the Group (Note 15).

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2018 and 31 March 2017. Information on the fair value assessment of investment properties is disclosed in Note 32(d).

5. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
At 1 April	**125,062**	–	**125,062**	–
Transfer (to)/from investment property (Note 4)	**(64,190)**	93,537	**(64,190)**	93,537
Capital expenditure incurred	**37,072**	31,525	**37,072**	31,525
Addition	**9,163**	–	**–**	–
Fair value change	**(11,544)**	–	**(11,544)**	–
Exchange differences	**(100)**	–	**–**	–
At 31 March	**95,463**	125,062	**86,400**	125,062

Investment properties under development ("IPUD") as at 31 March 2017 represent the redevelopment projects at 20 Tuas Avenue 1 and 50 Kallang Avenue in Singapore. Subsequent to the completion of development works, 50 Kallang Avenue has been reclassified to investment properties (Note 4) in June 2017.

As at 31 March 2018, IPUD included the progress payment made in relation to the fund-through acquisition of an Australia logistics property. The redevelopment works for 20 Tuas Avenue 1 was completed in April 2018 and the fund-through acquisition is expected to be completed in the financial year ending 31 March 2019.

The carrying amount of investment properties under development is stated at fair value based on internal or external valuation. Information on the fair value assessment of investment properties under development is disclosed in Note 32(d).

6. PLANT AND EQUIPMENT

	Furniture and fixtures $'000	Equipment $'000	Computers and office equipment $'000	Total $'000
Group				
Cost				
At 1 April 2016	2,878	5,827	521	9,226
Divestment of subsidiaries	(26)	(32)	(90)	(148)
At 31 March 2017, 1 April 2017 and 31 March 2018	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 1 April 2016	2,861	5,810	487	9,158
Depreciation charge for the year	2	4	13	19
Divestment of subsidiaries	(11)	(19)	(69)	(99)
At 31 March 2017, 1 April 2017 and 31 March 2018	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 31 March 2017 and 31 March 2018	–	–	–	–
Trust				
Cost				
At 1 April 2016, 1 April 2017 and 31 March 2018	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 31 March 2017, 1 April 2017 and 31 March 2018	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 31 March 2017 and 31 March 2018	**–**	**–**	**–**	**–**

7. FINANCE LEASE RECEIVABLES

	2018		2017	
	Carrying amount $'000	Face value $'000	Carrying amount $'000	Face value $'000
Group and Trust				
Finance lease receivables				
– Current	**2,385**	**6,251**	2,104	6,128
– Non-current	**53,243**	**78,674**	55,627	84,925
	55,628	**84,925**	57,731	91,053

7. FINANCE LEASE RECEIVABLES (CONTINUED)

Finance lease receivables are receivable from the lessees as follows:

	2018			2017		
	Gross receivable $'000	**Unearned interest income $'000**	**Net receivable $'000**	Gross receivable $'000	Unearned interest income $'000	Net receivable $'000
Group and Trust						
Within 1 year	**6,251**	**3,866**	**2,385**	6,128	4,024	2,104
After 1 year but within 5 years	**26,279**	**13,446**	**12,833**	25,764	14,302	11,462
After 5 years	**52,395**	**11,985**	**40,410**	59,161	14,996	44,165
	84,925	**29,297**	**55,628**	91,053	33,322	57,731

The Group has a credit policy in place to monitor lessees' credit rating on an ongoing basis. The lessees would be required to provide a security deposit if the credit rating falls below the agreed terms. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

8. INTERESTS IN SUBSIDIARIES

	Trust	
	2018 $'000	2017 $'000
Equity investment, at cost		
At 1 April	**459,263**	422,177
Acquisitions	**42,601**	80,693
Divestment	**–**	(43,607)
At 31 March	**501,864**	459,263
Loans to subsidiaries	**437,028**	315,588
	938,892	774,851

As at 31 March 2018, a loan to a subsidiary amounting to $269,538,000 (2017: $162,260,000) bears interest of BBSY+2.3% (2017: BBSY+2.3%) per annum. The interest is payable annually while the payment of principal will be upon maturity in 2021. The other loans to subsidiaries were interest free and unsecured. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future.

As loans to subsidiaries for both financial years ended 31 March 2018 and 31 March 2017 were, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses.

8. INTERESTS IN SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries:

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2018 %	2017 %
(i) Direct subsidiaries				
PLC 8 Holdings Pte. Ltd. ("PLC8H")*	Investment holding	Singapore	**100**	100
Ruby Assets Pte. Ltd.#	To issue debt securities and grant collateral loan to the Trust	Singapore	**–**	–
Ascendas REIT Australia ("ARA")^	Investment holding	Australia	**100**	100
(ii) Indirect subsidiaries				
PLC 8 Development Pte. Ltd. ("PLC8D")*	Real estate development	Singapore	**100**	100
Ascendas Logistics Trust ("ALT")^	Investment holding	Australia	**100**	100
Ascendas Logistics Trust 2 ("ALT2")^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.1^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.2^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.3^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.4^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.5^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.6^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.7^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.8^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.9^	Investment holding	Australia	**100**	100

8. INTERESTS IN SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2018 %	2017 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Sub-Trust No.1^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.2^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.3^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.4^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.5^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.6^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.7^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.8^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.9^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.10^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.11^	Investment holding	Australia	**100**	100
Ascendas Business Park Trust No.1^	Investment holding	Australia	**100**	100

* Audited by EY LLP Singapore for the financial year ended 31 March 2018 (2017: EY LLP Singapore).

^ Audited by a member firm of EY International for the financial year ended 31 March 2018 (2017: EY International).

\# (1) The Group does not hold any ownership interests in Ruby Assets. However, based on the terms of the agreements under which this entity was established, the Group has the ability to direct the activities of the entity for the benefit of the Group. Accordingly, it was consolidated by the Group.

(2) Ruby Assets Pte. Ltd was in the process of voluntary liquidation as at 31 March 2018. No audit was required for the financial year ended 31 March 2018 (2017: audited by EY LLP Singapore).

9. INVESTMENT IN JOINT VENTURE

	Group	
	2018	2017
	$'000	$'000
At 1 April	**126**	44
Share of post-acquisition profit	**514**	475
Dividend received	**(517)**	(393)
At 31 March	**123**	126

Details of the joint venture is as follows:

Name of joint venture	Principal place of business	Effective equity held by the Group and Trust	
		2018	2017
		%	%
Changi City Carpark Operations LLP*	Singapore	**39.914**	39.914

* Audited by Tan, Chan & Partners LLP for the financial year ended 30 September 2017 and 2016.

Changi City Carpark Operations LLP ("CCCO") is an unlisted joint arrangement in which the Group has joint control via a partnership agreement and 39.914% equity interest. CCCO manages and operates the car park at ONE@Changi City.

CCCO is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in CCCO as a joint venture, which is equity accounted.

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade receivables, gross	**3,199**	4,231	**1,295**	2,365
Impairment losses	**(10)**	–	**(10)**	–
Trade receivables, net	**3,189**	4,231	**1,285**	2,365
Deposits	**1,242**	544	**1,021**	544
Interest receivables	**8,619**	8,368	**8,619**	8,368
Other receivables				
– Subsidiary	**–**	–	**6,411**	2,928
– Non-related parties	**8,670**	20,025	**7,237**	18,743
	8,670	20,025	**13,648**	21,671
	21,720	33,168	**24,573**	32,948
Prepayments	**6,617**	30,329	**3,702**	2,558
	28,337	63,497	**28,275**	35,506

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivable from a subsidiary is the interest receivable related to a loan to the subsidiary, which is receivable on demand.

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	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Business & Science Park Properties, and Suburban Offices	**736**	1,108	**439**	979
Integrated Development, Amenities & Retail Properties	**260**	263	**260**	263
High-Specifications Industrial Properties & Data Centres	**204**	317	**204**	317
Light Industrial Properties & Flatted Factories	**166**	276	**166**	276
Logistics & Distribution Centres	**1,823**	2,267	**216**	530
	3,189	4,231	**1,285**	2,365

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 receivables balance which are impaired.

As a result of the default in rental by tenants, $2,107,000 (2017: $2,597,000) of cash security deposits were forfeited during the financial year.

The ageing of trade receivables at the reporting date was:

	2018		2017	
	Gross $'000	**Impairment losses $'000**	Gross $'000	Impairment losses $'000
Group				
Not past due	**1,464**	**–**	1,354	–
Past due 1 – 90 days	**1,654**	**(3)**	2,612	–
Past due over 90 days	**81**	**(7)**	265	–
	3,199	**(10)**	4,231	–
Trust				
Past due 1 – 90 days	**1,223**	**(3)**	2,171	–
Past due over 90 days	**72**	**(7)**	194	–
	1,295	**(10)**	2,365	–

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	2018 $'000	2017 $'000
Group and Trust		
At 1 April	**–**	189
Impairment losses provision/(reversal) during the year	**10**	(54)
Amounts utilised during the year	**–**	(135)
At 31 March	**10**	–

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.

11. INVESTMENT PROPERTY HELD FOR SALE

On 3 April 2018, the Trust entered into a sale and purchase agreement for the sale of No. 30 Old Toh Tuck Road (the "Property") for $24.0 million. Accordingly, the Property was classified as investment property held for sale as at 31 March 2018. The disposal of the Property was completed on 30 April 2018.

12. CASH AND FIXED DEPOSITS

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Cash at bank	**23,567**	20,498	**3,860**	4,684
Fixed deposits	**1,449**	1,502	**–**	–
	25,016	22,000	**3,860**	4,684

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of the following at the end of the reporting period:

	Group	
	2018 $'000	2017 $'000
Cash at bank	**23,567**	20,498
Fixed deposits	**1,449**	1,502
	25,016	22,000
Bank overdrafts (Note 15)	**(47,965)**	–
Cash and cash equivalents	**(22,949)**	22,000

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Trade payables				
– non-related parties	**3,614**	11,047	**3,632**	11,105
– subsidiary	**–**	–	**493**	–
– the Manager	**3,019**	7,607	**3,019**	7,607
– the Property Manager	**3,428**	8,271	**3,428**	8,271
– the Trustee	**430**	743	**430**	743
– other related parties	**3,096**	796	**3,096**	796
GST payables	**9,077**	7,139	**9,014**	7,084
Accruals	**71,870**	80,362	**63,123**	70,601
Other payables	**11,096**	42,388	**10,868**	40,233
Amount owing to a subsidiary[1]	**–**	–	**8,721**	8,962
Property tax payable	**11,852**	9,295	**11,852**	9,295
Interest payable	**14,717**	14,683	**13,590**	13,552
Rental received in advance	**11,632**	10,386	**8,856**	8,233
	143,831	192,717	**140,122**	186,482

(1) The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Derivative assets				
Current	**819**	12,156	**759**	12,156
Non-current	**9,129**	16,042	**9,129**	16,014
	9,948	28,198	**9,888**	28,170
Derivative liabilities				
Current	**(616)**	(32,837)	**(371)**	(32,837)
Non-current	**(62,923)**	(58,943)	**(59,258)**	(53,307)
	(63,539)	(91,780)	**(59,629)**	(86,144)
Total derivative financial instruments	**(53,591)**	(63,852)	**(49,741)**	(57,974)

	Group		Trust	
	2018	2017	**2018**	2017
Derivative financial instruments as a percentage of net assets	**0.82%**	1.00%	**0.77%**	0.91%

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of $1,946.9 million (2017: $2,036.0 million) to provide fixed rate funding for terms of less than 1.0 year to 6.8 years (2017: 1.0 year to 10.0 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of $350.0 million (2017: $350.0 million) and basis interest rate swaps with an aggregate notional amount of $504.5 million (2017: $619.1 million) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

The changes in fair value of the interest rate swaps are recognised in the Statements of Total Return for both financial years ended 31 March 2018 and 2017.

As at 31 March 2018, the Group held cross currency swaps ("CCS") with notional amounts of JPY15.0 billion, HKD2.1 billion and USD151.7 million (2017: JPY24.6 billion, HKD2.7 billion and USD141.6 million), respectively, to provide Singapore dollar funding for terms of 1.1 year to 11.4 years (2016: 1.0 year to 12.5 years).

In addition, the Group also held CCS with notional amounts of AUD294.5 million (2017: AUD294.5 million) as a hedge for its investment in Australia for a term of 2.5 years (2017: 3.5 years).

The Group had also entered into forward exchange contracts to manage its foreign currency risk. The notional amount of the Group's outstanding forward exchange contracts as at 31 March 2018 was AUD11.9 million (2017: AUD18.4 million).

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 Statements of Financial Position.

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 the net amount is due or payable in settlement of all transactions.

The swaps presented below are not offset in the Statements of Financial Position 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.

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial assets/ liabilities $'000	Gross amounts of recognised financial liabilities/ assets offset in the Statements of Financial Position $'000	Net amounts of financial assets/ liabilities presented in the Statements of Financial Position $'000	Related amounts not offset in the Statements of Financial Position $'000	Net amount $'000
2018					
Group					
Types of financial assets					
Derivative assets	**9,948**	**–**	**9,948**	**(5,234)**	**4,714**
Types of financial liabilities					
Derivative liabilities	**63,539**	**–**	**63,539**	**(5,234)**	**58,305**
Trust					
Types of financial assets					
Derivative assets	**9,888**	**–**	**9,888**	**(5,174)**	**4,714**
Types of financial liabilities					
Derivative liabilities	**59,629**	**–**	**59,629**	**(5,174)**	**54,455**
2017					
Group					
Types of financial assets					
Derivative assets	28,198	–	28,198	(12,827)	15,371
Types of financial liabilities					
Derivative liabilities	91,780	–	91,780	(12,827)	78,953
Trust					
Types of financial assets					
Derivative assets	28,170	–	28,170	(12,799)	15,371
Types of financial liabilities					
Derivative liabilities	86,144	–	86,144	(12,799)	73,345

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Statements of Financial Position at their fair values.

15. LOANS AND BORROWINGS

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Current				
Short term bank borrowings (unsecured)	**576,735**	592,638	**576,735**	592,638
Bank overdrafts (Note 12)	**47,965**	–	**47,965**	–
	624,700	592,638	**624,700**	592,638
Term loans (secured)	**285,924**	–	**–**	–
Less: Unamortised transaction costs	**(681)**	–	**–**	–
	285,243	–	**–**	–
Medium term notes (unsecured)	**–**	231,600	**–**	231,600
Less: Unamortised transaction costs	**–**	(52)	**–**	(52)
	–	231,548	**–**	231,548
Total current loans and borrowings	**909,943**	824,186	**624,700**	824,186
Non-current				
Term loans				
– Secured	**285,924**	602,436	**–**	–
– Unsecured	**724,029**	747,777	**724,029**	747,777
Less: Unamortised transaction costs	**(1,742)**	(5,183)	**(1,061)**	(2,690)
	1,008,211	1,345,030	**722,968**	745,087
Medium term notes (unsecured)	**1,604,347**	1,233,840	**1,604,347**	1,233,840
Less: Unamortised transaction costs	**(3,281)**	(2,990)	**(3,281)**	(2,990)
	1,601,066	1,230,850	**1,601,066**	1,230,850
Total non-current loans and borrowings	**2,609,277**	2,575,880	**2,324,034**	1,975,937
Total loans and borrowings	**3,519,220**	3,400,066	**2,948,734**	2,800,123

Maturity of gross loans and borrowings:

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Within 1 year	**910,624**	824,238	**624,700**	824,238
After 1 year but within 5 years	**1,746,493**	1,937,713	**1,460,569**	1,335,277
After 5 years	**867,807**	646,340	**867,807**	646,340
	3,524,924	3,408,291	**2,953,076**	2,805,855

15. LOANS AND BORROWINGS (CONTINUED)

Short term bank borrowings

As at the reporting date, the Group has in place various bilateral short term banking credit facilities totalling $1,265.9 million (2017: $1,020.0 million), of which $617.0 million (2017: $592.6 million) has been utilised. Included in the amount of $1,265.9 million (2017: $1,020.0 million) is a sub-limit of $101.3 million (2017: $95.0 million) facility for the issuance of letters of guarantee.

Term loans

As at the reporting date, the Group has in place various term loans totalling $1,321.8 million (2017: $1,352.4 million), of which $1,321.8 million (2017: $1,352.4 million) of which $1,296.8 million (2017: $1,352.4 million) has been utilised.

Included in the above was approximately $571.8 million (2017: $602.4 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from Ascendas Reit.

Medium term notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN") Programme. Pursuant to the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes") in Singapore dollars or any other currency for up to a programme limit of $1.0 billion. In March 2016, the Trust upsized the programme limit to $5.0 billion.

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 principal amount of the notes outstanding as at 31 March 2018 comprises $1,075 million (2017: $675.0 million) in SGD-denominated Notes, $184.6 million (2017: $307.5 million) in JPY-denominated Notes and $344.7 million (2017: $482.9 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY15.0 billion and HKD2.1 billion (2017: JPY24.6 billion and HKD2.7 billion) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 14).

As at 31 March 2018, the Notes issued under MTN are as follows:

(i) $200.0 million (2017: $200.0 million) Series 004 Notes. The Series 004 Notes will mature on 3 February 2022 and bear a fixed interest rate of 4.00% per annum, payable semi-annually in arrear.

(ii) JPY10.0 billion (2017: JPY10.0 billion) Series 005 Notes. The Series 005 Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% per annum, payable semi-annually in arrear.

(iii) JPY5.0 billion (2017: JPY5.0 billion) 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.

15. LOANS AND BORROWINGS (CONTINUED)

***Medium term notes* (continued)**

(iv) $95.0 million (2017: $95.0 million) Series 007 Notes. The Series 007 Notes will mature on 16 May 2019 and bear a fixed interest rate of 2.50% per annum, payable semi-annually in arrear.

(v) HKD640.0 million (2017: HKD640.0 million) Series 009 Notes. The Series 009 Notes will mature on 4 September 2029 and bear a fixed interest rate of 3.64% per annum, payable annually in arrear.

(vi) $150.0 million (2017: $150.0 million) Series 010 Notes. The Series 010 Notes will mature on 3 June 2022 and bear a fixed interest rate of 3.20% per annum, payable semi-annually in arrear.

(vii) $100.0 million (2017: $100.0 million) Series 011 Notes. The Series 011 Notes will mature on 3 August 2020 and bear a fixed interest rate of 2.95% per annum, payable semi-annually in arrear.

(viii) HKD500.0 million (2017: HKD500.0 million) Series 012 Notes. The Series 012 Notes will mature on 4 February 2026 and bear a fixed interest rate of 3.00% per annum, payable annually in arrear.

(ix) $130.0 million (2017: $130.0 million) Series 013 Notes. The Series 013 Notes will mature on 7 April 2021 and bear a fixed interest rate of 2.655% per annum, payable semi-annually in arrear.

(x) HKD923 million (2017: HKD923 million) Series 014 Notes. The Series 014 Notes will mature on 3 August 2026 and bear a fixed interest rate of 2.77% per annum, payable annually in arrear.

(xi) $200 million (2017: Nil) Series 015 Notes. The Series 015 Notes will mature on 10 August 2023 and bear a fixed interest rate of 2.47% per annum, payable semi-annually in arrear.

(xii) $200 million (2017: Nil) Series 016 Notes. The Series 016 Note will mature on 2 March 2025 and bear a fixed interest rate of 3.14% per annum, payable semi-annually in arrear.

During the financial year ended 31 March 2018, the following medium term notes matured and were fully repaid:

(i) JPY9.6 billion Series 003 Notes, which bear a fixed interest rate of 2.11% per annum and payable semi-annually in arrear, matured on 24 February 2018.

(ii) HKD620.0 million Series 008 Notes, which bear a fixed interest rate of 1.67% per annum and payable quarterly in arrear, matured on 26 February 2018.

The Trust has entered into cross currency swaps to swap – the Series 005 Notes, the Series 006 Notes, the Series 009 Notes, the Series 012 Notes and the Series 014 Notes into Singapore dollars (Note 14).

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 March 2018 was 2.89% (2017: 3.00%) per annum. Total borrowings have a weighted average term remaining of 3.2 years (2017: 3.3 years).

15. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
2018				
Short term bank borrowings	SOR/COF^ + margin	2018	**624,700**	**624,700**
Term loans	SOR/COF^ + margin	2018 to 2020	**1,295,877**	**1,293,454**
Medium term notes	2.47 – 4.00 / JPY 3mth LIBOR + 0.5%	2019 to 2029	**1,604,347**	**1,601,066**
			3,524,924	**3,519,220**
2017				
Short term bank borrowings	SOR/COF^ + margin	2018	592,638	592,638
Term loans	SOR/COF^ + margin	2019 to 2020	1,350,213	1,345,030
Medium term notes	1.67 – 4.00/JPY LIBOR + 0.5%	2018 to 2029	1,465,440	1,462,398
			3,408,291	3,400,066
Trust				
2018				
Short term bank borrowings	SOR/COF^ + margin	2018	**624,700**	**624,700**
Term loans	SOR/COF^ + margin	2019 to 2020	**724,029**	**722,968**
Medium term notes	2.47 – 4.00 /JPY LIBOR + 0.5%	2018 to 2029	**1,604,347**	**1,601,066**
			2,953,076	**2,948,734**
2017				
Short term bank borrowings	SOR / COF^ + margin	2018	592,638	592,638
Term loans	SOR / COF^ + margin	2019 to 2020	747,777	745,087
Medium term notes	1.67 – 4.00 /JPY LIBOR + 0.5%	2018 to 2029	1,465,440	1,462,398
			2,805,855	2,800,123

^ COF denotes the lender's cost of funds

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			
	2017 $'000	Cash flows $'000	Currency translation $'000	Accretion of interests $'000	Others $'000	2018 $'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,400,066	120,792	(53,934)	1,903	2,428	3,471,255

The "Others" column relates to the movement of debt related transaction cost.

16. EXCHANGEABLE COLLATERALISED SECURITIES AND COLLATERAL LOAN

	2018 $'000	2017 $'000
Group		
Exchangeable collateralised securities ("ECS")		
At 1 April	–	354,000
Change in fair value of ECS	–	3,570
Exchanged to Units of Ascendas Reit	–	(357,570)
At 31 March	–	–
Trust		
Collateral loan		
At 1 April	–	354,000
Change in fair value of collateral loan	–	3,570
Repayment	–	(357,570)
At 31 March	–	–

In March 2010, a collateral loan of $300.0 million ("Collateral Loan") was granted by Ruby Assets Pte. Ltd. ("Ruby Assets") to the Trust. The Collateral Loan had a fixed interest rate of 1.60% per annum and maturity date of 1 February 2017.

As collateral for the Collateral Loan granted by Ruby Assets, the Trustee had granted in favour of Ruby Assets the following:

- a mortgage over 19 properties in the Trust portfolio;
- an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;
- an assignment of the insurance policies relating to the above mentioned properties; and
- a fixed and floating charge over certain assets of the Trust relating to the above mentioned properties.

In order to fund the Collateral Loan to the Trust, Ruby Assets issued $300.0 million ECS on 26 March 2010. The ECS had a fixed coupon of 1.60% per annum and had an expected maturity date of 1 February 2017. The Collateral Loan had the same terms mirroring that of the ECS.

Upon maturity on 1 February 2017, all the ECS was exchanged and cancelled in accordance with the terms and conditions of the ECS and the Collateral Loan was fully repaid.

17. DEFERRED TAX LIABILITIES

The movements in the deferred tax assets and liabilities during the year are as follows:

	Investment properties $'000	Unremitted earnings of overseas subsidiaries $'000	Total $'000
Group			
At 1 April 2016	42,116	808	42,924
Recognised in Statement of Total Return (Note 26)	(47,704)	(808)	(48,512)
Divestment of subsidiaries	5,588	–	5,588
At 31 March 2017	–	–	–
At 1 April 2017	–	–	–
Recognised in Statement of Total Return (Note 26)	–	1,411	1,411
At 31 March 2018	**–**	**1,411**	**1,411**
Trust			
At 1 April 2016	–	606	606
Divestment of subsidiaries	–	(606)	(606)
At 31 March 2017	–	–	–
At 1 April 2017 and 31 March 2018	**–**	**–**	**–**

18. PERPETUAL SECURITIES

In October 2015, the Trust issued $300.0 million perpetual securities. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 4.75% per annum with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded as equity in the Statements of Financial Position. The $304.4 million (2017: $304.4 million) presented in the Statements of Financial Position represents the carrying value of the $300.0 million (2017: $300.0 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

19. NON-CONTROLLING INTERESTS

The Group has non-controlling interests ("NCI") in the following subsidiary:

Name of subsidiary	Principal place of business	Effective equity held by NCI	
		2018	2017
		%	%
Ruby Assets Pte. Ltd.	Singapore	**100**	100

As at 31 March 2018, the Group is in the process of liquidating Ruby Assets Pte. Ltd. The financial information of Ruby Assets Pte. Ltd. is not significant to the Group as at 31 March 2018 and 31 March 2017 respectively.

20. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	2018	2017
	('000)	('000)
Units issued:		
At the beginning of the financial year	**2,924,767**	2,665,576
Issue of new Units:		
– Management fees paid in Units	**3,737**	4,074
– Acquisition fees paid in Units	**–**	1,695
– Equity fund raising	**–**	64,000
– Consideration Units for acquisition of property	**–**	40,835
– Conversion of ECS	**–**	148,587
At the end of the financial year	**2,928,504**	2,924,767
Units to be issued:		
Management fee payable in Units	**1,289**	1,293
Total Units issued and to be issued at the end of the financial year	**2,929,793**	2,926,060

During the financial year ended 31 March 2018:

- 3,736,735 new Units amounting to $9,995,000 were issued at issue prices ranging from $2.6734 to $2.6761 per unit for the payment of 20% base management fee to the Manager in Units.

During the financial year ended 31 March 2017:

- 4,074,004 new Units amounting to $9,557,000 were issued at issue prices ranging from $2.3225 to $2.3691 per unit for the payment of 20% base management fee to the Manager in Units.
- 1,694,710 new Units amounting to $4,200,000 were issued at issue price of $2.4783 per unit as payment of acquisition fees to the Manager for acquisition of 12, 14 & 16 Science Park Drive.

20. UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

During the financial year ended 31 March 2017: (continued)

- 64,000,000 new Units were issued on 11 August 2016 at an issue price of $2.4170 per unit pursuant to a private placement, amounting to $154,688,000. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 10 August 2016 received an advance distribution on 15 August 2016 of 5.635 cents per unit for the period from 1 April 2016 to 10 August 2016. Thereafter, the 64,000,000 new Units rank *pari passu* in all respects with the Units in issue prior to 11 August 2016, including the entitlements to all future distributions.

- 40,834,660 new Units amounting to $100,000,000 were issued on 15 February 2017, at an issue price of $2.4489 per unit as partial consideration for the acquisition of 12, 14 & 16 Science Park Drive. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

- 148,587,770 new Units were issued at issue prices from $2.0144 to $2.0505 per unit pursuant to the conversion of ECS on various dates during the financial year ended 31 March 2017. These units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

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;

- 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.

21. GROSS REVENUE

	Group	
	2018 $'000	2017 $'000
Property rental income	**784,306**	757,116
Other income	**77,805**	73,476
	862,111	830,592

22. PROPERTY OPERATING EXPENSES

	Group	
	2018 $'000	2017 $'000
Land rent	**32,413**	32,628
Maintenance and conservancy fees	**34,136**	34,943
Property service fees	**34,522**	32,418
Property tax	**59,617**	46,363
Utilities	**42,224**	38,719
Security services	**6,889**	8,641
Site staff cost	**5,435**	7,158
Carpark management fee expenses	**4,697**	4,768
Land tax	**9,064**	8,679
Other operating expenses	**3,714**	5,321
	232,711	219,638

23. MANAGEMENT FEES

	Group	
	2018 $'000	2017 $'000
Base management fee	**50,707**	48,398
Performance fee	**–**	1,902

Included in management fees is an aggregate of 5,025,533 (2017: 5,366,905) Units amounting to approximately $10,139,000 (2016: $9,691,000) that was issued or will be issued to the Manager as satisfaction of the management fee payable in Units at unit prices ranging from $2.6316 to $2.6761 (2017: $2.3225 to $2.3691) per unit.

24. TRUST EXPENSES

	Group	
	2018 $'000	2017 $'000
Auditors' remuneration		
– audit fees	**331**	325
– non-audit fees	**117**	66
Professional fees	**1,084**	3,518
Valuation fees	**432**	791
Trustee fee	**3,123**	3,331
Other expenses	**2,627**	2,381
	7,714	10,412

Other expenses for the Group for the financial year ended 31 March 2017 includes depreciation of plant and equipment of $19,000.

25. FINANCE INCOME AND FINANCE COSTS

	Group	
	2018 $'000	2017 $'000
Finance income	**9,081**	6,832
Interest expense	**106,305**	99,691
Amortisation of transaction costs	**3,359**	3,938
Accretion loss on security deposits	**–**	6,840
Change in fair value of ECS	**–**	3,570
Others	**178**	3,655
Finance costs	**109,842**	117,694

26. TAX EXPENSE/(CREDIT)

	Group	
	2018	2017
	$'000	$'000
Current tax expense		
- Current year	**2,393**	28,832
- (Under)/over provision in respect of prior year	**(977)**	668
	1,416	29,500
Deferred tax expense		
Origination and reversal of temporary differences (Note 17)	**1,411**	(48,512)
Tax expense/(credit)	**2,827**	(19,012)

Reconciliation of effective tax rate

	Group	
	2018	2017
	$'000	$'000
Total return for the year before tax	**496,921**	408,475
Tax calculated using Singapore tax rate of 17% (2017: 17%)	**84,477**	69,441
Effect of different tax rate in foreign jurisdiction	**2,393**	5,106
Non-tax deductible items, net	**5,271**	17,224
Income not subject to tax	**(15,223)**	(15,239)
Tax on overseas profits yet to be remitted	**1,411**	(808)
(Over)/under provision in respect of prior year	**(977)**	668
Derecognition of deferred tax provided by subsidiaries upon disposal	**–**	(47,704)
Tax provision on the disposal of overseas subsidiaries	**–**	23,725
Tax transparency	**(74,525)**	(71,425)
	2,827	(19,012)

27. 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	
	2018	2017
	$'000	$'000
Total return for the year attributable to the Unitholders and perpetual securities holders	**494,118**	427,480
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)
Total return attributable to Unitholders	**479,868**	413,230

	Number of Units	
	2018	2017
	('000)	('000)
Weighted average number of Units:		
– outstanding during the year	**2,926,784**	2,787,080
– to be issued as payment for management fee payable in Units	**4**	4
	2,926,788	2,787,084

	Group	
	2018	2017
Basic earnings per unit (cents)	**16.396**	14.827

(b) Diluted earnings per Unit

As at 31 March 2018 and 2017, the diluted earnings per Unit was equivalent to the basic earnings per Unit.

(c) Distribution per Unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	2018	2017
Total amount available for distribution for the year ($'000)	**468,045**	446,304
Distribution per Unit (cents)	**15.988**	15.743

28. COMMITMENTS AND CONTINGENCIES

(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 $38,159,000 (2017: $37,910,000) and $1,870,000 (2017: $2,170,000), respectively, in relation to 72 (2017: 74) properties for the financial year ended 31 March 2018 (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	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Within 1 year	**716,774**	710,806	**622,208**	629,686
After 1 year but within 5 years	**1,606,834**	1,620,563	**1,305,576**	1,381,047
After 5 years	**889,564**	896,254	**724,596**	764,961
	3,213,172	3,227,623	**2,652,380**	2,775,694

(c) As at 31 March 2018, the Group and the Trust had $37.4 million (2017: $75.2 million) and $12.2 million (2017: $48.7 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

(d) The Trust has provided a corporate guarantee amounting to $571.8 million (2017: $602.4 million) to banks for loans obtained by a subsidiary.

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.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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:

	Group	
	2018 $'000	2017 $'000
Acquisition fee paid/payable to the Manager and subsidiary of the Manager	**2,255**	5,674
Acquisition of properties from related parties of the Manager	**–**	420,000
Car park management fee paid/payable to the Property Manager	**4,696**	4,766
Divestment fee payable to the Manager	**304**	2,208
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	**38,434**	38,509
Lease rental, securities, utilities and car park income received from:		
– the Manager	**–**	(345)
– the Property Manager	**–**	(53)
– related parties of the Manager	**–**	(3,241)
– other related parties	**(48,133)**	(47,044)
Lease service fees paid/payable to the Manager and subsidiary of the Manager	**19,609**	17,592
Payment on behalf to the subsidiary of the Manager	**–**	5
Management fees paid/payable to the Manager and subsidiary of the Manager	**50,707**	48,398
Performance fees payable to the Manager	**–**	1,902
Property service fees paid to the Property Manager	**22,334**	20,916
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	**2,351**	2,526
Reimbursements and receipts on behalf of the Property Manager	**440**	2,130
Reimbursements paid/payable to the Manager	**48**	126
Reimbursements of expenses from other related parties	**(81)**	(42)
Receipts on behalf by the Manager	**(52)**	(1,799)
Rental income of meeting rooms and receipts on behalf by the Property Manager	**(80)**	(259)
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	**11,071**	11,361
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	**(112)**	(156)

30. FINANCIAL RATIOS

	Group	
	2018	2017
	%	%
Ratio of expenses to weighted average net asset value [1]	**0.91**	0.96
Ratio of expenses to weighted average net asset value [2]	**0.91**	1.00
Ratio of expenses to net asset value [3]	**4.48**	4.43
Portfolio turnover rate [4]	**0.94**	0.56

(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 ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.

(4) 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

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is integral to the whole business of the Group. The Manager has a system of controls in place to maintain 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 achievement of business objectives. 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 controls and procedures, the results of which are reported to the Audit Committee.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

The Group's exposure to fluctuations in foreign currency rates relates primarily to its bank borrowings and medium term notes that are denominated in foreign currencies as well as investments in non-Singapore properties. The foreign currencies giving rise to this risk are mainly Australian Dollars ("AUD"), Unites States Dollars ("USD"), Japanese Yen ("JPY") and Hong Kong Dollar ("HKD").

The Group monitors its foreign currency exposure on an ongoing basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products. The Group and the Trust enter into CCS with banks to manage currency risk.

In relation to foreign currency risk arising from investments in non-Singapore properties, the Group and the Trust had borrowed in the foreign currency of underlying investments to achieve a natural hedge. The Group and the Trust had also entered into forward exchange contracts to hedge the cash flows from overseas investments (Note 14).

The Group's currency exposure is as follows:

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2018						
Financial assets						
Cash and fixed deposits	**5,002**	**20,014**	**–**	**–**	**–**	**25,016**
Trade and other receivables	**18,327**	**3,393**	**–**	**–**	**–**	**21,720**
Finance lease receivables	**55,628**	**–**	**–**	**–**	**–**	**55,628**
	78,957	**23,407**	**–**	**–**	**–**	**102,364**
Financial liabilities						
Trade and other payables [1]	**(117,213)**	**(5,909)**	**–**	**–**	**–**	**(123,122)**
Security deposits	**(118,612)**	**(1,468)**	**–**	**–**	**–**	**(120,080)**
Loans and borrowings – Gross	**(1,962,961)**	**(833,587)**	**(199,029)**	**(344,727)**	**(184,620)**	**(3,524,924)**
	(2,198,786)	**(840,964)**	**(199,029)**	**(344,727)**	**(184,620)**	**(3,768,126)**
Net financial liabilities	**(2,119,829)**	**(817,557)**	**(199,029)**	**(344,727)**	**(184,620)**	**(3,665,762)**
Less: Net financial assets denominated in the respective entities' functional currency	**2,119,829**	**562,252**	**–**	**–**	**–**	**2,682,081**
Less: Cross currency swap		**261,738**	**199,029**	**344,727**	**184,620**	**990,114**
Currency exposure	**–**	**6,433**	**–**	**–**	**–**	**6,433**

(1) Excludes rental received in advance and GST payable.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2017						
Financial assets						
Cash and fixed deposits	5,735	16,265	–	–	–	22,000
Trade and other receivables	29,981	3,187	–	–	–	33,168
Finance lease receivables	57,731	–	–	–	–	57,731
	93,447	19,452	–	–	–	112,899
Financial liabilities						
Trade and other payables [1]	(167,958)	(7,234)	–	–	–	(175,192)
Security deposits	(119,258)	(1,561)	–	–	–	(120,819)
Loans and borrowings – Gross	(1,625,000)	(795,074)	(197,777)	(482,940)	(307,500)	(3,408,291)
	(1,912,216)	(803,869)	(197,777)	(482,940)	(307,500)	(3,704,302)
Net financial liabilities	(1,818,769)	(784,417)	(197,777)	(482,940)	(307,500)	(3,591,403)
Less: Net financial assets denominated in the respective entities' functional currency	1,818,769	595,216	–	–	–	2,413,985
Less: Cross currency swap	–	192,638	197,777	482,940	307,500	1,180,855
Currency exposure	–	3,437	–	–	–	3,437

The Trust's currency exposure is as follows:

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2018						
Financial assets						
Cash and fixed deposits	**3,838**	**22**	–	–	–	**3,860**
Trade and other receivables	**18,162**	**6,411**	–	–	–	**24,573**
Finance lease receivables	**55,628**	–	–	–	–	**55,628**
	77,628	**6,433**	–	–	–	**84,061**
Financial liabilities						
Trade and other payables [1]	**(122,252)**	–	–	–	–	**(122,252)**
Security deposits	**(118,581)**	–	–	–	–	**(118,581)**
Loans and borrowings – Gross	**(1,962,961)**	**(261,739)**	**(199,029)**	**(344,727)**	**(184,620)**	**(2,953,076)**
	(2,203,794)	**(261,739)**	**(199,029)**	**(344,727)**	**(184,620)**	**(3,193,909)**
Net financial liabilities	**(2,126,166)**	**(255,306)**	**(199,029)**	**(344,727)**	**(184,620)**	**(3,109,848)**
Less: Net financial assets denominated in the respective entities' functional currency	**2,126,166**	–	–	–	–	**2,126,166**
Less: Cross currency swap	–	**261,739**	**199,029**	**344,727**	**184,620**	**990,115**
Currency exposure	–	**6,433**	–	–	–	**6,433**

(1) Excludes rental received in advance and GST payable.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2017						
Financial assets						
Cash and fixed deposits	4,175	509	–	–	–	4,684
Trade and other receivables	30,020	2,928	–	–	–	32,948
Finance lease receivables	57,731	–	–	–	–	57,731
	91,926	3,437	–	–	–	95,363
Financial liabilities						
Trade and other payables [1]	(171,165)	–	–	–	–	(171,165)
Security deposits	(119,258)	–	–	–	–	(119,258)
Loans and borrowings – Gross	(1,625,000)	(192,638)	(197,777)	(482,940)	(307,500)	(2,805,855)
	(1,915,423)	(192,638)	(197,777)	(482,940)	(307,500)	(3,096,278)
Net financial liabilities	(1,823,497)	(189,201)	(197,777)	(482,940)	(307,500)	(3,000,915)
Less: Net financial assets denominated in the respective entities' functional currency	1,823,497	–	–	–	–	1,823,497
Less: Cross currency swap	–	192,638	197,777	482,940	307,500	1,180,855
Currency exposure	–	3,437	–	–	–	3,437

(1) Excludes rental received in advance and GST payable.

Sensitivity analysis

The Group and the Trust are not subject to significant currency risk after entering into cross currency swap and forward exchange contracts for the financial assets or liabilities denominated in foreign currencies.

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets.

The Group's policy is to maintain a certain level of its borrowings in fixed-rate instruments. The Group's and the Trust's exposure to cash flow interest rate risks arise mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Group's and Trust's borrowings at variable rates on which interest rate swaps have not been entered into, are denominated mainly in SGD (2017: SGD). If the SGD interest rates had increased/decreased by 100 basis point (2017: 100 basis point) with all other variables including tax rate being held constant, the total profit would have been lower/higher by $9,934,000 and $9,934,000 respectively (2017: $7,107,000 and $7,107,000 respectively) as a result of higher/lower interest expense on these borrowings.

(b) 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, corporate guarantees or cash security deposits are obtained upon the commencement of the lease.

As at the reporting date, there are 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 Statements of Financial Position.

The Group's major classes of financial assets are cash and cash equivalents, finance receivables and trade and other receivables.

The credit risk for net trade receivables based on the information provided to key management is disclosed in Note 10.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short term deposits, and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(ii) Financial assets that are either past due or impaired

Information regarding financial asset that are either past due or impaired is disclosed in Note 10 (Trade and other receivables).

As at 31 March 2018 and 31 March 2017, the Group and the Trust had no other financial assets which it had determined to be impaired and there are no allowances on impairment provided for.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Trust may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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 and a Multicurrency Medium Term Note Programme with a programme limit of $5.0 billion (Note 15).

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group			
2018			
Non-derivative financial liabilities			
Loans and borrowings	**987,269**	**1,926,691**	**963,342**
Trade and other payables [1]	**123,122**	**–**	**–**
Security deposits	**42,095**	**71,617**	**6,368**
	1,152,486	**1,998,308**	**969,710**
Derivative financial liabilities			
Interest rate swaps (net-settled)	**455**	**5,846**	**299**
Cross currency swaps (net-settled)	**–**	**–**	**51,705**
	455	**5,846**	**52,004**
	1,152,941	**2,004,154**	**1,021,714**
2017			
Non-derivative financial liabilities			
Loans and borrowings	1,032,518	2,105,780	694,974
Trade and other payables [1]	175,192	–	–
Security deposits	41,946	66,627	12,246
	1,249,656	2,172,407	707,220
Derivative financial liabilities			
Interest rate swaps (net-settled)	2,078	12,136	962
Cross currency swaps (net-settled)	18,209	14,666	30,478
Forward exchange contracts	424	–	–
	20,711	26,802	31,440
	1,270,367	2,199,209	738,660

(1) Excludes rental received in advance and GST payable.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
2018			
Non-derivative financial liabilities			
Loans and borrowings	**689,666**	**1,628,705**	**963,342**
Trade and other payables [1]	**122,252**	**–**	**–**
Security deposits	**42,044**	**70,169**	**6,368**
	853,962	**1,698,874**	**969,710**
Derivative financial liabilities			
Interest rate swaps (net-settled)	**251**	**2,200**	**299**
Cross currency swaps (net-settled)	**–**	**–**	**51,705**
	251	**2,200**	**52,004**
	854,213	**1,701,074**	**1,021,714**
2017			
Non-derivative financial liabilities			
Loans and borrowings	1,017,608	1,478,334	694,974
Trade and other payables [1]	171,165	–	–
Security deposits	41,887	65,125	12,246
	1,230,660	1,543,459	707,220
Derivative financial liabilities			
Interest rate swaps (net-settled)	2,078	6,527	962
Cross currency swaps (net-settled)	18,209	14,667	30,478
Forward exchange contracts	424	–	–
	20,711	21,194	31,440
	1,251,371	1,564,653	738,660

(1) Excludes rental received in advance and GST payable.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below shows the contractual expiry by maturity of the Trust's corporate guarantee provided to the subsidiary (Note 28(d)). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
2018			
Corporate guarantee	**571,830**	**–**	**–**
2017			
Corporate guarantee	602,400	–	–

(d) Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mixture of available capital sources which include debt, equity and convertible instruments. In addition, the Group and the Trust ensure the compliance with statutory and constitutional capital and distribution requirements, maintaining gearing ratio, interest expense coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management as well as financing policies regularly so as to optimise the Group's and the Trust's capital 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. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the Deposited Property.

As at 31 March 2018, the Aggregate Leverage of the Group is 34.4% (2017: 33.8%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year. In addition, the Group and the Trust continue to maintain an issuer rating of A3 by Moody's.

32. FAIR VALUE MEASUREMENT

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.

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

32. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of the Group's each class of assets and liabilities measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2018				
Financial assets				
Derivative assets	**–**	**9,948**	**–**	**9,948**
Total financial assets	**–**	**9,948**	**–**	**9,948**
Non-financial assets				
Investment properties	**–**	**–**	**10,118,978**	**10,118,978**
Investment property held for sale	**–**	**–**	**20,300**	**20,300**
Investment properties under development	**–**	**–**	**95,463**	**95,463**
Total non-financial assets	**–**	**–**	**10,234,741**	**10,234,741**
Financial liabilities				
Derivative liabilities	**–**	**(63,539)**	**–**	**(63,539)**
Total financial liabilities	**–**	**(63,539)**	**–**	**(63,539)**
2017				
Financial assets				
Derivative assets	–	28,198	–	28,198
Total financial assets	–	28,198	–	28,198
Non-financial assets				
Investment properties	–	–	9,874,204	9,874,204
Investment properties under development	–	–	125,062	125,062
Total non-financial assets	–	–	9,999,266	9,999,266
Financial liabilities				
Derivative liabilities	–	(91,780)	–	(91,780)
Total financial liabilities	–	(91,780)	–	(91,780)

32. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period: (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2018				
Financial assets				
Derivative assets	**–**	**9,888**	**–**	**9,888**
Total financial assets	**–**	**9,888**	**–**	**9,888**
Non-financial assets				
Investment properties	**–**	**–**	**8,625,500**	**8,625,500**
Investment property held for sale	**–**	**–**	**20,300**	**20,300**
Investment properties under development	**–**	**–**	**86,400**	**86,400**
Total non-financial assets	**–**	**–**	**8,732,200**	**8,732,200**
Financial liabilities				
Derivative liabilities	**–**	**(59,629)**	**–**	**(59,629)**
Total financial liabilities	**–**	**(59,629)**	**–**	**(59,629)**
Trust				
2017				
Financial assets				
Derivative assets	–	28,170	–	28,170
Total financial assets	–	28,170	–	28,170
Non-financial assets				
Investment properties	–	–	8,567,210	8,567,210
Investment properties under development	–	–	125,062	125,062
Total non-financial assets	–	–	8,692,272	8,692,272
Financial liabilities				
Derivative liabilities	–	(86,144)	–	(86,144)
Total financial liabilities	–	(86,144)	–	(86,144)

32. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair value of interest rate swaps, forward contracts and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties of 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.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties, investment properties under development and investment property held for sale

Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

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. These valuation methods 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 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 and terminal yield.

The fair value of investment properties of the Group and the Trust was $10,119 million (2017: $9,874 million) and $8,626 million (2017: $8,567 million) as at 31 March 2018 respectively. The fair value of investment properties under development of the Group and the Trust was $95.5 million (2017: $125 million) and $86.4 million (2017: $125 million) as at 31 March 2018 respectively. The fair value of investment property held for sale was $20.3 million (2017: Nil) as at 31 March 2018.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

32. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurement (continued)

Investment properties, investment properties under development and investment property held for sale (continued)

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
	Group	
Capitalisation Approach	• Capitalisation rates of 5.00% to 7.00% (2017: 5.50% to 7.50%)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price psm increased.
Discounted Cash Flow Method	• Discount rates of 6.25% to 8.25% (2017: 7.00% to 8.50%)	
	• Terminal yields of 5.25% to 7.50% (2017: 5.75% to 8.00%)	
Direct Comparison Method	• Adjusted price (psm) of $1,563 to $9,260 (2017: $1,019 to $4,818)	
	Trust	
Capitalisation Approach	• Capitalisation rates of 5.00% to 7.00% (2017: 5.50% to 7.50%)	
Discounted Cash Flow Method	• Discount rates of 7.00% to 8.25% (2017: 7.50% to 8.50%)	
	• Terminal yields of 5.25% to 7.25% (2017: 5.75% to 8.00%)	
Direct Comparison Method	• Adjusted price (psm) of $1,563 to $9,260 (2017: $1,019 to $4,818)	

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties, investment properties under development and investment property held for sale measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 4 and Note 5 respectively.

32. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of the Group and the Trust's other non-current assets and liabilities not measured at fair value for which fair value is disclosed:

	Fair value determined using significant unobservable inputs (Level 3) Total $'000	Carrying amount $'000
Group		
2018		
Assets		
Finance lease receivables	**65,244**	**53,243**
Liabilities		
Security deposits	**72,195**	**77,985**
Medium term notes – gross	**1,568,128**	**1,604,347**
2017		
Assets		
Finance lease receivables	70,898	55,627
Liabilities		
Security deposits	72,743	78,873
Medium term notes – gross	1,179,487	1,233,840

32. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed (continued)

The following table shows an analysis of the Group and the Trust's other non-current assets and liabilities not measured at fair value for which fair value is disclosed: (continued)

	Fair value determined using significant unobservable inputs (Level 3) Total $'000	Carrying amount $'000
Trust		
2018		
Assets		
Finance lease receivables	**65,244**	**53,243**
Liabilities		
Security deposits	**70,746**	**76,537**
Medium term notes – gross	**1,568,128**	**1,604,347**
2017		
Assets		
Finance lease receivables	70,898	55,627
Liabilities		
Security deposits	71,361	77,371
Medium term notes – gross	1,179,487	1,233,840

Interest rates used to discount the estimated cash flows were as following:

	Group and Trust	
	2018 %	2017 %
Finance lease receivables	**2.81**	2.51
Security deposits	**2.89**	2.75
Medium term notes	**1.75 – 4.66**	1.76 – 4.69

32. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed (continued)

Determination of fair value

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.

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.

Medium term notes

The fair values of the SGD-denominated medium term notes were obtained from market quotes. The fair value of the non-SGD-denominated medium term 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.

Other non-current loans and borrowings

The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

Other financial assets and liabilities

The fair values of all other financial assets and liabilities are calculated based on the present value of future principal, discounted at the market interest rate of the instruments at the reporting date.

(f) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amount of the Group and the Trust's current financial assets and liabilities approximated their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

33. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Chief Executive Officer, the Group's Chief Operating Decision Maker ("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.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High–Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group												
Gross rental income	**280,491**	256,771	**57,467**	57,194	**167,389**	155,789	**86,465**	89,687	**192,494**	197,675	**784,306**	757,116
Other income	**33,758**	35,210	**3,978**	4,038	**23,986**	21,605	**6,935**	3,746	**9,148**	8,877	**77,805**	73,476
Gross revenue	**314,249**	291,981	**61,445**	61,232	**191,375**	177,394	**93,400**	93,433	**201,642**	206,552	**862,111**	830,592
Property operating expenses	**(93,435)**	(90,997)	**(13,751)**	(14,320)	**(49,355)**	(34,497)	**(28,313)**	(26,982)	**(47,857)**	(52,842)	**(232,711)**	(219,638)
Segment net property income	**220,814**	200,984	**47,694**	46,912	**142,020**	142,897	**65,087**	66,451	**153,785**	153,710	**629,400**	610,954
Net property income margin	**70.3%**	68.8%	**77.6%**	76.6%	**74.2%**	80.6%	**69.7%**	71.1%	**76.3%**	74.4%	**73.0%**	73.6%

33. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High–Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group												
Unallocated												
– Gain on divestment of subsidiaries											**–**	21,385
– Gain on disposal on investment properties											**5,309**	–
– Finance income											**9,081**	6,832
– Finance costs											**(109,842)**	(117,694)
– Other net expenses											**(51,146)**	(83,458)
Net income											**482,802**	438,019
Unallocated net change in fair value of financial derivatives											**9,805**	(11,659)
Net change in fair value of investment properties	**34,178**	14,287	**(6,919)**	(448)	**4,799**	(1,932)	**(5,451)**	(17,817)	**(22,807)**	(12,450)	**3,800**	(18,360)
Share of joint venture's result											**514**	475
Total return for the year before tax											**496,921**	408,475
Unallocated tax (expense)/credit											**(2,827)**	19,012
Total return for the year											**494,094**	427,487

33. OPERATING SEGMENTS (CONTINUED)

Segments assets and liabilities

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2018						
Assets and liabilities						
Segment assets	4,005,910	726,799	2,231,784	953,132	2,409,116	10,326,741
Unallocated assets						27,052
Total assets						10,353,793
Segment liabilities	76,354	18,052	54,221	31,656	43,356	223,639
Unallocated liabilities:						
– loans and borrowings						3,519,220
– others						112,238
Total liabilities						3,855,097
Other segmental information						
Capital expenditure						
– investment properties	14,866	11,198	31,171	8,008	18,595	83,838
– investment properties under development	–	–	–	–	37,072	37,072
Provision of impairment loss on doubtful receivables	9	–	–	–	1	10

33. OPERATING SEGMENTS (CONTINUED)

Segments assets and liabilities (continued)

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High–Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2017						
Assets and liabilities						
Segment assets	3,797,976	725,053	2,059,086	984,342	2,550,845	10,117,302
Unallocated assets						53,516
Total assets						10,170,818
Segment liabilities	124,108	25,114	47,144	32,884	68,357	297,607
Unallocated liabilities:						
– loans and borrowings						3,400,066
– others						138,025
Total liabilities						3,835,698
Other segmental information						
Capital expenditure						
– investment properties	23,759	534	16,409	6,379	14,830	61,911
– investment properties under development	–	–	5,785	–	25,740	31,525
Depreciation	19	–	–	–	–	19
Reversal of impairment loss on doubtful receivables	–	(46)	(8)	–	–	(54)

33. 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		Australia		China		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group								
External revenue	**752,222**	730,128	**109,889**	90,447	**–**	10,017	**862,111**	830,592
Non–current assets [1]	**8,712,023**	8,692,398	**1,502,541**	1,306,994	**–**	–	**10,214,564**	9,999,392

(1) Exclude financial assets.

34. SUBSEQUENT EVENTS

On 16 May 2018, the Trust issued HKD729 million Series 017 Notes (the "Notes"), which will mature on 16 May 2025, bear a fixed interest rate of 3.66% per annum payable annually in arrear. The Trust has entered into a swap transaction to swap the Hong Kong dollar proceeds of the Notes, amounting to HKD729 million, into SGD of $125 million for the tenure of the Notes. The net proceeds arising from the issue of the Notes (after deducting issue expenses) will be used towards refinancing the existing borrowings of the Group and/or financing the general working capital purposes of the Group.

REPORT OF THE **TRUSTEE**

YEAR ENDED 31 MARCH 2019

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)[1] 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 169 to 264, 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

Authorised Signatory

21 May 2019

1 As 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, the First Amending and Restating Deed dated 11 June 2008, 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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017 and the Fifteenth Supplemental Deed dated 20 August 2018.

STATEMENT BY THE **MANAGER**

YEAR ENDED 31 MARCH 2019

In the opinion of the directors of Ascendas Funds Management (S) Limited (the "Manager"), the accompanying financial statements set out on pages 169 to 264 comprising the Statements of Financial Position and Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), Statement of Total Return, Distribution Statement, Investment Properties Portfolio Statement and Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 March 2019, the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group and the movement in Unitholders' funds of the Trust for the year then ended 31 March 2019, in accordance with the recommendations of *The 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

William Tay Wee Leong
Director

21 May 2019

INDEPENDENT **AUDITORS' REPORT**

YEAR ENDED 31 MARCH 2019

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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 March 2019, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 169 to 264.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2019 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (continued)

Valuation of Investment Properties

The Group owns a portfolio of investment properties, comprising business and science park properties, suburban offices, integrated development, amenities and retail properties, high-specifications industrial properties and data centres, light industrial and flatted factories and logistics and distribution centres, located mainly in Singapore, Australia and the United Kingdom. As at 31 March 2019, the investment properties, with a carrying amount of $11.1 billion, represent the single largest asset category on the statement of financial position.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to changes in the key assumptions applied, particularly those relating to capitalisation, discount, terminal yield and equivalent yield rates, and price per square metre.

We assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence and competence of the external valuers. We also read the terms of engagement of the valuers entered into with the Group to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in the scope of their work.

We held discussions with the external valuers to understand the valuation methodologies used in the valuation and compared against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and external industry and economic data where available. We assessed the reasonableness of the capitalisation, discount, terminal yield and equivalent yield rates, and price per square metre, used in the valuations by comparing them against historical rates and industry data where available, taking into consideration comparability and market factors. We also assessed the overall appropriateness of the movements in fair value of the investment properties.

We further reviewed the adequacy of the disclosures in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The management of the Manager of the Trust (the "Manager") 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 management of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT
AUDITORS' REPORT

YEAR ENDED 31 MARCH 2019

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and risk committee of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and risk committee of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Simon Yeo.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

21 May 2019

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 MARCH 2019

	Note	Group		Trust	
		31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
		$'000	$'000	**$'000**	$'000
Non-current assets					
Investment properties	4	**11,143,937**	10,118,978	**8,769,500**	8,625,500
Investment properties under development	5	**91,595**	95,463	**91,595**	86,400
Plant and equipment	6	**–**	–	**–**	–
Finance lease receivables	7	**50,554**	53,243	**50,554**	53,243
Interests in subsidiaries	8	**–**	–	**1,179,012**	669,354
Loans to subsidiaries	8	**–**	–	**297,000**	269,538
Investment in a joint venture	9	**102**	123	**–**	–
Derivative assets	14	**31,546**	9,129	**29,767**	9,129
		11,317,734	10,276,936	**10,417,428**	9,713,164
Current assets					
Finance lease receivables	7	**2,688**	2,385	**2,688**	2,385
Trade and other receivables	10	**39,635**	28,337	**33,570**	28,275
Derivative assets	14	**1,425**	819	**1,425**	759
Investment property held for sale	11	**–**	20,300	**–**	20,300
Cash and fixed deposits	12	**52,341**	25,016	**6,678**	3,860
		96,089	76,857	**44,361**	55,579
Current liabilities					
Trade and other payables	13	**158,255**	143,831	**131,581**	140,122
Security deposits		**46,862**	42,095	**46,690**	42,044
Derivative liabilities	14	**8**	616	**8**	371
Short term borrowings	15	**215,820**	624,700	**215,820**	624,700
Term loans	15	**301,094**	285,243	**301,094**	–
Medium term notes	15	**94,994**	–	**94,994**	–
Provision for taxation		**7,934**	7,016	**1,140**	1,437
		824,967	1,103,501	**791,327**	808,674

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

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 MARCH 2019

	Note	Group		Trust	
		31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
		$'000	$'000	**$'000**	$'000
Non-current liabilities					
Security deposits		**82,167**	77,985	**79,921**	76,537
Derivative liabilities	14	**64,112**	62,923	**55,958**	59,258
Amount due to a subsidiary		**–**	–	**25,646**	25,492
Term loans	15	**1,595,947**	1,008,211	**701,997**	722,968
Medium term notes	15	**1,889,936**	1,601,066	**1,889,936**	1,601,066
Deferred tax liabilities	16	**10,701**	1,411	**–**	–
		3,642,863	2,751,596	**2,753,458**	2,485,321
Net assets		**6,945,993**	6,498,696	**6,917,004**	6,474,748
Represented by:					
Unitholders' funds		**6,641,611**	6,194,310	**6,612,622**	6,170,366
Perpetual securities holders' funds	17	**304,382**	304,382	**304,382**	304,382
		6,945,993	6,498,692	**6,917,004**	6,474,748
Non-controlling interests		**–**	4	**–**	–
		6,945,993	6,498,696	**6,917,004**	6,474,748
Units in issue ('000)	18	**3,110,842**	2,928,504	**3,110,842**	2,928,504
Net asset value per unit ($)		**2.13**	2.12	**2.12**	2.11

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

STATEMENT OF **TOTAL RETURN**

YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018 $'000
Gross revenue	19	**886,171**	862,111
Property operating expenses	20	**(236,592)**	(232,711)
Net property income		**649,579**	629,400
Management fees	21		
– Base management fee		**(54,379)**	(50,707)
Trust expenses	22	**(7,675)**	(7,714)
Finance income	23	**10,448**	9,081
Finance costs	23	**(126,488)**	(109,842)
Net foreign exchange differences		**(11,093)**	7,275
Gain on disposal of investment properties		**5,088**	5,309
Net income		**465,480**	482,802
Net change in fair value of financial derivatives		**22,197**	9,805
Net change in fair value of investment properties	4	**29,304**	3,800
Share of joint venture's results	9	**493**	514
Total return for the year before tax		**517,474**	496,921
Tax expense	24	**(14,391)**	(2,827)
Total return for the year		**503,083**	494,094
Attributable to:			
Unitholders of the Trust and perpetual securities holders		**503,087**	494,118
Non-controlling interests		**(4)**	(24)
Total return for the year		**503,083**	494,094
Earnings per Unit (cents)			
– Basic and diluted	25	**16.156**	16.396
Distribution per Unit (cents)	25	**16.035**	15.988

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

DISTRIBUTION **STATEMENT**

YEAR ENDED 31 MARCH 2019

	Group	
	2019	2018
	$'000	$'000
Total amount available for distribution to Unitholders at beginning of the financial year	**231,154**	57,694
Total return for the year attributable to Unitholders and perpetual securities holders	**503,087**	494,118
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)
Distribution adjustments (Note A)	**(56,784)**	(41,488)
	432,053[1]	438,380[1]
Distribution from capital (current period)	**53,630**	29,665
Total amount available for distribution to Unitholders for the year	**485,683**	468,045
Distribution of 0.639 cents per unit for the period from 18/09/18 to 30/09/18	**(212,456)**	–
Distribution of 7.250 cents per unit for the period from 01/04/18 to 17/09/18	**(19,863)**	–
Distribution of 7.880 cents per unit for the period from 01/10/17 to 31/03/18	**(230,764)**	–
Distribution of 8.108 cents per unit for the period from 01/04/17 to 30/09/17	**–**	(237,289)
Distribution of 1.959 cents per unit for the period from 16/02/17 to 31/03/17	**–**	(57,296)
	(463,083)	(294,585)
Total amount available for distribution to Unitholders at end of the financial year	**253,754**	231,154
Distribution per Unit (cents)	**16.035**	15.988
[1] Comprises:		
– Taxable income	**432,053**	438,380

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

DISTRIBUTION **STATEMENT**

YEAR ENDED 31 MARCH 2019

	Group	
	2019	2018
	$'000	$'000
Note A – Distribution adjustments comprise:		
Amount reserved for distribution to perpetual securities holders	**14,250**	14,250
Management fee paid/payable in Units	**10,873**	10,139
Rollover adjustment from prior years	**7,762**	5,851
Trustee fee	**1,993**	2,749
Others	**29,903**	15,071
Income from subsidiaries and joint venture	**(76,069)**	(63,359)
Net change in fair value of financial derivatives	**(22,197)**	(9,805)
Net foreign exchange differences	**11,093**	(7,275)
Gain on disposal of investment properties	**(5,088)**	(5,309)
Net change in fair value of investment properties (Note 4)	**(29,304)**	(3,800)
Total distribution adjustments	**(56,784)**	(41,488)

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

STATEMENTS OF
MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 MARCH 2019

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Unitholders' Funds				
Balance at beginning of the financial year	**6,194,310**	6,030,710	**6,170,366**	6,045,136
Operations				
Total return for the year attributable to Unitholders of the Trust	**503,087**	494,118	**459,938**	423,926
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)	**(14,250)**	(14,250)
Net increase in net assets resulting from operations	**488,837**	479,868	**445,688**	409,676
Movement in foreign currency translation reserve	**(38,104)**	(31,822)	**–**	–
Unitholders' transactions				
Units issued through equity fund raising	**452,138**	–	**452,138**	–
Development management fees paid in Units	**840**	–	**840**	–
Management fees paid/payable in Units	**10,873**	10,139	**10,873**	10,139
Unit issue costs	**(4,200)**	–	**(4,200)**	–
Distributions to Unitholders	**(463,083)**	(294,585)	**(463,083)**	(294,585)
Net decrease in net assets resulting from Unitholders' transactions	**(3,432)**	(284,446)	**(3,432)**	(284,446)
Balance at end of the financial year	**6,641,611**	6,194,310	**6,612,622**	6,170,366
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	**304,382**	304,382	**304,382**	304,382
Amount reserved for distribution to perpetual securities holders	**14,250**	14,250	**14,250**	14,250
Distribution to perpetual securities holders	**(14,250)**	(14,250)	**(14,250)**	(14,250)
Balance at end of the financial year	**304,382**	304,382	**304,382**	304,382
Non-controlling interests				
Balance at beginning of the financial year	**4**	28	**–**	–
Total return for the year attributable to non-controlling interests	**(4)**	(24)	**–**	–
Balance at end of the financial year	**–**	4	**–**	–
Total	**6,945,993**	6,498,696	**6,917,004**	6,474,748

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT
AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
Group										
SINGAPORE										
Business & Science Park Properties										
One-north										
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	46 years[a]	8/8A Biomedical Grove	**139,000**	139,000	**2.09**	2.24
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	52 years	1 & 3 Fusionopolis Link	**192,000**	191,400	**2.89**	3.09
International Business Park										
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	36 years	7 International Business Park	**23,000**	24,200	**0.35**	0.39
iQuest @ IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	27 International Business Park	**26,600**	31,400	**0.40**	0.51
Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	37 years[a]	29 International Business Park	**95,300**	97,900	**1.43**	1.58
31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	35 years[a]	31 International Business Park	**214,900**	216,900	**3.24**	3.50
Nordic European Centre	08 Jul 2011	Leasehold	60 years[a]	31 Mar 2057[a]	38 years[a]	3 International Business Park	**116,500**	111,900	**1.76**	1.81
Changi Business Park										
Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	39 years[a]	17 Changi Business Park Central 1	**70,800**	74,300	**1.07**	1.20
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	42 years[a]	1 Changi Business Park Avenue 1	**54,600**	52,200	**0.82**	0.84
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	47 years[a]	10 Changi Business Park Central 2	**119,500**	113,400	**1.80**	1.83
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	1, 3 & 5 Changi Business Park Crescent	**323,700**	323,400	**4.87**	5.22
DBS Asia Hub	31 Mar 2010	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	2&2A Changi Business Park Crescent	**166,900**	166,000	**2.51**	2.68
AkzoNobel House	08 Dec 2011	Leasehold	60 years[a]	28 Feb 2061[a]	42 years[a]	3 Changi Business Park Vista	**69,100**	69,100	**1.04**	1.12
ONE@Changi City	01 Mar 2016	Leasehold	60 years	29 Apr 2069	50 years	1 Changi Business Park Central 1	**500,100**	478,600	**7.53**	7.73
Balance carried forward – (Business & Science Park Properties)							**2,112,000**	2,089,700	**31.80**	33.74

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT
AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
							$'000	$'000	**%**	%
SINGAPORE										
Business & Science Park Properties (continued)										
Balance brought forward – (Business & Science Park Properties)							**2,112,000**	2,089,700	**31.80**	33.74
Science Park I										
TÜV SÜD PSB Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	61 years	1 Science Park Drive	**90,000**	88,000	**1.36**	1.42
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	49 years	87 & 89 Science Park Drive	**100,000**	100,000	**1.51**	1.61
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	49 years	73 Science Park Drive	**57,500**	58,800	**0.87**	0.95
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	49 years	75 Science Park Drive	**47,000**	45,000	**0.71**	0.73
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	49 years	77 & 79 Science Park Drive	**133,000**	130,500	**2.00**	2.11
12,14 &16 Science Park Drive	16 Feb 2017	Leasehold	99 years	31 May 2081	62 years	12, 14 and 16 Science Park Drive	**450,000**	450,000	**6.78**	7.26
Science Park II										
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	10 Science Park Road	**102,000**	105,000	**1.54**	1.70
The Aries, Sparkle & Gemini[ii]	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	41, 45 & 51 Science Park Road	**204,500**	204,400	**3.08**	3.30
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	1 Science Park Road	**116,000**	113,000	**1.74**	1.82
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	60 years	61 Science Park Road	**143,200**	143,200	**2.15**	2.31
The Kendall	30 Mar 2015	Leasehold	64 years	24 Mar 2079	60 years	50 Science Park Road	**136,000**	130,000	**2.04**	2.10
Total Singapore Business & Science Park Properties							**3,691,200**	3,657,600	**55.58**	59.05
Integrated Development, Amenities & Retail Properties										
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	16 years	50 Tampines North Drive 2	**64,000**	65,700	**0.96**	1.06
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	16 years	21 Tampines North Drive 2	**84,000**	86,000	**1.26**	1.39
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	53 years	8, 10 & 12 Kallang Avenue	**576,000**	573,300	**8.68**	9.25
Total Singapore Integrated Development, Amenities & Retail Properties							**724,000**	725,000	**10.90**	11.70

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
							$'000	$'000	**%**	%
SINGAPORE										
High-Specifications Industrial Properties & Data Centres										
Data Centres										
Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	72 years	5 Tampines Central 6	**268,700**	267,600	**4.04**	4.32
Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	72 years	38 Kim Chuan Road	**143,100**	142,200	**2.14**	2.30
38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	72 years	38A Kim Chuan Road	**126,400**	123,400	**1.90**	1.99
High-Specifications Industrial Properties										
Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	34 years	31 Kaki Bukit Road 3	**124,000**	126,400	**1.87**	2.04
Siemens Centre	12 Mar 2004	Leasehold	60 years[a]	15 Dec 2061[a]	42 years[a]	60 MacPherson Road	**106,100**	101,100	**1.60**	1.63
Infineon Building	01 Dec 2004	Leasehold	47 years[c]	30 Jun 2050[c]	31 years[c]	8 Kallang Sector	**87,600**	87,200	**1.32**	1.41
Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	33 years	10 Ang Mo Kio Street 65	**155,100**	154,900	**2.34**	2.50
Wisma Gulab	01 Dec 2004	Freehold	Freehold	–	–	190 MacPherson Road	**83,400**	82,500	**1.26**	1.33
KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	39 years	150 Kampong Ampat	**50,700**	49,000	**0.76**	0.79
KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	39 years	159 Kampong Ampat	**21,700**	21,700	**0.33**	0.35
Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang Timor	**90,700**	90,500	**1.37**	1.46
Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	37 years	1 Kaki Bukit View	**152,900**	152,500	**2.30**	2.46
1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang	**25,000**	24,800	**0.38**	0.40
30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[a]	31 Dec 2063[a]	44 years[a]	30 Tampines Industrial Avenue 3	**37,800**	37,400	**0.57**	0.61
138 Depot Road	15 Mar 2006	Leasehold	60 years[a]	30 Nov 2064[a]	45 years[a]	138 Depot Road	**66,900**	65,600	**1.01**	1.06
2 Changi South Lane	01 Feb 2007	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	2 Changi South Lane	**38,300**	37,000	**0.58**	0.60
CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	9 Serangoon North Avenue 5	**24,300**	24,100	**0.37**	0.39
Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	31 years	2 Corporation Road	**123,800**	123,800	**1.86**	2.00
31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[a]	28 Feb 2050[a]	31 years[a]	31 Ubi Road 1	**32,100**	31,700	**0.48**	0.51
Hyflux Innovation Centre	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	49 years	80 Bendemeer Road	**212,300**	212,300	**3.20**	3.43
Schneider Electric Building (formerly known as "50 Kallang Avenue")	27 Feb 2006	Leasehold	60 years	15 Nov 2055	36 years	50 Kallang Avenue	**91,600**	90,000	**1.38**	1.45
10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	36 years[a]	10 Toh Guan Road	**129,000**	128,900	**1.94**	2.08
Total Singapore High-Specifications Industrial Properties & Data Centres							**2,191,500**	2,174,600	**33.00**	35.11

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT
AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
SINGAPORE										
Light Industrial Properties & Flatted Factories										
Flatted Factories										
Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	33 years	Blk 4008-4012 Ang Mo Kio Avenue 10	**144,600**	144,300	**2.18**	2.33
Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	33 years	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	**189,900**	189,800	**2.86**	3.06
Light Industrial Properties										
OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	38 years	65 Ubi Avenue 1	**39,500**	39,500	**0.59**	0.64
41 Changi South Avenue 2[ii]	13 Oct 2003	Leasehold	60 years[a]	28 Feb 2055[a]	36 years[a]	41 Changi South Avenue 2	**–**	11,600	**–**	0.19
12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[a]	15 Jan 2056[a]	37 years[a]	12 Woodlands Loop	**28,200**	28,200	**0.42**	0.46
25 Changi South Street 1	26 Nov 2004	Leasehold	60 years[a]	30 Sep 2057[a]	38 years[a]	25 Changi South Street 1	**19,900**	21,600	**0.30**	0.35
247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	32 years	247 Alexandra Road	**66,000**	66,000	**0.99**	1.07
5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	30 years	5 Tai Seng Drive	**22,400**	19,900	**0.34**	0.32
35 Tampines Street 92	01 Dec 2004	Leasehold	60 years[a]	31 Jan 2052[a]	33 years[a]	35 Tampines Street 92	**12,600**	12,600	**0.19**	0.20
53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	53 Serangoon North Avenue 4	**13,500**	13,900	**0.21**	0.22
3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	30 years	3 Tai Seng Drive	**20,600**	19,100	**0.31**	0.31
27 Ubi Road 4	01 Apr 2005	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	27 Ubi Road 4	**12,500**	12,500	**0.19**	0.20
52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[a]	15 Sep 2055[a]	36 years[a]	52 Serangoon North Avenue 4	**21,800**	21,800	**0.33**	0.35
202 Kallang Bahru	04 Apr 2005	Leasehold	60 years	15 Jan 2041	22 years	202 Kallang Bahru	**18,500**	19,000	**0.28**	0.31
25 Ubi Road 4	16 May 2005	Leasehold	60 years[a]	29 Feb 2056[a]	37 years[a]	25 Ubi Road 4	**8,700**	10,300	**0.13**	0.17
Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[a]	30 Nov 2049[a]	30 years[a]	11 Tampines Street 92	**24,200**	24,100	**0.36**	0.39
Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	14 years	455A Jalan Ahmad Ibrahim	**8,800**	7,200	**0.13**	0.12
37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[a]	31 Aug 2054[a]	35 years[a]	37A Tampines Street 92	**15,900**	15,600	**0.24**	0.25
Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[a]	28 Feb 2065[a]	46 years[a]	11 Changi North Rise	**41,000**	41,000	**0.62**	0.66
Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[f]	30 Jun 2047[f]	28 years[f]	21 Changi North Rise	**12,000**	12,000	**0.18**	0.19
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	37 years[a]	150 Ubi Avenue 4	**18,500**	18,400	**0.28**	0.30
2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	37 years[a]	2 Senoko South Road	**39,000**	37,200	**0.59**	0.60
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	38 years[a]	18 Woodlands Loop	**33,400**	30,300	**0.50**	0.49
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	35 years[a]	9 Woodlands Terrace	**3,600**	3,500	**0.05**	0.06
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	37 years[a]	11 Woodlands Terrace	**4,600**	4,600	**0.07**	0.07
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	25 years[a]	1 Senoko Avenue	**91,100**	87,100	**1.37**	1.40
8 Loyang Way 1	05 May 2008	Leasehold	30 years[g]	15 Jul 2052[g]	33 years[g]	8 Loyang Way 1	**23,600**	23,600	**0.36**	0.38
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	36 years[a]	31 Joo Koon Circle	**18,800**	18,700	**0.28**	0.30
Total Singapore Light Industrial Properties & Flatted Factories							**953,200**	953,400	**14.35**	15.39

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
SINGAPORE										
Logistics & Distribution Centres										
20 Tuas Avenue 1[iii]	19 Feb 2004	Leasehold	58 years[b]	31 Aug 2056[b]	37 years[b]	20 Tuas Avenue 1	**86,400**	–	**1.30**	–
LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	37 years	3 Changi North Street 2	**50,600**	49,800	**0.76**	0.80
Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[a]	15 Oct 2050[a]	31 years[a]	19 Loyang Way	**78,600**	80,800	**1.18**	1.30
4 Changi South Lane	31 May 2004	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	4 Changi South Lane	**26,000**	26,500	**0.39**	0.43
40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[d]	31 Dec 2049[d]	30 years[d]	40 Penjuru Lane	**241,500**	243,000	**3.64**	3.92
Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[a]	31 May 2054[a]	35 years[a]	3 Changi South Street 2	**35,600**	34,500	**0.54**	0.56
20 Tuas Avenue 6	02 Dec 2004	Leasehold	60 years[a]	15 Jul 2050[a]	31 years[a]	20 Tuas Avenue 6	**7,700**	7,400	**0.12**	0.12
Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	6 Changi South Street 2	**24,700**	25,300	**0.37**	0.41
9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[a]	30 Apr 2055[a]	36 years[a]	9 Changi South Street 3	**43,600**	42,600	**0.66**	0.69
5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[a]	15 Dec 2049[a]	30 years[a]	5 Toh Guan Road East	**27,900**	27,300	**0.41**	0.44
Xilin Districentre Building C	05 May 2005	Leasehold	60 years[a]	30 Sep 2054[a]	35 years[a]	7 Changi South Street 2	**29,000**	27,300	**0.44**	0.44
19 & 21 Pandan Avenue	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[e]	31 Jan 2049[e]	30 years[e]	19 & 21 Pandan Avenue	**126,400**	124,400	**1.90**	2.01
1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	39 years	1 Changi South Lane	**47,400**	47,400	**0.71**	0.76
Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[a]	15 May 2053[a]	34 years[a]	2 Clementi Loop	**31,500**	32,000	**0.47**	0.52
11 Changi North Way	18 Nov 2005	Leasehold	60 years[a]	15 Nov 2063[a]	44 years[a]	11 Changi North Way	**17,400**	16,800	**0.26**	0.27
21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[a]	30 Sep 2055[a]	36 years[a]	21 Jalan Buroh	**76,500**	75,900	**1.15**	1.23
21 Changi South Avenue 2	19 Mar 2008	Leasehold	60 years[a]	30 Sep 2054[a]	35 years[a]	21 Changi South Avenue 2	**21,000**	22,300	**0.32**	0.36
15 Changi North Way	29 Jul 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	15 Changi North Way	**41,700**	39,700	**0.63**	0.64
Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	17 years	15 Pioneer Walk	**122,500**	119,800	**1.84**	1.93
71 Alps Avenue	02 Sep 2009	Leasehold	60 years[a]	14 Aug 2068[a]	49 years[a]	71 Alps Avenue	**21,800**	21,600	**0.33**	0.35
90 Alps Avenue	20 Jan 2012	Leasehold	60 years[a]	22 Oct 2070[a]	51 years[a]	90 Alps Avenue	**51,800**	50,500	**0.79**	0.82
Total Singapore Logistics & Distribution Centres							**1,209,600**	1,114,900	**18.21**	18.00
Total Singapore investment properties							**8,769,500**	8,625,500	**132.04**	139.25

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INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
AUSTRALIA										
Logistics & Distribution Centres										
Logistics & Distribution Centres (Sydney, New South Wales)										
484 – 490 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	484-490 Great Western Highway, Arndell Park	**19,912**	22,293	**0.30**	0.36
494 – 500 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	494-500 Great Western Highway, Arndell Park	**35,745**	37,492	**0.54**	0.61
1A & 1B Raffles Glade^	18 Nov 2015	Freehold	Freehold	–	–	1A & 1B Raffles Glade, Eastern Creek	**42,702**	41,545	**0.64**	0.67
7 Grevillea Street^	18 Nov 2015	Freehold	Freehold	–	–	7 Grevillea Street, Eastern Creek	**123,309**	122,103	**1.86**	1.97
5 Eucalyptus Place^	18 Nov 2015	Freehold	Freehold	–	–	5 Eucalyptus Place, Eastern Creek	**27,589**	27,359	**0.42**	0.44
16 Kangaroo Avenue^	18 Nov 2015	Freehold	Freehold	–	–	16 Kangaroo Avenue, Eastern Creek	**38,144**	37,492	**0.57**	0.61
1-15 Kellet Close^	18 Nov 2015	Freehold	Freehold	–	–	1-15 Kellet Close, Erskine Park	**46,541**	44,079	**0.70**	0.71
94 Lenore Drive^	18 Nov 2015	Freehold	Freehold	–	–	94 Lenore Drive, Erskine Park	**37,185**	39,519	**0.56**	0.64
1 Distribution Place^	18 Nov 2015	Freehold	Freehold	–	–	1 Distribution Place, Seven Hills	**26,629**	28,879	**0.40**	0.47
6-20 Clunies Ross Street	22 Feb 2016	Freehold	Freehold	–	–	6-20 Clunies Ross Street, Pemulway	**80,606**	85,117	**1.21**	1.37
Logistics & Distribution Centres (Melbourne, Victoria)										
676-698 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	676-698 Kororoit Creek Road, Altona North	**62,374**	56,745	**0.94**	0.92
700-718 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	700-718 Kororoit Creek Road, Altona North	**34,546**	34,351	**0.52**	0.55
14-28 Ordish Road^	18 Nov 2015	Freehold	Freehold	–	–	14-28 Ordish Road, Dandenong South	**42,222**	44,484	**0.64**	0.72
35-61 South Park Drive^	18 Nov 2015	Freehold	Freehold	–	–	35-61 South Park Drive, Dandenong South	**40,879**	39,367	**0.62**	0.63
2-16 Aylesbury Drive^	18 Nov 2015	Freehold	Freehold	–	–	2-16 Aylesbury Drive, Altona	**18,328**	18,391	**0.28**	0.30
81-89 Drake Boulevard^	18 Nov 2015	Freehold	Freehold	–	–	81-89 Drake Boulevard, Altona	**15,162**	15,503	**0.23**	0.25
9 Andretti Court^	18 Nov 2015	Freehold	Freehold	–	–	9 Andretti Court, Truganina	**29,748**	27,967	**0.45**	0.45
31 Permas Way^	18 Nov 2015	Freehold	Freehold	–	–	31 Permas Way, Truganina	**57,576**	54,718	**0.87**	0.88
162 Australis Drive^	18 Nov 2015	Freehold	Freehold	–	–	162 Australis Drive, Derrimut	**25,909**	25,333	**0.39**	0.41
52 Fox Drive	03 Apr 2017	Freehold	Freehold	–	–	52 Fox Drive, Dandenong South	**26,869**	26,852	**0.40**	0.43
169-177 Australis Drive[iv]	04 Jun 2018	Freehold	Freehold	–	–	169-177 Australis Drive, Derrimut	**33,586**	–	**0.50**	–
1314 Ferntree Gully Road[v]	26 Jun 2018	Freehold	Freehold	–	–	1314 Ferntree Gully Road, Scoresby	**15,354**	–	**0.22**	–
Balance carried forward – (Logistics & Distribution Centres)							**880,915**	829,589	**13.26**	13.39

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT
AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
AUSTRALIA										
Logistics & Distribution Centres (continued)										
Balance brought forward – (Logistics & Distribution Centres)							**880,915**	829,589	**13.26**	13.39
Logistics & Distribution Centres (Brisbane, Queensland)										
62 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	62 Sandstone Place, Parkinson	**20,679**	23,179	**0.31**	0.37
92 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	92 Sandstone Place, Parkinson	**22,455**	24,725	**0.34**	0.40
62 Stradbroke Street^	23 Oct 2015	Freehold	Freehold	–	–	62 Stradbroke Street, Heathwood	**35,025**	36,859	**0.53**	0.60
82 Noosa Street^	23 Oct 2015	Freehold	Freehold	–	–	82 Noosa Street, Heathwood	**54,457**	59,075	**0.82**	0.95
95 Gilmore Road^	23 Oct 2015	Freehold	Freehold	–	–	95 Gilmore Road, Berrinba	**81,086**	85,751	**1.22**	1.39
77 Logistics Place^	18 Nov 2015	Freehold	Freehold	–	–	77 Logistics Place, Larapinta	**25,237**	27,055	**0.38**	0.44
99 Radius Drive^	18 Nov 2015	Freehold	Freehold	–	–	99 Radius Drive, Larapinta	**24,518**	25,991	**0.37**	0.42
1-7 Wayne Goss Drive[vi]	07 Sep 2018	Freehold	Freehold	–	–	1-7 Wayne Goss Drive, Berrinba	**25,909**	–	**0.39**	–
Cargo Business Park[vii]	17 Sep 2018	Freehold	Freehold	–	–	56 Lavarack Ave, Eagle Farm	**32,291**	–	**0.49**	–
Logistics & Distribution Centres (Perth, Western Australia)										
35 Baile Road^	23 Oct 2015	Freehold	Freehold	–	–	35 Baile Road, Canning Vale	**37,424**	37,999	**0.56**	0.61
Total Australia Logistics & Distribution Centres							**1,239,996**	1,150,223	**18.67**	18.57
Suburban Offices										
Suburban Offices (Sydney, New South Wales)										
197-201 Coward Street	09 Sep 2016	Freehold	Freehold	–	–	197-201 Coward Street, Mascot	**162,172**	158,075	**2.44**	2.55
Suburban Offices (Brisbane, Queensland)										
100 Wickham	25 Sep 2017	Freehold	Freehold	–	–	100 Wickham Street, Fortitude Valley	**68,610**	83,597	**1.03**	1.35
108 Wickham	22 Dec 2017	Freehold	Freehold	–	–	108 Wickham Street, Fortitude Valley	**90,202**	101,583	**1.36**	1.64
Total Australia Suburban Offices							**320,984**	343,255	**4.83**	5.54
Total Australia investment properties							**1,560,980**	1,493,478	**23.50**	24.11

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
UNITED KINGDOM										
Logistics & Distribution Centres (East England)										
Market Garden Road[x]	16 Aug 2018	Freehold	Freehold	–	–	Market Garden Road, Stratton Business Park, Biggleswade	**37,128**	–	**0.56**	–
Logistics & Distribution Centres (East Midlands)										
Common Road, Fullwood Industrial Estate[x]	16 Aug 2018	Freehold	Freehold	–	–	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	**35,802**	–	**0.54**	–
Unit 1-5, Export Drive[x]	16 Aug 2018	Freehold	Freehold	–	–	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	**2,917**	–	**0.04**	–
Logistics & Distribution Centres (North West England)										
Astmoor Road[x]	16 Aug 2018	Freehold	Freehold	–	–	Astmoor Road, Astmoor Industrial Estate, Runcorn	**51,714**	–	**0.79**	–
Transpennine 200[x]	16 Aug 2018	Freehold	Freehold	–	–	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	**15,028**	–	**0.23**	–
Leacroft Road[xi]	04 Oct 2018	Freehold	Freehold	–	–	Leacroft Road, Birchwood, Warrington	**9,459**	–	**0.16**	
Hawleys Lane[xi]&[xii]	04 Oct 2018	965 Years	Leasehold	22 Nov 2962	943 Years	Hawleys Lane, Warrington	**43,139**	–	**0.65**	–
8 Leacroft Road[xi]	04 Oct 2018	Freehold	Freehold	–	–	8 Leacroft Road, Birchwood, Warrington	**12,376**	–	**0.19**	–
Logistics & Distribution Centres (South East England)										–
Howard House[ix]&[x]	16 Aug 2018	999 Years	Leasehold	28 Nov 3004	985 Years	Howard House, Howard Way, Interchange Park, Newport Pagnell	**55,869**	–	**0.84**	–
Units 1-2, Tower Lane[x]	16 Aug 2018	Freehold	Freehold	–	–	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	**20,332**	–	**0.31**	–
Lodge Road[xi]	04 Oct 2018	Freehold	Freehold	–	–	Lodge Road, Staplehurst, Kent	**22,718**	–	**0.34**	–
Logistics & Distribution Centres (West Midlands)										–
Eastern Avenue[x]	16 Aug 2018	Freehold	Freehold	–	–	Eastern Avenue, Derby Road, Burton-on-Trent	**25,990**	–	**0.39**	–
Vernon Road[x]	16 Aug 2018	Freehold	Freehold	–	–	Vernon Road, Stoke-on-Trent	**30,454**	–	**0.46**	–
1 Sun Street[xi]	04 Oct 2018	Freehold	Freehold	–	–	1 Sun Street, Wolverhampton	**43,935**	–	**0.66**	–
The Triangle, North view[xi]	04 Oct 2018	Freehold	Freehold	–	–	The Triangle, North View, Walsgrave, Coventry	**46,410**	–	**0.70**	–
Unit 103, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 103, Pointon Way, Stonebridge Cross Business Park, Droitwich	**2,298**	–	**0.03**	–
Unit 302, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	**36,598**	–	**0.55**	–
Balance carried forward – (Logistics & Distribution Centres)							**492,167**	–	**7.44**	–

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
UNITED KINGDOM										
Balance brought forward – (Logistics & Distribution Centres)							**492,167**	–	**7.44**	–
Logistics & Distribution Centres (West Midlands) (continued)										
Unit 401, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	**10,873**	–	**0.16**	–
Unit 402, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	**8,221**	–	**0.12**	–
Unit 404, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	**8,310**	–	**0.13**	–
Unit 1, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	**43,493**	–	**0.65**	–
Unit 2, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	**29,437**	–	**0.45**	–
Unit 3, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	**43,581**	–	**0.66**	–
Unit 4, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	**10,696**	–	**0.16**	–
Unit 5, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	**12,288**	–	**0.19**	–
Unit 8, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	**21,658**	–	**0.32**	–
Unit 13, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	**9,680**	–	**0.15**	–
Unit 14, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	**14,321**	–	**0.21**	–
Unit 16, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	**3,050**	–	**0.04**	–
Unit 17, Wellesbourne Distribution Park[ix]	04 Oct 2018	Freehold	Freehold	–	–	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	**2,122**	–	**0.03**	–
Unit 18, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	**1,591**	–	**0.02**	–
Unit 19, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	**2,077**	–	**0.03**	–
Unit 20, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	**4,243**	–	**0.06**	–
Unit 21, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 21, Wellesbourne Distribution Pwark, Wellesbourne, Warwick	**5,304**	–	**0.08**	–
Balance carried forward – (Logistics & Distribution Centres)							**723,112**	–	**10.90**	–

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	31/3/2019	31/3/2018
							$'000	$'000	%	%
UNITED KINGDOM										
Balance brought forward – (Logistics & Distribution Centres)							**723,112**	–	**10.90**	–
***Logistics & Distribution Centres* (Yorkshire and the Humber)**										–
12 Park Farm Road[x][&][viii]	16 Aug 2018	999 Years	Leasehold	25 Mar 2998	979 Years	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	**19,448**	–	**0.29**	–
Units 1a, 1b, 2 & 3, Upwell Street, Victory Park[x]	16 Aug 2018	Freehold	Freehold	–	–	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	**30,763**	–	**0.46**	
Unit 3, Brookfields Way[x]	16 Aug 2018	Freehold	Freehold	–	–	Unit 3, Brookfields Way, Rotherham	**22,100**	–	**0.33**	–
Lowfields Way, Lowfields Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	**18,034**	–	**0.27**	–
Total United Kingdom investment properties							**813,457**	–	**12.25**	–
Total Group's investment properties							**11,143,937**	10,118,978	**167.79**	163.36
Investment properties under development (Note 5)							**91,595**	95,463	**1.38**	1.54
Investment property held for sale (Note 11)							**–**	20,300	**–**	0.33
Other assets and liabilities (net)							**(4,289,539)**	(3,736,045)	**(64.59)**	(60.32)
Net assets of the Group							**6,945,993**	6,498,696	**104.58**	104.91
Perpetual securities							**(304,382)**	(304,382)	**(4.58)**	(4.91)
Non-controlling interests							**–**	(4)	**–**	–
Net assets attributable to Unitholders							**6,641,611**	6,194,310	**100.00**	100.00

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

Independent valuations for 171 (2018: 131) properties including investment properties, investment properties under development and investment property held for sale were undertaken by the following valuers on the dates stated below:

Valuers	2019 Valuation date	2018 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	**31 March 2019**	31 March 2018
CBRE Pte. Ltd.	**31 March 2019**	31 March 2018
Edmund Tie & Company (SEA) Pte Ltd	**31 March 2019**	31 March 2018
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	**31 March 2019**	31 March 2018
Jones Lang LaSalle Property Consultants Pte Ltd	**31 March 2019**	31 March 2018
Knight Frank Pte Ltd	**31 March 2019**	31 March 2018
Knight Frank LLP	**31 March 2019**	–
Jones Lang LaSalle Advisory Services Pty Ltd	**31 March 2019**	–
Knight Frank Valuations	**–**	31 March 2018

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT
AS AT 31 MARCH 2019

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 2019, the valuations adopted for investment properties amounted to $11,143.9 million (2018: $10,119.0 million). The net fair value gain on investment properties and investment properties under development recognised in Statement of Total Return is $29.3 million (2018: Gain of $3.8 million).

(i) The land titles of both The Aries and The Gemini have been amalgamated subsequent to the completion of asset enhancement works for Sparkle, a link block connecting the two buildings.

(ii) The divestment of 41 Changi South Avenue 2 was completed on 20 August 2018.

(iii) The redevelopment of 20 Tuas Avenue 1 was completed in April 2018. It was classified as investment properties under development as at 31 March 2018.

(iv) 169-177 Australis Drive, Derrimut, a Logistics & Distribution Centre located in Australia was acquired on 4 June 2018.

(v) 1314 Ferntree Gully Road, Scoresby, a Logistics & Distribution Centre located in Australia was acquired on 26 June 2018.

(vi) 1-7 Wayne Goss Drive, Berrinba, was recorded as investment properties under development as at 31 March 2018. It was completed and transferred to investment properties on 7 September 2018.

(vii) Cargo Business Park, Eagle Farm, a Logistics & Distribution Centre located in Australia was acquired on 17 September 2018.

(viii) Leasehold for a term of 999 years from 26 March 1999 to 25 March 2998.

(ix) Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.

(x) The 12 logistics properties in the UK were acquired on 16 August 2018.

(xi) The 26 logistics properties in the UK were acquired on 4 October 2018.

(xii) Leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.

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

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

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

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

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

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

(g) 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.

^ These properties were pledged as securities in relation to the syndicated term loans from Australian banks for the financial year ended 31 March 2019 and 2018.

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	2018 $'000
Cash flows from operating activities			
Total return for the year before tax		**517,474**	496,921
Adjustments for:			
Finance costs	23	**126,488**	109,842
Management fees paid/payable in Units	21	**10,873**	10,139
(Reversal)/provision of impairment loss on doubtful receivables	10	**(10)**	10
Write-off of receivables		**30**	–
Net change in fair value of financial derivatives		**(22,197)**	(9,805)
Finance income	23	**(10,448)**	(9,081)
Net foreign exchange differences		**11,093**	(7,275)
Gain from disposal of investment properties		**(5,088)**	(5,309)
Net change in fair value of investment properties		**(29,304)**	(3,800)
Share of joint venture's results		**(493)**	(514)
Operating income before working capital changes		**598,418**	581,128
Changes in working capital:			
Trade and other receivables		**(3,373)**	10,984
Trade and other payables		**23,117**	(28,548)
Cash generated from operating activities		**618,162**	563,564
Income tax paid		**(5,729)**	(24,677)
Net cash generated from operating activities		**612,433**	538,887
Cash flows from investing activities			
Acquisition of investment properties	(A)	**(914,244)**	(206,643)
Payment for capital improvement on investment properties		**(66,162)**	(77,630)
Payment for investment properties under development		**(109,888)**	(55,088)
Payment of deferred sum payable for an investment property		**–**	(20,000)
Proceeds from disposal of investment properties		**37,580**	60,760
Dividend received from joint venture	9	**514**	517
Interest received		**24,413**	22,971
Net cash used in investing activities		**(1,027,787)**	(275,113)

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	2018 $'000
Cash flows from financing activities			
Proceeds from issue of Units through equity fund raising		**452,138**	–
Unit issue costs paid		**(3,970)**	–
Distributions paid to Unitholders		**(463,083)**	(294,585)
Distributions paid to perpetual securities holders		**(14,250)**	(14,250)
Finance costs paid		**(128,650)**	(118,388)
Transaction costs paid in respect of borrowings		**(7,407)**	(1,633)
Proceeds from borrowings		**2,311,699**	1,103,111
Repayment of borrowings		**(1,702,070)**	(982,319)
Net cash received/(used in) financing activities		**444,407**	(308,064)
Net increase/(decrease) in cash and cash equivalents		**29,053**	(44,290)
Cash and cash equivalents at beginning of the financial year	12	**(22,949)**	22,000
Effect of exchange rate changes on cash balances		**(1,183)**	(659)
Cash and cash equivalents at end of the financial year	12	**4,921**	(22,949)

Notes:

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

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

	Group 2019 $'000	2018 $'000
Investment properties (including acquisition costs) (Note 4)	**919,491**	232,139
Trade and other receivables	**6,063**	–
Trade and other payables	**(9,793)**	–
Provision for taxation	**(656)**	–
Deferred tax liabilities	**(861)**	–
Net identifiable assets acquired	**914,244**	232,139
Total consideration	**914,244**	232,139
Less: prepaid deposits	**–**	(25,496)
Net cash outflow	**914,244**	206,643

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

YEAR ENDED 31 MARCH 2019

(B) Significant non-cash transactions

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,540,000 were issued at issue prices ranging from $2.5731 to $2.6584 per unit for the payment of 20% base management fee to the Manager in Units.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manager at an issue price of $2.8126 per unit. The issuance of Units was for the payment of 1% development management fee for the $84.0 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

During the financial year ended 31 March 2018:

- 3,736,735 new Units amounting to $9,995,000 were issued at issue prices ranging from $2.6734 to $2.6761 per unit for the payment of 20% base management fee to the Manager in Units.

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

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 21 May 2019.

1. GENERAL

Ascendas Real Estate Investment Trust (the "Trust" or "Ascendas Reit") 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, the First Amending and Restating Deed dated 11 June 2008, 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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017 and the Fifteenth Supplemental Deed dated 20 August 2018 (collectively, the "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 mission to deliver predictable distributions and achieve long-term capital stability for Unitholders. The principal activities of the subsidiaries are set out in Note 8.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in an equity-accounted investee.

The Group has entered into several service agreements in relation to the management of the Group and its property operations.

The fees structures of these services are as follows:

1.1 Trustee fee

Trustee 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. The Trustee 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.

1. GENERAL (CONTINUED)

1.2 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 ("DPU") 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 comparable services is materially lower, the Manager will reduce the development management fee 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 1 April 2014, the Manager has improved the basis of determining management fees by excluding derivative assets and investment properties under development from the computation of Deposited Property (the "Adjusted Deposited Property").

The Manager will also unilaterally waive part of its performance fee to ensure equitable distribution of the growth in distributable income such that any increase in DPU (which is calculated before accounting for the performance fee) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the performance fee. In addition, the performance fee payable will be based on 0.1% per annum, or as the case may be, 0.2% per annum of the Adjusted Deposited Property instead of the Deposited Property.

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 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.

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties)

(i) Property management services

For property management services, the Group will pay Ascendas Services Pte Ltd ("ASPL") (the "Property Manager"), a fee of 2.0% per annum of the adjusted gross revenue of each property, managed by the Property Manager, and in the event that the Property Manager only manages such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Property Manager manages such property divided by the number of days in such year.

(ii) Marketing services

For marketing services, the Group will pay the Property Manager the following commissions, subject to a refund of 50.0% of the commission paid to the Property Manager 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 Manager 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 Manager 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 Manager shall pay to the third party agent the same fees as stated above. Prior approval of the Manager is required for the Property Manager 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 Manager as the commissions payable to such third party agents shall be paid out of the Property Manager's fee; and
- an administrative charge of 20.0% of the commission is payable to the Manager or the Property Manager 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 Manager.

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(iii) Project management services

For project management services, the Group will pay the Property Manager 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;
- 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.

For purpose of calculating the fees payable to the Property Manager, 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.

(iv) Energy audit services

For energy audit services, the Group will pay the Property Manager $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property (being the base energy audit fee). 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 (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees:

- in relation to the car parks located at certain 33 properties as set out in the property management agreement ("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.

1.4 Fees under the lease management agreement (for the Singapore properties)

(i) Lease management services

For lease management services, the Group will pay the Manager or its nominees (as the Manager may direct), a fee of 1.0% per annum of the adjusted gross revenue 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. GENERAL (CONTINUED)

1.4 Fees under the lease management agreement (for the Singapore properties) (continued)

(i) Lease management services (continued)

- 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.

(ii) Property tax services

For property tax services, 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;
- 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; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million.

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.

1. GENERAL (CONTINUED)

1.5 Fees under the strategic and asset management agreements (for the Australia properties)

For strategic management services, the Group will pay Ascendas Funds Management (Australia) Pty Ltd ("AFMA"), a wholly owned subsidiary of the Manager, a strategic management fee of 1.0% per annum of the adjusted gross revenue of each property.

For asset management services, the Group will pay AFMA an asset management fee (to be mutually agreed between the Group and AFMA) under the asset management agreement. To the extent that the asset management fees payable to AFMA exceeds the fees charged to AFMA by third-party licensed real estate agents and results in a net positive balance for any financial year to AFMA (an "Excess"), the fees payable to AFMA under the strategic management agreement will be reduced by the Excess such that the total fee payable to AFMA under both the strategic management agreement and the asset management agreement, after taking into consideration the fees charged by the third-party licensed real estate agents, will not exceed the aggregate fee of 1.0% per annum of the adjusted gross revenue of the properties for which strategic management services and asset management services are provided.

1.6 Fees under the asset and lease management agreements [for the United Kingdom (the "UK") properties]

The Group appointed Ascendas Investment Pte Ltd ("AIPL") as the asset manager for a term of approximately four years till 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the UK, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time. In connection with the foregoing, the Manager, the Trustee and AIPL entered into a master asset and lease management agreement (the "Master ALMA").

Pursuant to the Master ALMA, individual asset and lease management agreements (the "Individual ALMAs", together with the Master ALMA, the "ALMAs") were entered into by each underlying asset holding company with Ascendas Management (UK) Ltd ("AMUK"), a wholly-owned subsidiary of AIPL, to appoint AMUK as the asset manager for the UK properties for a term of approximately four years till 30 September 2022.

In consideration of AMUK providing the asset management services under the ALMAs, the Group will pay AMUK an asset management fee of 0.4% per annum of the Deposited Property. The payment of the asset management fee will reduce the base management fees payable to the Manager described under 1.2 (i) correspondingly, such that there is no double-counting of the payment of the asset management fees under the asset and lease management agreements and the payment of base management fees to the Manager.

For lease management services, the Group will pay AMUK a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the UK.

2. BASIS OF PREPARATION

2.1 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. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Functional and presentation currency

The financial statements are presented in Singapore dollars ("SGD"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.3 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, investment property held for sale, investment properties under development and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

As at 31 March 2019, the Group and the Trust's current liabilities exceed its current assets by $728.9 million (2018: $1,026.6 million) and $747.0 million (2018: $753.1 million) respectively. Notwithstanding the net current liabilities position, based on the Group and the Trust's existing financial resources, the Manager is of the opinion that the Group and the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.4 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, expenses and the disclosure of contingent liabilities at the end of each reporting period. 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.

Information about significant areas of estimation that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 30 (d) – Valuation of investment properties
- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation 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 in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 30 (d) – Valuation of investment properties
- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies

Revised standards

The Group has applied the principles relating to the recognition and measurement of the following FRSs for the first time for the annual period beginning on 1 April 2018:

- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*

The adoption of these principles did not have a material effect on the Group's and the Trust's financial statements.

FRS 109 *Financial Instruments*

Classification and measurement of financial assets and financial liabilities

For an explanation of how the Group classifies and measures financial assets and related gains and losses under the principles of FRS 109, refer to note 3.7.

The adoption of these principles did not have a material effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under the principles of FRS 39 and the new measurement categories under the principles of FRS 109 for each class of the Group's and the Trust's financial assets and financial liabilities as at 1 April 2018.

	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Group				
Financial assets				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	9,948	9,948
Trade and other receivables[i]	Loans and receivables	Amortised cost	21,720	21,720
Finance lease receivables	Loans and receivables	Amortised cost	55,628	55,628
Cash and fixed deposits	Loans and receivables	Amortised cost	25,016	25,016
			112,312	112,312

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies (continued)

	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Group (continued)				
Financial liabilities				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	(63,539)	(63,539)
Trade and other payables[ii]	Other financial liabilities	Other financial liabilities	(123,122)	(123,122)
Security deposits	Other financial liabilities	Other financial liabilities	(120,080)	(120,080)
Loans and borrowings – Gross	Other financial liabilities	Other financial liabilities	(3,524,924)	(3,524,924)
			(3,831,665)	(3,831,665)
Trust				
Financial assets				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	9,888	9,888
Loans to subsidiaries	Loans and receivables	Amortised cost	269,538	269,538
Trade and other receivables[i]	Loans and receivables	Amortised cost	24,573	24,573
Finance lease receivables	Loans and receivables	Amortised cost	55,628	55,628
Cash and fixed deposits	Loans and receivables	Amortised cost	3,860	3,860
			363,487	363,487
Financial liabilities				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	(59,629)	(59,629)
Trade and other payables[ii]	Other financial liabilities	Other financial liabilities	(122,252)	(122,252)
Security deposits	Other financial liabilities	Other financial liabilities	(118,581)	(118,581)
Loans and borrowings – Gross	Other financial liabilities	Other financial liabilities	(2,953,076)	(2,953,076)
			(3,253,538)	(3,253,538)

(i) Excludes prepayments.
(ii) Excludes rental received in advance and GST/Value Added Tax ("VAT") payable.

3. SUMMARY OF 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 which address changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. 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 adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset measured at fair value depending on the level of influence retained.

Investment in joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

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. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Interest in subsidiaries and joint venture are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 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, which are recognised in Unitholders' funds.

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.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in Unitholders' funds. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties and investment properties under development

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 under development include properties that are being constructed or developed for future use as investment properties.

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.

3.4 Investment property held for sale

Investment properties that are expected to be recovered primarily through disposal rather than through continued use, are classified as investment property held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

3.5 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Plant and equipment (continued)

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.

3.6 Leases

(i) Operating lease

Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.14. Contingent rents are recognised as revenue in the period in which they are earned.

Lessee

Payments made under operating leases (net of any incentives received from the lessor) are recognised in the Statement of Total Return on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Lessor

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 Statement of Financial Position. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments

The accounting for financial instruments before 1 April 2018 are as follows:

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the Statement of Total Return when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Statement of Total Return.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Total Return when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

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 in its fair value are recognised in the Statement of Total Return.

The accounting for financial instruments from 1 April 2018 are as follows:

(i) Financial assets

Classification and measurement

The Group classifies its non-derivative financial assets at amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised costs are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in the Statement of Total Return using the effective interest method.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Total Return when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment

(i) Financial assets

The accounting for financial instruments before 1 April 2018 are as follows:

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 credit 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 to the extent that the carrying amount of the assets does not exceed its amortised cost at the reversal date.

The accounting for financial instruments from 1 April 2018 are as follows:

The Group recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Group are measured on either of the following bases:

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument; or

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(i) Financial assets (continued)

Simplified approach

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

General approach

For other financial assets at amortised costs, the Group applies the general approach to provide for ECLs. Under the general approach, the loss allowance is measured at an amount equal to 12-months ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments which are 1 to 90 days past due or there is significant financial difficulty of the counterparty.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(i) Financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

The Group determined that its financial assets are credit-impaired when:

- there is significant financial difficulty of the debtor
- a breach of contract, such as a default or past due event
- it is becoming probable that the debtor will enter bankruptcy or another financial reorganisation

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

(ii) Non-financial assets

The carrying amounts of Group's non-financial assets, other than investment properties, investment property held for sale 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.

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 of disposal. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(ii) Non-financial assets (continued)

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.

3.9 Taxation

(i) Current tax 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 or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the liability method in respect of 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; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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 that are measured at fair value in Singapore, Australia and the UK the presumption that the carrying amounts will be recovered through sale has not been rebutted. 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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

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 the 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);

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

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% has been extended to 31 March 2020.

(ii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3.11 Distribution policy

The Trust's distribution policy is to distribute 100% of its taxable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains. Distributions are made semi-annually, for the six months ending 30 September and 31 March each year. Income from the overseas subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax payable, at the discretion of the Manager.

3.12 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders funds.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Perpetual securities

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity.

The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.14 Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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.

3.15 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 in Singapore, strategic and asset management agreement in Australia and ALMAs in the UK which are based on the applicable formula stipulated in Note 1.3 to Note 1.6 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 1.2.

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee fee which is based on the applicable formula stipulated in Note 1.1.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Finance costs

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.

3.17 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.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.19 New standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard which means lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT-FRS 104 Determining whether an Arrangement contains a Lease, INT-FRS 115 Operating Leases – Incentives and INT-FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 New standards and interpretations not adopted (continued)

FRS 116 *Leases* (continued)

The Group and the Trust plan to apply the principles of FRS 116 initially on 1 April 2019, using the modified retrospective approach and will not restate comparative amounts for the year prior to the first adoption. ROU for land leases will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The Group and the Trust plan to apply the practical expedient for the definition of a lease on transition. This means the principles of FRS 116 will be applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with the principles of FRS 17 and INT-FRS 104.

The Group and the Trust as lessee

The Group and the Trust expect to measure lease liabilities by applying a single discount rate to each group of leases of similar characteristics. Furthermore, the Group and the Trust plan to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities on 1 April 2019. Therefore, the application of FRS 116 will have no material impact on the net assets value of the Group and the Trust. For lease contracts that contain the option to renew, the Group and the Trust are expected to use hindsight in determining the lease term.

The Group and the Trust expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under the principles of FRS 116. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at the date of initial application.

The Group and the Trust as lessor

The principles of FRS 116 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group and the Trust continue to classify their leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Group and the Trust will reassess the classification of sub-leases in which the Group or the Trust is a lessor. Based on the information currently available, no significant impact is expected for leases in which the Group or the Trust is a lessor.

4. INVESTMENT PROPERTIES

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
At 1 April	**10,118,978**	9,874,204	**8,625,500**	8,567,210
Acquisition of investment properties	**919,491**	232,139	**–**	–
Transfer from investment properties under development (Note 5)	**112,111**	64,190	**86,400**	64,190
Transfer to investment property held for sale (Note 11)	**–**	(20,300)	**–**	(20,300)
Capital expenditure incurred	**61,946**	83,838	**53,538**	79,793
Disposal of investment properties	**(19,783)**	(54,700)	**(19,783)**	(54,700)
Exchange differences	**(84,966)**	(74,832)	**–**	–
Fair value change	**36,160**	14,439	**23,845**	(10,693)
At 31 March	**11,143,937**	10,118,978	**8,769,500**	8,625,500
Statement of Total Return:				
Fair value change of investment properties	**36,160**	14,439	**23,845**	(10,693)
Fair value change of investment properties under development (Note 5)	**–**	(11,544)	**–**	(11,544)
Effect of lease incentive and marketing fee amortisation	**(6,856)**	905	**(2,983)**	809
Net fair value change on investment properties recognised in the Statement of Total Return (unrealised)	**29,304**	3,800	**20,862**	(21,428)

Details of the properties are shown in the Investment Properties Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating lease or finance lease (Note 19 and Note 27).

As at 31 March 2019, investment properties with an aggregate carrying amount of $1,025,381,000 (2018: $1,038,254,000) have been pledged as collateral for certain term loans taken out by the Group (Note 15).

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2019 and 31 March 2018. Information on the fair value assessment of investment properties is disclosed in Note 30(d).

5. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At 1 April	**95,463**	125,062	**86,400**	125,062
Transfer to investment property (Note 4)	**(112,111)**	(64,190)	**(86,400)**	(64,190)
Capital expenditure incurred	**108,385**	37,072	**91,595**	37,072
Addition	**–**	9,163	**–**	–
Fair value change	**–**	(11,544)	**–**	(11,544)
Exchange differences	**(142)**	(100)	**–**	–
At 31 March	**91,595**	95,463	**91,595**	86,400

As at 31 March 2019, investment properties under development ("IPUD") represented one built-to-suit project in one-north, Singapore, which will be completed in 2020.

As at 31 March 2018, IPUD included the redevelopment project at 20 Tuas Avenue 1 in Singapore and the progress payment made in relation to the fund-through acquisition of a logistics property in Australia. The redevelopment work at 20 Tuas Avenue 1 was completed in April 2018 and the fund-through acquisition was completed in September 2018. Both the two investment properties under development were transferred to the investment properties (Note 4) upon completion.

The carrying amount of investment properties under development is stated at fair value based on internal or external valuation. Information on the fair value assessment of investment properties under development is disclosed in Note 30(d).

6. PLANT AND EQUIPMENT

	Furniture and fixtures $'000	Equipment $'000	Computers and office equipment $'000	Total $'000
Group				
Cost				
At 1 April 2017	2,878	5,827	521	9,226
Divestment of subsidiaries	(26)	(32)	(90)	(148)
At 31 March 2018, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 1 April 2017	2,861	5,810	487	9,158
Depreciation charge for the year	2	4	13	19
Divestment of subsidiaries	(11)	(19)	(69)	(99)
At 31 March 2018, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 31 March 2018 and 31 March 2019	–	–	–	–
Trust				
Cost				
At 1 April 2017, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 1 April 2017, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 31 March 2018 and 31 March 2019	–	–	–	–

7. FINANCE LEASE RECEIVABLES

	2019		2018	
	Carrying amount $'000	**Face value $'000**	Carrying amount $'000	Face value $'000
Group and Trust				
Finance lease receivables				
– Current	**2,688**	**6,376**	2,385	6,251
– Non-current	**50,554**	**72,298**	53,243	78,674
	53,242	**78,674**	55,628	84,925

Finance lease receivables are receivable from the lessees as follows:

	2019			2018		
	Gross receivable $'000	**Unearned interest income $'000**	**Net receivable $'000**	Gross receivable $'000	Unearned interest income $'000	Net receivable $'000
Group and Trust						
Within 1 year	**6,376**	**3,688**	**2,688**	6,251	3,866	2,385
After 1 year but within 5 years	**26,223**	**12,273**	**13,950**	26,279	13,446	12,833
After 5 years	**46,075**	**9,471**	**36,604**	52,395	11,985	40,410
	78,674	**25,432**	**53,242**	84,925	29,297	55,628

The Group has a credit policy in place to monitor lessees' credit rating on an ongoing basis. The lessees would be required to provide a security deposit if the credit rating falls below the agreed terms. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES

	Trust	
	2019	2018
	$'000	$'000
Interests in subsidiaries		
Equity investment, at cost		
At 1 April	**501,864**	459,263
Acquisitions	**38,465**	42,601
At 31 March	**540,329**	501,864
Loans to subsidiaries (Note a)	**638,683**	167,490
	1,179,012	669,354
Loans to subsidiaries		
Loans to subsidiaries (Note b)	**297,000**	269,538

(a) As loans to subsidiaries for both financial years ended 31 March 2019 and 31 March 2018 were, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses. The other loans to subsidiaries were interest free and unsecured. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future.

(b) As at 31 March 2019, loans to subsidiaries bear interest of BBSY+2.3% and BBSW+1.8% (2018: a loan to a subsidiary of BBSY+2.3%) per annum respectively. The interest is payable annually while the payment of principal will be upon maturity in 2021 and 2023.

Details of interests in subsidiaries:

Name of subsidiary	**Principal activity**	**Principal place of business**	**Effective equity held by the Trust**	
			2019	2018
			%	%
(i) Direct subsidiaries				
PLC 8 Holdings Pte. Ltd. ("PLC8H")*	Investment holding	Singapore	**100**	100
Ruby Assets Pte. Ltd.#	To issue debt securities and grant collateral loan to the Trust	Singapore	**–**	–
Ascendas REIT Australia ("ARA")^	Investment holding	Australia	**100**	100
Ascendas REIT (Europe) Pte. Ltd.[@]	Investment holding	Singapore	**100**	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries: (continued)

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries				
PLC 8 Development Pte. Ltd. ("PLC8D")*	Commercial and industrial real estate management	Singapore	**100**	100
Ascendas Logistics Trust ("ALT")^	Investment holding	Australia	**100**	100
Ascendas Logistics Trust 2 ("ALT2")^	Investment holding	Australia	**100**	100
Ascendas Logistics Trust 3 ("ALT3")~	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.1^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.2^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.3^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.4^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.5^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.6^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.7^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.8^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.9^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.10~	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No. 11~	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.1^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.2^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.3^	Investment holding	Australia	**100**	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Sub-Trust No.4^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.5^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.6^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.7^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.8^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.9^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.10^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.11^	Investment holding	Australia	**100**	100
Ascendas Business Park Trust No.1^	Investment holding	Australia	**100**	100
Ascendas REIT (Europe Sub 1) Ltd.[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics I) Limited (formerly known as "OXW Catalina (Logistics) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics II) Limited (formerly known as "OXW Catalina (Logistics III) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics III) Limited (formerly known as "OXW Catalina (Logistics VII) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics IV) Limited (formerly known as "OXW Catalina (Logistics VIII) Limited")[&]	Investment holding	Guernsey	**100**	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries (continued)				
ARE S1 (Logistics V) Limited (formerly known as "OXW Catalina (NPP) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics VI) Limited (formerly known as "OXW Catalina (Logistics II) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics VII) Limited (formerly known as "OXW Catalina (Logistics IV) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics VIII) Limited (formerly known as "OXW Catalina (Logistics V) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics IX) Limited (formerly known as "OXW Catalina (Logistics VI) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics X) Limited (formerly known as "OXW Catalina (Logistics IX) Limited")[&]	Investment holding	Guernsey	**100**	–
Ascendas REIT (Europe Sub 2) Group Ltd (formerly known as "Griffin UK Logistics Fund Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics I) Limited (formerly known as "Gulf Ventures 1 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics II) Limited (formerly known as "Gulf Ventures 3 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics III) Limited (formerly known as "Gulf Ventures 4 Limited")[&]	Investment holding	Jersey	**100**	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries (continued)				
ARE S2 (Logistics IV) Limited (formerly known as "Gulf Ventures 6 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics V) Limited (formerly known as "Gulf Ventures 8 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics VI) Limited (formerly known as "GUPI 2 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics VII) Limited (formerly known as "GUPI 3 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics VIII) Limited (formerly known as "GUPI 4 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics IX) Limited (formerly known as "GUPI 7 Limited")[&]	Investment holding	Jersey	**100**	–

* Audited by EY LLP Singapore for the financial year ended 31 March 2019 (2018: EY LLP Singapore).

@ Audited by EY LLP Singapore for the financial year ended 31 March 2019 (2018: Not applicable).

^ Audited by a member firm of EY International for the financial year ended 31 March 2019 for Group consolidation purpose (2018: EY International).

~ Audited by a member firm of EY International for the financial year ended 31 March 2019 for Group consolidation purpose (2018: Not applicable).

& Audited by EY LLP Singapore for the financial year ended 31 March 2019 for Group consolidation purpose (2018: Not applicable).

(1) The Group does not hold any ownership interests in Ruby Assets Pte. Ltd.. However, based on the terms of the agreements under which this entity was established, the Group has the ability to direct the activities of the entity for the benefit of the Group. Accordingly, it was consolidated by the Group.

(2) Ruby Assets Pte. Ltd. completed its voluntary liquidation on 19 January 2019. No audit was required for the financial year ended 31 March 2019 (2018: audited by EY LLP Singapore).

9. INVESTMENT IN A JOINT VENTURE

	Group	
	2019	2018
	$'000	$'000
At 1 April	**123**	126
Share of post-acquisition profit	**493**	514
Dividend received	**(514)**	(517)
At 31 March	**102**	123

Details of the joint venture is as follows:

Name of joint venture	Principal place of business	Effective equity held by the Group and Trust	
		2019	2018
		%	%
Changi City Carpark Operations LLP*	Singapore	**39.914**	39.914

* Audited by Tan, Chan & Partners LLP for the financial year ended 30 September 2018 and 2017.

Changi City Carpark Operations LLP ("CCCO") is an unlisted joint arrangement in which the Group has joint control via a partnership agreement and 39.914% equity interest. CCCO manages and operates the car park at ONE@Changi City.

CCCO is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in CCCO as a joint venture, which is equity accounted.

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade receivables, gross	**7,536**	3,199	**2,692**	1,295
Impairment loss	**–**	(10)	**–**	(10)
Trade receivables, net	**7,536**	3,189	**2,692**	1,285
Deposits	**8,761**	1,242	**–**	1,021
Interest receivables	**8,795**	8,619	**8,626**	8,619
Other receivables				
– Subsidiaries	**–**	–	**12,652**	6,411
– Non-related parties	**7,868**	8,670	**6,720**	7,237
	7,868	8,670	**19,372**	13,648
	32,960	21,720	**30,690**	24,573
Prepayments	**6,675**	6,617	**2,880**	3,702
	39,635	28,337	**33,570**	28,275

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivable from a subsidiary is the interest receivable related to loans to subsidiaries, which is receivable on demand.

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	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Business & Science Park Properties, and Suburban Offices	**588**	736	**99**	439
Integrated Development, Amenities & Retail Properties	**96**	260	**96**	260
High-Specifications Industrial Properties & Data Centres	**1,702**	204	**1,702**	204
Light Industrial Properties & Flatted Factories	**191**	166	**191**	166
Logistics & Distribution Centres	**4,959**	1,823	**604**	216
	7,536	3,189	**2,692**	1,285

The amounts represented in the table above are mainly secured by way of bankers' guarantees, insurance bonds or cash security deposits held by the Group, except for trade receivables balance which are impaired.

As a result of the default in rental by tenants, $1,782,000 (2018: $2,107,000) of cash security deposits were forfeited during the financial year.

The ageing of trade receivables at the reporting date was:

	2019		2018	
	Gross	**Impairment losses**	Gross	Impairment losses
	$'000	**$'000**	$'000	$'000
Group				
Not past due	**5,086**	**–**	1,464	–
Past due 1 – 90 days	**2,369**	**–**	1,654	(3)
Past due over 90 days	**81**	**–**	81	(7)
	7,536	**–**	3,199	(10)
Trust				
Not past due	**242**	**–**	–	–
Past due 1 – 90 days	**2,369**	**–**	1,223	(3)
Past due over 90 days	**81**	**–**	72	(7)
	2,692	**–**	1,295	(10)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	2019	2018
	$'000	$'000
Group and Trust		
At 1 April	**10**	–
(Reversal)/Provision of impairment losses during the year	**(10)**	10
At 31 March	**–**	10

The Manager believes that no provision of impairment losses is necessary in respect of the remaining trade receivables as majority of the balances are not past due. And the rest of 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.

11. INVESTMENT PROPERTY HELD FOR SALE

On 3 April 2018, the Trust entered into a sale and purchase agreement for the sale of No. 30 Old Toh Tuck Road (the "Property") for $24.0 million. Accordingly, the Property was classified as investment property held for sale as at 31 March 2018. The disposal of the Property was completed on 30 April 2018.

12. CASH AND FIXED DEPOSITS

	Group		**Trust**	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash at bank	**50,946**	23,567	**6,678**	3,860
Fixed deposits	**1,395**	1,449	**–**	–
	52,341	25,016	**6,678**	3,860

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following at the end of each financial year:

	Group	
	2019	2018
	$'000	$'000
Cash at bank	**50,946**	23,567
Fixed deposits	**1,395**	1,449
	52,341	25,016
Bank overdrafts (Note 15)	**(47,420)**	(47,965)
Cash and cash equivalents	**4,921**	(22,949)

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade payables				
– non-related parties	**4,911**	3,614	**3,479**	3,632
– subsidiary	**–**	–	**–**	493
– the Manager	**1,618**	3,019	**1,618**	3,019
– the Property Manager	**6,587**	3,428	**6,587**	3,428
– the Trustee	**507**	430	**507**	430
– other related parties	**115**	3,096	**115**	3,096
GST/VAT payables	**5,752**	9,077	**2,509**	9,014
Accruals	**74,667**	71,870	**62,928**	63,123
Other payables	**15,067**	11,096	**12,718**	10,868
Amount owing to a subsidiary[1]	**–**	–	**9,392**	8,721
Property tax payable	**5,861**	11,852	**5,861**	11,852
Interest payable	**21,792**	14,717	**17,875**	13,590
Rental received in advance	**21,378**	11,632	**7,992**	8,856
	158,255	143,831	**131,581**	140,122

(1) The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Derivative assets				
Current	**1,425**	819	**1,425**	759
Non-current	**31,546**	9,129	**29,767**	9,129
	32,971	9,948	**31,192**	9,888
Derivative liabilities				
Current	**(8)**	(616)	**(8)**	(371)
Non-current	**(64,112)**	(62,923)	**(55,958)**	(59,258)
	(64,120)	(63,539)	**(55,966)**	(59,629)
Total derivative financial instruments	**(31,149)**	(53,591)	**(24,774)**	(49,741)
Derivative financial instruments as a percentage of net assets	**0.45%**	0.82%	**0.36%**	0.77%

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of $1,967.9 million (2018: $1,946.9 million) to provide fixed rate funding for terms of less than 1.0 year to 5.8 years (2018: less than one year to 6.8 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of $350.0 million (2018: $350.0 million) and basis interest rate swaps with an aggregate notional amount of $504.5 million (2018: $504.5 million) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

The changes in fair value of the interest rate swaps are recognised in the Statement of Total Return for both financial years ended 31 March 2019 and 2018.

As at 31 March 2019, the Group held cross currency swaps ("CCS") with notional amounts of JPY15.0 billion, HKD4.2 billion, and USD148.3 million (2018: JPY15.0 billion, HKD2.1 billion, and USD151.7 million respectively, to provide Singapore dollar funding for terms of less than one year to 10.4 years (2018: 1.0 year to 11.4 years).

In addition, the Group held CCS with notional amounts of AUD294.5 million and GBP114.9 million (2018: AUD294.5 million) as a hedge for its investment in Australia and the UK for a term of 1.5 to 4.0 years (2018: 2.5 years) respectively.

The Group had also entered into forward exchange contracts to manage its foreign currency risk. The notional amount of the Group's outstanding forward exchange contracts as at 31 March 2019 was AUD14.5 million (2018: AUD18.4 million).

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 Statements of Financial Position.

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 the net amount is due or payable in settlement of all transactions.

The swaps presented below are not offset in the Statements of Financial Position as the right to off-set 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.

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial assets/ liabilities $'000	Gross amounts of recognised financial liabilities/ assets offset in the Statements of Financial Position $'000	Net amounts of financial assets/ liabilities presented in the Statements of Financial Position $'000	Related amounts not offset in the Statements of Financial Position $'000	Net amount $'000
2019					
Group					
Types of financial assets					
Derivative assets	**32,971**	**–**	**32,971**	**(4,943)**	**28,028**
Types of financial liabilities					
Derivative liabilities	**64,120**	**–**	**64,120**	**(4,943)**	**59,177**
Trust					
Types of financial assets					
Derivative assets	**31,192**	**–**	**31,192**	**(4,943)**	**26,249**
Types of financial liabilities					
Derivative liabilities	**55,966**	**–**	**55,966**	**(4,943)**	**51,023**
2018					
Group					
Types of financial assets					
Derivative assets	9,948	–	9,948	(5,234)	4,714
Types of financial liabilities					
Derivative liabilities	63,539	–	63,539	(5,234)	58,305
Trust					
Types of financial assets					
Derivative assets	9,888	–	9,888	(5,174)	4,714
Types of financial liabilities					
Derivative liabilities	59,629	–	59,629	(5,174)	54,455

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Statements of Financial Position at their fair values.

15. LOANS AND BORROWINGS

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Current				
Short term bank borrowings (unsecured)	**168,400**	576,735	**168,400**	576,735
Bank overdrafts (Note 12)	**47,420**	47,965	**47,420**	47,965
	215,820	624,700	**215,820**	624,700
Term loans				
– Secured	**–**	285,924	**–**	–
– Unsecured	**301,142**	–	**301,142**	–
Less: Unamortised transaction costs	**(48)**	(681)	**(48)**	–
	301,094	285,243	**301,094**	–
Medium term notes (unsecured)	**95,000**	–	**95,000**	–
Less: Unamortised transaction costs	**(6)**	–	**(6)**	–
	94,994	–	**94,994**	–
Total current loans and borrowings	**611,908**	909,943	**611,908**	624,700
Non-current				
Term loans				
– Secured	**541,543**	285,924	**–**	–
– Unsecured	**1,061,434**	724,029	**704,080**	724,029
Less: Unamortised transaction costs	**(7,030)**	(1,742)	**(2,083)**	(1,061)
	1,595,947	1,008,211	**701,997**	722,968
Medium term notes (unsecured)	**1,893,839**	1,604,347	**1,893,839**	1,604,347
Less: Unamortised transaction costs	**(3,903)**	(3,281)	**(3,903)**	(3,281)
	1,889,936	1,601,066	**1,889,936**	1,601,066
Total non-current loans and borrowings	**3,485,883**	2,609,277	**2,591,933**	2,324,034
Total loans and borrowings	**4,097,791**	3,519,220	**3,203,841**	2,948,734

Maturity of gross loans and borrowings:

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Within 1 year	**611,962**	910,624	**611,962**	624,700
After 1 year but within 5 years	**2,173,430**	1,746,493	**1,545,305**	1,460,569
After 5 years	**1,323,386**	867,807	**1,052,614**	867,807
	4,108,778	3,524,924	**3,209,881**	2,953,076

15. LOANS AND BORROWINGS (CONTINUED)

Short term bank borrowings

As at the reporting date, the Group has in place various short term banking credit facilities totalling $1,417.5 million (2018: $1,265.9 million), of which $212.6 million (2018: $617.0 million) has been utilised. Included in the amount of $1,417.5 million (2018: $1,265.9 million) is a sub-facilities of $101.4 million (2018: $101.3 million) facility for the issuance of letters of guarantee.

Term loans

As at the reporting date, the Group has in place various term loan facilities totalling $2,002.9 million (2018: $1,321.8 million) of which $1,902.9 million (2018: $1,296.8 million) has been utilised.

Included in the above was approximately $541.5 million (2018: $571.8 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from the Trust.

Medium term notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN") Programme. Pursuant to the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes") in Singapore dollars or any other currency for up to a programme limit of $1.0 billion. In March 2016, the Trust upsized the programme limit to $5.0 billion.

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 principal amount of the Notes outstanding as at 31 March 2019 comprised $1,075.0 million (2018: $1,075.0 million) in SGD-denominated Notes, $183.7 million (2018: $184.6 million) in JPY-denominated Notes and $730.2 million (2018: $344.7 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY15.0 billion and HKD4.2 billion (2018: JPY15.0 billion and HKD2.1 billion) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 14).

As at 31 March 2019, the Notes issued under the MTN programme are as follows:

(i) $200.0 million (2018: $200.0 million) Series 004 Notes. The Series 004 Notes will mature on 3 February 2022 and bear a fixed interest rate of 4.00% per annum, payable semi-annually in arrear.

(ii) JPY10.0 billion (2018: JPY10.0 billion) Series 005 Notes. The Series 005 Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% per annum, payable semi-annually in arrear.

(iii) JPY5.0 billion (2018: JPY5.0 billion) 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.

15. LOANS AND BORROWINGS (CONTINUED)

Medium term notes (continued)

As at 31 March 2019, the Notes issued under MTN are as follows: (continued)

(iv) $95.0 million (2018: $95.0 million) Series 007 Notes. The series 007 Notes will mature on 16 May 2019 and bear a fixed interest rate of 2.50% per annum and payable semi-annually in arrear.

(v) HKD640.0 million (2018: HKD640.0 million) Series 009 Notes. The Series 009 Notes will mature on 4 September 2029 and bear a fixed interest rate of 3.64% per annum, payable annually in arrear.

(vi) $150.0 million (2018: $150.0 million) Series 010 Notes. The Series 010 Notes will mature on 3 June 2022 and bear a fixed interest rate of 3.20% per annum, payable semi-annually in arrear.

(vii) $100.0 million (2018: $100.0 million) Series 011 Notes. The Series 011 Notes will mature on 3 August 2020 and bear a fixed interest rate of 2.95% per annum, payable semi-annually in arrear.

(viii) HKD500.0 million (2018: HKD500.0 million) Series 012 Notes. The Series 012 Notes will mature on 4 February 2026 and bear a fixed interest rate of 3.00% per annum, payable annually in arrear.

(ix) $130.0 million (2018: $130.0 million) Series 013 Notes. The Series 013 Notes will mature on 7 April 2021 and bear a fixed interest rate of 2.655% per annum, payable semi-annually in arrear.

(x) HKD923.0 million (2018: HKD923.0 million) Series 014 Notes. The Series 014 Notes will mature on 3 August 2026 and bear a fixed interest rate of 2.77% per annum, payable annually in arrear.

(xi) $200.0 million (2018: $200.0 million) Series 015 Notes. The Series 015 Notes will mature on 10 August 2023 and bear a fixed interest rate of 2.47% per annum, payable semi-annually in arrear.

(xii) $200.0 million (2018: $200.0 million) Series 016 Notes. The Series 016 Notes will mature on 2 March 2025 and bear a fixed interest rate of 3.14% per annum, payable semi-annually in arrear.

(xiii) HKD729.0 million (2018: Nil) Series 017 Notes. The Series 017 Notes will mature on 16 May 2025 and bear a fixed interest rate of 3.66% per annum, payable semi-annually in arrear.

(xiv) HKD1,450.0 million (2018: Nil) Series 018 Notes. The Series 018 Notes will mature on 20 March 2029 and bear a fixed interest rate of 3.57% per annum, payable semi-annually in arrear.

The Trust has entered into cross currency swaps to swap – the Series 005 Notes, the Series 006 Notes, the Series 009 Notes, the Series 012 Notes, the Series 014 Notes, the Series 017 Notes, and the Series 018 Notes – into Singapore dollars.

15. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
2019				
Short term bank borrowings	SOR/COF^ + margin	2019	**215,820**	**215,820**
Term loans	SOR/COF^ + margin	2019 to 2025	**1,904,119**	**1,897,041**
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2019 to 2029	**1,988,839**	**1,984,930**
			4,108,778	**4,097,791**
2018				
Short term bank borrowings	SOR/COF^ + margin	2018	624,700	624,700
Term loans	SOR/COF^ + margin	2018 to 2020	1,295,877	1,293,454
Medium term notes	2.47 – 4.00/JPY 3-month LIBOR + 0.5%	2019 to 2029	1,604,347	1,601,066
			3,524,924	3,519,220
Trust				
2019				
Short term bank borrowings	SOR/COF^ + margin	2019	**215,820**	**215,820**
Term loans	SOR/COF^ + margin	2019 to 2023	**1,005,222**	**1,003,091**
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2019 to 2029	**1,988,839**	**1,984,930**
			3,209,881	**3,203,841**
2018				
Short term bank borrowings	SOR / COF^ + margin	2018	624,700	624,700
Term loans	SOR / COF^ + margin	2019 to 2020	724,029	722,968
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2019 to 2029	1,604,347	1,601,066
			2,953,076	2,948,734

^ COF denotes the lender's cost of funds

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 March 2019 was 3.00% (2018: 2.89%) per annum. Total borrowings have a weighted average term remaining of 3.6 years (2018: 3.3 years).

15. LOANS AND BORROWINGS (CONTINUED)

A reconciliation of liabilities (excluding the bank overdrafts) arising from financing activities is as follows:

	2018		Non-cash changes			2019
		Cash flows	Currency translation	Accretion of interests	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,471,255	609,629	(27,527)	2,541	(5,527)	4,050,371

	2017		Non-cash changes			2018
		Cash flows	Currency translation	Accretion of interests	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,400,066	120,792	(53,934)	1,903	2,428	3,471,255

The "Others" column related to the movement of debt related transaction cost.

16. DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities during the year are as follows:

	Investment Property $'000	Unremitted earnings of overseas subsidiaries $'000	Total $'000
Group			
At 1 April 2017	–	–	–
Recognised in the Statement of Total Return (Note 24)	–	1,411	1,411
At 31 March 2018	–	1,411	1,411
At 1 April 2018	–	1,411	1,411
Recognised in the Statement of Total Return (Note 24)	–	8,429	8,429
Acquisition of subsidiaries	861	–	861
At 31 March 2019	861	9,840	10,701
Trust			
At 1 April 2017	–	606	606
Divestment of subsidiaries	–	(606)	(606)
At 31 March 2018	–	–	–
At 1 April 2018 and 31 March 2019	–	–	–

17. PERPETUAL SECURITIES

In October 2015, the Trust issued $300.0 million perpetual securities. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 4.75% per annum with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded as equity in the Statements of Financial Position. The $304.4 million (2018: $304.4 million) presented in the Statements of Financial Position represents the carrying value of the $300.0 million (2018: $300.0 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

18. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	2019 ('000)	2018 ('000)
Units issued:		
At the beginning of the financial year	**2,928,504**	2,924,767
Issue of new Units:		
– Management fees paid in Units	**4,032**	3,737
– Equity fund raising	**178,007**	–
– Development management fees paid in Units	**299**	–
At the end of the financial year	**3,110,842**	2,928,504
Units to be issued:		
Management fee payable in Units	**1,296**	1,289
Total Units issued and to be issued at the end of the financial year	**3,112,138**	2,929,793

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,540,000 were issued at issue prices ranging from $2.5731 to $2.6584 per Unit for the payment of 20% base management fee to the Manager in Units.

- 178,007,000 new Units were issued on 18 September 2018 at an issue price of $2.540 per Unit pursuant to a private placement, amounting to $452,138,000. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 17 September 2018 received an advance distribution on 17 October 2018 of 7.250 cents per Unit for the period from 1 April 2018 to 17 September 2018. Thereafter, the 178,007,000 new Units rank *pari passu* in all respects with the Units in issue prior to 18 September 2018, including the entitlements to all future distributions.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manager at an issue price of $2.8126 per Unit. The issuance of Units was for the payment of 1% development management fee for the $84.0 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the Units in issue on the day immediately preceding the date of issue.

During the financial year ended 31 March 2018:

- 3,736,735 new Units amounting to $9,995,000 were issued at issue prices ranging from $2.6734 to $2.6761 per Unit for the payment of 20% base management fee to the Manager in Units.

18 UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

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;
- 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 the units while the units are listed on the SGX-ST.

19. GROSS REVENUE

	Group	
	2019	2018
	$'000	$'000
Property rental income	**800,273**	784,306
Other income	**85,898**	77,805
	886,171	862,111

20. PROPERTY OPERATING EXPENSES

	Group	
	2019	2018
	$'000	$'000
Land rent	**32,343**	32,413
Maintenance and conservancy ("M&C") expenses	**38,262**	34,136
Property service fees	**35,193**	34,522
Property tax	**52,900**	59,617
Utilities	**46,945**	42,224
Security services	**8,193**	6,889
Site staff cost	**3,961**	5,435
Carpark management fee expenses	**4,563**	4,697
Land tax	**9,039**	9,064
Other operating expenses	**5,193**	3,714
	236,592	232,711

21. MANAGEMENT FEES

	Group	
	2019	2018
	$'000	$'000
Base management fee	**54,379**	50,707

Included in management fees is an aggregate of 5,328,000 (2018: 5,026,000) Units amounting to approximately $10,873,000 (2018: $10,139,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in Units at unit prices ranging from $2.6584 to $2.8755 (2018: $2.6316 to $2.6761) per Unit.

22. TRUST EXPENSES

	Group	
	2019	2018
	$'000	$'000
Auditors' remuneration		
– audit fees	**444**	331
– non-audit fees	**77**	117
Professional fees	**1,601**	1,084
Valuation fees	**589**	432
Trustee fee	**2,415**	3,123
Other expenses	**2,549**	2,627
	7,675	7,714

23. FINANCE INCOME AND FINANCE COSTS

	Group	
	2019	2018
	$'000	$'000
Finance income	**10,448**	9,081
Interest expense	**122,942**	106,305
Amortisation of transaction costs	**3,323**	3,359
Others	**223**	178
Finance costs	**126,488**	109,842

24. TAX EXPENSE

	Group	
	2019	2018
	$'000	$'000
Current tax expense		
– Current year	**5,955**	2,393
– Under/(Over) provision in respect of prior year	**7**	(977)
	5,962	1,416
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	**8,429**	1,411
Tax expense	**14,391**	2,827
Reconciliation of effective tax rate		
Total return for the year before tax	**517,474**	496,921
Tax calculated using Singapore tax rate of 17% (2018: 17%)	**87,971**	84,477
Effect of different tax rate in foreign jurisdictions	**4,317**	2,393
Non-tax deductible items, net	**8,114**	5,271
Income not subject to tax	**(20,998)**	(15,223)
Tax on overseas profits yet to be remitted	**8,429**	1,411
Under/(Over) provision in respect of prior year	**7**	(977)
Tax transparency	**(73,449)**	(74,525)
	14,391	2,827

25. 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	
	2019	2018
	$'000	$'000
Total return for the year attributable to the Unitholders and perpetual securities holders	**503,087**	494,118
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)
Total return attributable to Unitholders	**488,837**	479,868

	Number of Units	
	2019	2018
	('000)	('000)
Weighted average number of Units:		
– outstanding during the year	**3,025,741**	2,926,784
– to be issued as payment for management fee payable in Units	**4**	4
	3,025,745	2,926,788

	Group	
	2019	2018
Basic earnings per Unit (cents)	**16.156**	16.396

(b) Diluted earnings per Unit

As at 31 March 2019 and 2018, the diluted earnings per Unit was equivalent to the basic earnings per Unit.

(c) Distribution per Unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	2019	2018
Total amount available for distribution for the year ($'000)	**485,683**	468,045
Distribution per Unit (cents)	**16.035**	15.988

26. COMMITMENTS AND CONTINGENCIES

(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 amounted to $37,796,000 (2018: to JTC and HDB amounted to $38,159,000 and $1,870,000 respectively) in relation to 70 (2018: 72) properties for the financial year ended 31 March 2019 (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	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Within 1 year	**762,874**	716,774	**630,447**	622,208
After 1 year but within 5 years	**1,672,177**	1,606,834	**1,246,807**	1,305,576
After 5 years	**1,094,387**	889,564	**765,862**	724,596
	3,529,438	3,213,172	**2,643,116**	2,652,380

(c) As at 31 March 2019, the Group and the Trust had $81.1 million (2018: $37.4 million) and $81.1 million (2018: $12.2 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

(d) The Trust has provided corporate guarantees amounting to $898.9 million (2018: $571.8 million) to banks for loans obtained by its subsidiaries.

27. 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:

	Group	
	2019	2018
	$'000	$'000
Acquisition fee paid/payable to the Manager and a subsidiary of the Manager	**9,305**	2,255
Car park management fee paid/payable to the Property Manager	**4,527**	4,696
Divestment fee paid/payable to the Manager	**229**	304
Development management fee paid to the Manager	**840**	–
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	**123,895**	38,434
Lease rental, securities, utilities and car park income received from other related parties	**(47,952)**	(48,133)
Lease service fees paid/payable to the Manager and a subsidiary of the Manager	**17,669**	19,609
Management fees paid/payable to the Manager and a subsidiary of the Manager	**52,523**	50,707
Property service fees paid to the Property Manager	**21,936**	22,334
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	**4,321**	2,351
Reimbursements and receipts on behalf of the Property Manager	**759**	440
Reimbursements paid/payable to the Manager	**2,144**	48
Reimbursements of expenses from other related parties	**(56)**	(81)
Receipts on behalf by the Manager	**(14)**	(52)
Rental income of meeting rooms and receipts on behalf by the Property Manager	**(23)**	(80)
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	**9,536**	11,071
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	**(264)**	(112)

28. FINANCIAL RATIOS

	Group	
	2019	2018
	%	%
Ratio of expenses to weighted average net asset value[1]	**0.93**	0.91
Ratio of expenses to weighted average net asset value[2]	**0.93**	0.91
Ratio of expenses to net asset value[3]	**4.30**	4.48
Portfolio turnover rate[4]	**0.60**	0.94

(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 ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.

(4) 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.

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is integral to the whole business of the Group. The Manager has a system of controls in place to maintain 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 achievement of business objectives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit and Risk 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 and Risk 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 controls and procedures, the results of which are reported to the Audit and Risk Committee.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Australia and the UK. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

The Group's exposure to fluctuations in foreign currency rates relates primarily to its bank borrowings and medium term notes that are denominated in foreign currencies as well as investments in non-Singapore properties. The foreign currencies giving rise to this risk are mainly AUD, GBP, HKD, JPY and USD.

The Group monitors its foreign currency exposure on an ongoing basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products. The Group and the Trust enter into CCS with banks to manage currency risk.

In relation to foreign currency risk arising from investments in non-Singapore properties, the Group and the Trust had borrowed in the foreign currency of underlying investments to achieve a natural hedge. The Group and the Trust had also entered into forward exchange contracts to hedge the cash flows from overseas investments (Note 14).

The Group's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2019							
Financial assets							
Cash and fixed deposits	3,706	28,695	19,940	–	–	–	52,341
Trade and other receivables[1]	18,539	3,384	11,037	–	–	–	32,960
Finance lease receivables	53,242	–	–	–	–	–	53,242
	75,487	32,079	30,977	–	–	–	138,543
Financial liabilities							
Trade and other payables[2]	(116,948)	(8,246)	(5,931)	–	–	–	(131,125)
Security deposits	(126,713)	(1,464)	(852)	–	–	–	(129,029)
Loans and borrowings – Gross	(1,730,139)	(890,865)	(372,793)	(201,142)	(730,164)	(183,675)	(4,108,778)
	(1,973,800)	(900,575)	(379,576)	(201,142)	(730,164)	(183,675)	(4,368,932)
Net financial liabilities	(1,898,313)	(868,496)	(348,599)	(201,142)	(730,164)	(183,675)	(4,230,389)
Net non-financial assets of the foreign subsidiaries	–	349,321	223,159	–	–	–	572,480
Less: Net financial assets denominated in the respective entities' functional currency	1,690,597	524,180	125,460	–	–	–	2,340,237
Less: Cross currency swap	207,716	–	–	201,142	730,164	183,675	1,322,697
Currency exposure	–	5,005	20	–	–	–	5,025

(1) Excludes prepayments.
(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2018						
Financial assets						
Cash and fixed deposits	5,002	20,014	–	–	–	25,016
Trade and other receivables[1]	18,327	3,393	–	–	–	21,720
Finance lease receivables	55,628	–	–	–	–	55,628
	78,957	23,407	–	–	–	102,364
Financial liabilities						
Trade and other payables[2]	(117,213)	(5,909)	–	–	–	(123,122)
Security deposits	(118,612)	(1,468)	–	–	–	(120,080)
Loans and borrowings – Gross	(1,962,961)	(833,587)	(199,029)	(344,727)	(184,620)	(3,524,924)
	(2,198,786)	(840,964)	(199,029)	(344,727)	(184,620)	(3,768,126)
Net financial liabilities	(2,119,829)	(817,557)	(199,029)	(344,727)	(184,620)	(3,665,762)
Net non-financial assets of the foreign subsidiaries	–	261,738	–	–	–	261,738
Less: Net financial assets denominated in the respective entities' functional currency	2,119,829	562,252	–	–	–	2,682,081
Less: Cross currency swap	–	–	199,029	344,727	184,620	728,376
Currency exposure	–	6,433	–	–	–	6,433

The Trust's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2019							
Financial assets							
Cash and fixed deposits	**1,653**	**5,005**	**20**	**–**	**–**	**–**	**6,678**
Trade and other receivables[1]	**18,207**	**3,255**	**9,228**	**–**	**–**	**–**	**30,690**
Finance lease receivables	**53,242**	**–**	**–**	**–**	**–**	**–**	**53,242**
Loans to subsidiaries	**–**	**297,000**	**–**	**–**	**–**	**–**	**297,000**
	73,102	**305,260**	**9,248**	**–**	**–**	**–**	**387,610**
Financial liabilities							
Trade and other payables[2]	**(121,080)**	**–**	**–**	**–**	**–**	**–**	**(121,080)**
Security deposits	**(126,611)**	**–**	**–**	**–**	**–**	**–**	**(126,611)**
Loans and borrowings – Gross	**(1,522,420)**	**(349,321)**	**(223,159)**	**(201,142)**	**(730,164)**	**(183,675)**	**(3,209,881)**
	(1,770,111)	**(349,321)**	**(223,159)**	**(201,142)**	**(730,164)**	**(183,675)**	**(3,457,572)**
Net financial liabilities	**(1,697,009)**	**(44,061)**	**(213,911)**	**(201,142)**	**(730,164)**	**(183,675)**	**(3,069,962)**
Net interest in subsidiaries	**–**	**52,321**	**223,159**	**–**	**–**	**–**	**275,480**
Less: Net financial assets denominated in the respective entities' functional currency	**1,697,009**	**–**	**–**	**–**	**–**	**–**	**1,697,009**
Less: Cross currency swap	**–**	**–**	**–**	**201,142**	**730,164**	**183,675**	**1,114,981**
Currency exposure	**–**	**8,260**	**9,248**	**–**	**–**	**–**	**17,508**

(1) Excludes prepayments.
(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2018						
Financial assets						
Cash and fixed deposits	3,838	22	–	–	–	3,860
Trade and other receivables[1]	18,162	6,411	–	–	–	24,573
Finance lease receivables	55,628	–	–	–	–	55,628
Loans to subsidiaries	–	269,538	–	–	–	269,538
	77,628	275,971	–	–	–	353,599
Financial liabilities						
Trade and other payables[2]	(122,252)	–	–	–	–	(122,252)
Security deposits	(118,581)	–	–	–	–	(118,581)
Loans and borrowings – Gross	(1,962,961)	(261,739)	(199,029)	(344,727)	(184,620)	(2,953,076)
	(2,203,794)	(261,739)	(199,029)	(344,727)	(184,620)	(3,193,909)
Net financial assets/(liabilities)	(2,126,166)	14,232	(199,029)	(344,727)	(184,620)	(2,840,310)
Less: Net financial assets denominated in the respective entities' functional currency	2,126,166	–	–	–	–	2,126,166
Less: Cross currency swap	–	–	199,029	344,727	184,620	728,376
Currency exposure	–	14,232	–	–	–	14,232

(1) Excludes prepayments.
(2) Excludes rental received in advance and GST/VAT payable.

Sensitivity analysis

The Group and the Trust are not subject to significant currency risk after entering into cross currency swap and forward exchange contracts for the financial assets or liabilities denominated in foreign currencies.

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets.

The Group's policy is to maintain a certain level of its borrowings in fixed-rate instruments. The Group's and the Trust's exposure to cash flow interest rate risks arise mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's and Trust's borrowings at variable rates on which interest rate swaps have not been entered into, are denominated mainly in SGD and AUD (2018: SGD). If the SGD or AUD interest rates had increased/decreased by 100 basis point (2018: 100 basis point) with all other variables including tax rate being held constant, the total profit would have been lower/higher by $9,134,000 and $9,134,000 respectively (2018: $9,934,000 and $9,934,000 respectively) as a result of higher/lower interest expense on these borrowings.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's major classes of financial assets are cash and cash equivalents, finance receivables, trade and other receivables and derivative financial assets.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Group deals only with high credit quality counterparties. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

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, corporate guarantees or cash security deposits are obtained upon the commencement of the lease.

As at the reporting date, there are 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 Statements of Financial Position.

Expected credit loss assessment for financial assets as at 1 April 2018 and 31 March 2019

(i) Trade receivables

For all trade receivables, the Group provides for lifetime expected credit losses using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group's and the Trust's credit risk for net trade receivables based on the information provided to key management is disclosed in Note 10.

(ii) Loans to subsidiaries

The Trust held loans to its subsidiaries of $297,000,000 (2018: $269,538,000) which are amounts lent to subsidiaries to satisfy long term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis, and the amount of the allowance is not significant.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(iii) Financial derivatives

Financial derivatives are entered into with financial institution counterparties, which are regulated.

(iv) Cash and fixed deposits

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings, thus management does not expect any counterparty to fail to meet its obligations.

Previous accounting policy for impairment of financial assets

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and fix deposits, and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(ii) Financial assets that are either past due or impaired

Information regarding financial asset that are either past due or impaired is disclosed in Note 10 (Trade and other receivables).

Other than the above, the Group and the Trust had no other financial assets which it had determined to be impaired and there are no allowances on impairment provided for as at 31 March 2018 and 1 April 2017.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Trust may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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 credit facilities and a Multicurrency Medium Term Note Programme with a programme limit of $5.0 billion (Note 15).

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group			
2019			
Non-derivative financial liabilities			
Loans and borrowings	**714,398**	**2,447,791**	**1,413,112**
Trade and other payables[1]	**131,125**	**–**	**–**
Security deposits	**46,862**	**67,917**	**14,250**
	892,385	**2,515,708**	**1,427,362**
Derivative financial liabilities			
Interest rate swaps (net-settled)	**1,906**	**15,049**	**1,969**
Cross currency swaps (net-settled)	**–**	**–**	**40,253**
	1,906	**15,049**	**42,222**
	894,291	**2,530,757**	**1,469,584**
2018			
Non-derivative financial liabilities			
Loans and borrowings	987,269	1,926,691	963,342
Trade and other payables[1]	123,122	–	–
Security deposits	42,095	71,617	6,368
	1,152,486	1,998,308	969,710
Derivative financial liabilities			
Interest rate swaps (net-settled)	455	5,846	299
Cross currency swaps (net-settled)	–	–	51,705
	455	5,846	52,004
	1,152,941	2,004,154	1,021,714

(1) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
2019			
Non-derivative financial liabilities			
Loans and borrowings	**692,972**	**1,770,062**	**1,131,857**
Trade and other payables[1]	**121,080**	**–**	**–**
Security deposits	**46,690**	**66,523**	**13,398**
	860,742	**1,836,585**	**1,145,255**
Derivative financial liabilities			
Interest rate swaps (net-settled)	**–**	**8,801**	**1,969**
Cross currency swaps (net-settled)	**–**	**–**	**40,253**
	–	**8,801**	**42,222**
	860,742	**1,845,386**	**1,187,477**
2018			
Non-derivative financial liabilities			
Loans and borrowings	689,666	1,628,705	963,342
Trade and other payables[1]	122,252	–	–
Security deposits	42,044	70,169	6,368
	853,962	1,698,874	969,710
Derivative financial liabilities			
Interest rate swaps (net-settled)	251	2,200	299
Cross currency swaps (net-settled)	–	–	51,705
	251	2,200	52,004
	854,213	1,701,074	1,021,714

(1) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below shows the contractual expiry by maturity of the Trust's corporate guarantee provided to the subsidiaries (Note 26(d)). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
2019			
Corporate guarantee	**898,897**	**–**	**–**
2018			
Corporate guarantee	571,830	–	–

(d) Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mixture of available capital sources which include debt, equity and convertible instruments. In addition, the Group and the Trust ensure the compliance with statutory and constitutional capital and distribution requirements, maintaining gearing ratio, interest expense coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management as well as financing policies regularly so as to optimise the Group's and the Trust's capital 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. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the Deposited Property.

As at 31 March 2019, the Aggregate Leverage of the Group is 36.3% (2018: 33.8%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

30. FAIR VALUE MEASUREMENT

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.

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market 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 or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities of the Group measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2019				
Financial assets				
Derivative assets	**–**	**32,971**	**–**	**32,971**
Total financial assets	**–**	**32,971**	**–**	**32,971**
Non-financial assets				
Investment properties	**–**	**–**	**11,143,937**	**11,143,937**
Investment properties under development	**–**	**–**	**91,595**	**91,595**
Total non-financial assets	**–**	**–**	**11,235,532**	**11,235,532**
Financial liabilities				
Derivative liabilities	**–**	**(64,120)**	**–**	**(64,120)**
Total financial liabilities	**–**	**(64,120)**	**–**	**(64,120)**
2018				
Financial assets				
Derivative assets	–	9,948	–	9,948
Total financial assets	–	9,948	–	9,948
Non-financial assets				
Investment properties	–	–	10,118,978	10,118,978
Investment property held for sale	–	–	20,300	20,300
Investment properties under development	–	–	95,463	95,463
Total non-financial assets	–	–	10,234,741	10,234,741
Financial liabilities				
Derivative liabilities	–	(63,539)	–	(63,539)
Total financial liabilities	–	(63,539)	–	(63,539)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value (continued)

The following table shows an analysis of each class of assets and liabilities of the Trust measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2019				
Financial assets				
Derivative assets	**–**	**31,192**	**–**	**31,192**
Total financial assets	**–**	**31,192**	**–**	**31,192**
Non-financial assets				
Investment properties	**–**	**–**	**8,769,500**	**8,769,500**
Investment properties under development	**–**	**–**	**91,595**	**91,595**
Total non-financial assets	**–**	**–**	**8,861,095**	**8,861,095**
Financial liabilities				
Derivative liabilities	**–**	**(55,966)**	**–**	**(55,966)**
Total financial liabilities	**–**	**(55,966)**	**–**	**(55,966)**
2018				
Financial assets				
Derivative assets	–	9,888	–	9,888
Total financial assets	–	9,888	–	9,888
Non-financial assets				
Investment properties	–	–	8,625,500	8,625,500
Investment property held for sale	–	–	20,300	20,300
Investment properties under development	–	–	86,400	86,400
Total non-financial assets	–	–	8,732,200	8,732,200
Financial liabilities				
Derivative liabilities	–	(59,629)	–	(59,629)
Total financial liabilities	–	(59,629)	–	(59,629)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair value of interest rate swaps, forward contracts and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties of 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.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties, investment properties under development and investment property held for sale

Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

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. These valuation methods 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 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 and terminal yield.

The fair value of investment properties of the Group and the Trust was $11,143.9 million (2018: $10,119.0 million) and $8,769.5 million (2018: $8,625.5 million) as at 31 March 2019 respectively. The fair value of investment properties under development of the Group and the Trust was $91.6 million (2018: $95.5 million) and $91.6 million (2018: $86.4 million) as at 31 March 2019 respectively. The fair value of investment property held for sale for the Group and the Trust was $20.3 million as at 31 March 2018.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurement (continued)

Investment properties, investment properties under development and investment property held for sale (continued)

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
	Group	
Capitalisation Approach	Singapore and Australia • Capitalisation rates of 5.25% to 6.75% (2018: 5.00% to 7.00%)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price psm increased.
	UK • Equivalent yield of 4.30% to 8.00%	
Discounted Cash Flow Method	Singapore and Australia • Discount rates of 6.25% to 8.25% (2018: 6.25% to 8.25%)	
	• Terminal yields of 5.25% to 7.25% (2018: 5.25% to 7.50%)	
Direct Comparison Method	Singapore • Adjusted price (psm) of $1,563 to $9,289 (2018: $1,563 to $9,260)	
	Trust	
Capitalisation Approach	• Capitalisation rates of 5.00% to 7.00% (2018: 5.00% to 7.00%)	
Discounted Cash Flow Method	• Discount rates of 7.00% to 8.25% (2018: 7.00% to 8.25%)	
	• Terminal yields of 5.25% to 7.25% (2018: 5.25% to 7.25%)	
Direct Comparison Method	• Adjusted price (psm) of $1,563 to $9,289 (2018: $1,563 to $9,260)	

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties, investment properties under development and investment property held for sale measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 4 and Note 5 respectively.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of the Group and the Trust's other non-current assets and liabilities not measured at fair value for which fair value is disclosed:

	Fair value determined using significant unobservable inputs (Level 3) Total $'000	Carrying amount $'000
Group		
2019		
Assets		
Finance lease receivables	**62,008**	**53,242**
Liabilities		
Security deposits	**74,681**	**82,167**
Medium term notes – gross	**1,889,104**	**1,889,936**
2018		
Assets		
Finance lease receivables	65,244	53,243
Liabilities		
Security deposits	72,195	77,985
Medium term notes – gross	1,568,128	1,604,347
Trust		
2019		
Assets		
Finance lease receivables	**62,008**	**53,242**
Liabilities		
Security deposits	**72,714**	**79,921**
Medium term notes – gross	**1,889,104**	**1,889,936**
2018		
Assets		
Finance lease receivables	65,244	53,243
Liabilities		
Security deposits	70,746	76,537
Medium term notes – gross	1,568,128	1,604,347

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed (continued)

Interest rates used to discount the estimated cash flows were as following:

	Group and Trust	
	2019	2018
	%	%
Finance lease receivables	**2.48**	2.81
Security deposits	**3.00**	2.89
Medium term notes	**1.58 – 4.37**	1.75 – 4.66

Determination of fair value

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.

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.

Medium term notes

The fair values the medium term 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.

Other non-current loans and borrowings

The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

Other financial assets and liabilities

The fair values of all other financial assets and liabilities are calculated based on the present value of future principal, discounted at the market interest rate of the instruments at the reporting date.

(f) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amount of the Group and the Trust's current financial assets and liabilities approximate their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

31. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Chief Executive Officer, the Group's Chief Operating Decision Maker ("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.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Business & Science Park Properties, and Suburban Offices		**Integrated Development, Amenities & Retail Properties**		**High-Specifications Industrial Properties & Data Centres**		**Light Industrial Properties & Flatted Factories**		**Logistics & Distribution Centres**		**Total**	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group												
Property rental income	**281,211**	280,491	**57,886**	57,467	**167,048**	167,389	**82,742**	86,465	**211,386**	192,494	**800,273**	784,306
Other income	**35,585**	33,758	**3,499**	3,978	**27,673**	23,986	**7,657**	6,935	**11,484**	9,148	**85,898**	77,805
Gross revenue	**316,796**	314,249	**61,385**	61,445	**194,721**	191,375	**90,399**	93,400	**222,870**	201,642	**886,171**	862,111
Property operating expenses	**(98,830)**	(93,435)	**(14,230)**	(13,751)	**(42,201)**	(49,355)	**(28,149)**	(28,313)	**(53,182)**	(47,857)	**(236,592)**	(232,711)
Segment net property income	**217,966**	220,814	**47,155**	47,694	**152,520**	142,020	**62,250**	65,087	**169,688**	153,785	**649,579**	629,400
Net property income margin	**68.8%**	70.3%	**76.8%**	77.6%	**78.3%**	74.2%	**68.9%**	69.7%	**76.1%**	76.3%	**73.3%**	73.0%

31. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	2019	**2018**	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	**$'000**	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group												
Unallocated												
– Gain on disposal on investment properties											**5,088**	5,309
– Finance income											**10,448**	9,081
– Finance costs											**(126,488)**	(109,842)
– Other net expenses											**(73,147)**	(51,146)
Net income											**465,480**	482,802
Unallocated net change in fair value of financial derivatives											**22,197**	9,805
Net change in fair value of investment properties	**16,821**	34,178	**(9,006)**	(6,919)	**(1,142)**	4,799	**7,798**	(5,451)	**14,834**	(22,807)	**29,304**	3,800
Share of joint venture's results											**493**	514
Total return for the year before tax											**517,474**	496,921
Unallocated tax expense											**(14,391)**	(2,827)
Total return for the year											**503,083**	494,094

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2019						
Assets and liabilities						
Segment assets	**4,108,375**	**724,305**	**2,247,948**	**954,443**	**3,283,698**	**11,318,769**
Unallocated assets						**95,054**
Total assets						**11,413,823**
Segment liabilities	**83,789**	**21,898**	**44,732**	**30,694**	**67,889**	**249,002**
Unallocated liabilities:						
– loans and borrowings						**4,097,791**
– others						**121,037**
Total liabilities						**4,467,830**
Other segmental information						
Capital expenditure:						
– investment properties	**21,566**	**10,146**	**14,190**	**3,133**	**12,911**	**61,946**
– investment properties under development	**91,595**	**–**	**–**	**–**	**16,790**	**108,385**
Write-off of receivables	**–**	**–**	**–**	**–**	**30**	**30**
Reversal of impairment loss on doubtful receivables	**(9)**	**–**	**–**	**–**	**(1)**	**(10)**

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities (continued)

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2018						
Assets and liabilities						
Segment assets	4,005,910	726,799	2,231,784	953,132	2,409,116	10,326,741
Unallocated assets						27,052
Total assets						10,353,793
Segment liabilities	76,354	18,052	54,221	31,656	43,356	223,639
Unallocated liabilities:						
– loans and borrowings						3,519,220
– others						112,238
Total liabilities						3,855,097
Other segmental information						
Capital expenditure:						
– investment properties	14,866	11,198	31,171	8,008	18,595	83,838
– investment properties under development	–	–	–	–	37,072	37,072
Provision of impairment loss on doubtful receivables	9	–	–	–	1	10

31. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of properties. 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		Australia		UK		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group								
External revenue	**747,661**	752,222	**116,676**	109,889	**21,834**	–	**886,171**	862,111
Non-current assets[1]	**8,861,197**	8,712,023	**1,560,980**	1,502,541	**813,457**	–	**11,235,634**	10,214,564

(1) Exclude financial assets.

REPORT OF THE TRUSTEE

Year ended 31 December 2019

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)[1] 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 152 to 253, 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

Authorised Signatory

24 February 2020

1 As 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, the First Amending and Restating Deed dated 11 June 2008, 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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017, Fifteenth Supplemental Deed dated 20 August 2018 and the Sixteenth Supplemental Deed dated 24 July 2019.

STATEMENT BY THE MANAGER

Year ended 31 December 2019

In the opinion of the directors of Ascendas Funds Management (S) Limited (the "Manager"), the accompanying financial statements set out on pages 152 to 253 comprising the Statements of Financial Position and Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), Statement of Total Return, Distribution Statement, Investment Properties Portfolio Statement and Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements, including a summary of significant accounting policies, are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2019, the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group and the movements in Unitholders' funds of the Trust for the year then ended 31 December 2019, in accordance with the recommendations of *The 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

William Tay Wee Leong
Director

24 February 2020

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2019

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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2019, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 152 to 253.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2019 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (continued)

Valuation of Investment Properties

The Group owns a portfolio of investment properties, comprising business and science park properties, suburban offices, integrated development, amenities and retail properties, high-specifications industrial properties and data centres, light industrial and flatted factories and logistics and distribution centres, located mainly in Singapore, Australia, the United Kingdom and the United States. As at 31 December 2019, the investment properties, with a carrying amount of $12.8 billion, represent the single largest asset category on the statement of financial position.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to changes in the key assumptions applied, particularly those relating to capitalisation, discount, terminal yield and equivalent yield rates, and price per square metre.

We assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence and competence of the external valuers. We also read the terms of engagement of the valuers entered into with the Group to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in the scope of their work.

We held discussions with the external valuers to understand the valuation methodologies used in the valuation and compared against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and external industry and economic data where available. We assessed the reasonableness of the capitalisation, discount, terminal yield and equivalent yield rates, and price per square metre, used in the valuations by comparing them against historical rates and industry data where available, taking into consideration comparability and market factors. We also assessed the overall appropriateness of the movements in fair value of the investment properties.

We further reviewed the adequacy of the disclosures in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The management of the Manager of the Trust (the "Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *The 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 management of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and risk committee of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and risk committee of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Simon Yeo.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

24 February 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group		Trust	
		31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Non-current assets					
Investment properties	4	12,743,792	11,143,937	9,061,600	8,769,500
Investment properties under development	5	182,057	91,595	147,469	91,595
Finance lease receivables	6	48,331	50,554	48,331	50,554
Right-of-use assets	7	617,639	–	617,639	–
Interests in subsidiaries	8	–	–	1,596,548	1,179,012
Loans to subsidiaries	8	–	–	267,705	297,000
Investment in a joint venture	9	154	102	–	–
Derivative assets	14	20,890	31,546	19,508	29,767
		13,612,863	11,317,734	11,758,800	10,417,428
Current assets					
Finance lease receivables	6	2,932	2,688	2,932	2,688
Trade and other receivables	10	36,339	39,635	25,587	33,570
Derivative assets	14	17,896	1,425	17,896	1,425
Investment properties held for sale	11	98,400	–	98,400	–
Loans to subsidiary	8	–	–	269,559	–
Cash and fixed deposits	12	95,705	52,341	8,967	6,678
		251,272	96,089	423,341	44,361
Total assets		13,864,135	11,413,823	12,182,141	10,461,789
Current liabilities					
Trade and other payables	13	255,836	158,255	206,605	131,581
Security deposits		93,356	46,862	93,157	46,690
Derivative liabilities	14	6,279	8	384	8
Short term borrowings	15	215,082	215,820	215,082	215,820
Term loans	15	261,829	301,094	–	301,094
Medium term notes	15	99,966	94,994	99,966	94,994
Lease liabilities	7	37,509	–	37,509	–
Provision for taxation		9,109	7,934	953	1,140
		978,966	824,967	653,656	791,327

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 31/12/2019 $'000	Group 31/3/2019 $'000	Trust 31/12/2019 $'000	Trust 31/3/2019 $'000
Non-current liabilities					
Security deposits		65,210	82,167	59,704	79,921
Derivative liabilities	14	67,174	64,112	64,043	55,958
Amount due to a subsidiary		–	–	25,062	25,646
Term loans	15	2,239,135	1,595,947	975,053	701,997
Medium term notes	15	1,795,636	1,889,936	1,795,636	1,889,936
Lease liabilities	7	580,130	–	580,130	–
Other payables	13	87	–	–	–
Deferred tax liabilities	16	26,559	10,701	–	–
		4,773,931	3,642,863	3,499,628	2,753,458
Total liabilities		5,752,897	4,467,830	4,153,284	3,544,785
Net assets		8,111,238	6,945,993	8,028,857	6,917,004
Represented by:					
Unitholders' funds		7,810,370	6,641,611	7,727,989	6,612,622
Perpetual securities holders' funds	17	300,868	304,382	300,868	304,382
		8,111,238	6,945,993	8,028,857	6,917,004
Units in issue ('000)	18	3,612,694	3,110,842	3,612,694	3,110,842
Net asset value per unit ($)		2.16	2.13	2.14	2.12

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

STATEMENT OF TOTAL RETURN

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Gross revenue	19	699,057	886,171
Property operating expenses	20	(161,379)	(236,592)
Net property income		537,678	649,579
Management fees			
– Base management fee	21	(43,332)	(54,379)
Trust expenses	22	(6,997)	(7,675)
Finance income	23	8,159	10,448
Finance costs	23	(121,556)	(126,488)
Net foreign exchange differences		(8,640)	(11,093)
Gain on disposal of investment properties		3,220	5,088
Net income		368,532	465,480
Net change in fair value of financial derivatives		(3,784)	22,197
Net change in fair value of right-of-use assets	7	(4,668)	–
Net change in fair value of investment properties and investment properties held for sale	4	48,059	29,304
Share of joint venture's results	9	409	493
Total return for the year before tax		408,548	517,474
Tax expense	24	(20,677)	(14,391)
Total return for the year		387,871	503,083
Attributable to:			
Unitholders of the Trust and perpetual securities holders		387,871	503,087
Non-controlling interests		–	(4)
Total return for the year		387,871	503,083
Earnings per Unit (cents)	25		
– Basic and diluted			
As restated to include the effects of the Right Issue		11.682	15.806
As previously reported			16.156
Distribution per Unit (cents)	25		
As actually distributed to the Unitholders		11.490	16.035
As restated to include the effects of the Right Issue		11.317	15.688

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

DISTRIBUTION STATEMENT

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	Group 12 months ended 31 March 2019 $'000
Total amount available for distribution to Unitholders at beginning of the financial year		253,754	231,154
Total return for the year attributable to Unitholders and perpetual securities holders		387,871	503,087
Less: Amount reserved for distribution to perpetual securities holders		(10,736)	(14,250)
Distribution adjustments (Note A)		(54,411)	(56,784)
		322,724[(1)]	432,053[(1)]
Tax-exempt income		4,717	–
Distribution from capital		47,971	53,630
Total amount available for distribution to Unitholders for the year		375,412	485,683
Distribution of 7.983 cents per unit for the period from 01/04/19 to 30/09/19		(248,491)	–
Distribution of 8.146 cents per unit for the period from 01/10/18 to 31/03/19		(253,409)	–
Distribution of 0.639 cents per unit for the period from 18/09/18 to 30/09/18		–	(19,863)
Distribution of 7.250 cents per unit for the period from 01/04/18 to 17/09/18		–	(212,456)
Distribution of 7.880 cents per unit for the period from 01/10/17 to 31/03/18		–	(230,764)
		(501,900)	(463,083)
Total amount available for distribution to Unitholders at end of the financial year		127,266	253,754
Distribution per Unit (cents)	25		
As actually distributed to the Unitholders		11.490	16.035
As restated to include the effects of the Rights Issue		11.317	15.688
[(1)] Comprises:			
– Taxable income		322,724	432,053

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

DISTRIBUTION STATEMENT

Year ended 31 December 2019

	Group	
	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Note A – Distribution adjustments comprise:		
Amount reserved for distribution to perpetual securities holders	10,736	14,250
Management fee paid/payable in Units	8,642	10,873
Trustee fee	1,575	1,993
Others	36,877	29,903
Income from subsidiaries and joint venture	(73,386)	(76,069)
Net change in fair value of financial derivatives	3,784	(22,197)
Net foreign exchange differences	8,640	11,093
Gain on disposal of investment properties	(3,220)	(5,088)
Net change in fair value of investment properties and investment properties held for sale (Note 4)	(48,059)	(29,304)
Rollover adjustment from prior years	–	7,762
Total distribution adjustments	(54,411)	(56,784)

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2019

	Group		Trust	
	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Unitholders' Funds				
Balance at beginning of the financial year	6,641,611	6,194,310	6,612,622	6,170,366
Operations				
Total return for the year attributable to Unitholders of the Trust and perpetual securities holders	387,871	503,087	307,477	459,938
Less: Amount reserved for distribution to perpetual securities holders	(10,736)	(14,250)	(10,736)	(14,250)
Net increase in net assets resulting from operations	377,135	488,837	296,741	445,688
Movement in foreign currency translation reserve	(27,002)	(38,104)	–	–
Unitholders' transactions				
Units issued through equity fund raising	1,309,848	452,138	1,309,848	452,138
Development management fees paid in Units	–	840	–	840
Acquisition fees paid/payable in Units	16,536	–	16,536	–
Management fees paid/payable in Units	8,642	10,873	8,642	10,873
Unit issue costs	(14,500)	(4,200)	(14,500)	(4,200)
Distributions to Unitholders	(501,900)	(463,083)	(501,900)	(463,083)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	818,626	(3,432)	818,626	(3,432)
Balance at end of the financial year	7,810,370	6,641,611	7,727,989	6,612,622
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	304,382	304,382	304,382	304,382
Amount reserved for distribution to perpetual securities holders	10,736	14,250	10,736	14,250
Distribution to perpetual securities holders	(14,250)	(14,250)	(14,250)	(14,250)
Balance at end of the financial year	300,868	304,382	300,868	304,382
Non-controlling interests				
Balance at beginning of the financial year	–	4	–	–
Total return for the year attributable to non-controlling interests	–	(4)	–	–
Balance at end of the financial year	–	–	–	–
Total	8,111,238	6,945,993	8,028,857	6,917,004

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
Group										
SINGAPORE										
Business & Science Park Properties										
One-north										
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	45 years[a]	8/8A Biomedical Grove	141,000	139,000	1.80	2.09
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	51 years	1 & 3 Fusionopolis Link	194,000	192,000	2.48	2.89
Nucleos[(i)]	11 Dec 2019	Leasehold	60 years[a]	31 May 2071	51 years	21 Biopolis Road	303,000	–	3.88	–
International Business Park										
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	35 years	7 International Business Park	22,000	23,000	0.28	0.35
iQuest@IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	27 International Business Park	26,600	26,600	0.34	0.40
Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	36 years[a]	29 International Business Park	92,400	95,300	1.18	1.43
31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	35 years[a]	31 International Business Park	206,600	214,900	2.65	3.24
Nordic European Centre	08 Jul 2011	Leasehold	60 years[a]	31 Mar 2057[a]	37 years[a]	3 International Business Park	119,500	116,500	1.53	1.76
Changi Business Park										
Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	39 years[a]	17 Changi Business Park Central 1	71,600	70,800	0.92	1.07
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	41 years[a]	1 Changi Business Park Avenue 1	57,000	54,600	0.73	0.82
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	47 years[a]	10 Changi Business Park Central 2	119,900	119,500	1.54	1.80
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	1, 3 & 5 Changi Business Park Crescent	337,300	323,700	4.32	4.87
DBS Asia Hub	31 Mar 2010 & 15 April 2015	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	2 & 2A Changi Business Park Crescent	191,000	166,900	2.44	2.51
AkzoNobel House	08 Dec 2011	Leasehold	60 years[a]	28 Feb 2061[a]	41 years[a]	3 Changi Business Park Vista	70,800	69,100	0.91	1.04
ONE@Changi City	01 Mar 2016	Leasehold	60 years	29 Apr 2069	49 years	1 Changi Business Park Central 1	502,000	500,100	6.43	7.53
Balance carried forward – (Business & Science Park Properties)							2,454,700	2,112,000	31.43	31.80

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
SINGAPORE										
Business & Science Park Properties (continued)										
Balance brought forward – (Business & Science Park Properties)							2,454,700	2,112,000	31.43	31.80
Science Park I										
TÜV SÜD PSB Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	61 years	1 Science Park Drive	90,000	90,000	1.15	1.36
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	48 years	87 & 89 Science Park Drive	100,000	100,000	1.28	1.51
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	48 years	73 Science Park Drive	57,500	57,500	0.74	0.87
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	48 years	75 Science Park Drive	46,000	47,000	0.59	0.71
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	48 years	77 & 79 Science Park Drive	128,000	133,000	1.64	2.00
12,14 &16 Science Park Drive	16 Feb 2017	Leasehold	99 years	31 May 2081	61 years	12, 14 and 16 Science Park Drive	452,700	450,000	5.80	6.78
Science Park II										
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	10 Science Park Road	102,000	102,000	1.31	1.54
The Aries, Sparkle & Gemini[(i)]	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	41, 45 & 51 Science Park Road	200,500	204,500	2.57	3.08
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	1 Science Park Road	119,000	116,000	1.52	1.74
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	59 years	61 Science Park Road	147,000	143,200	1.88	2.15
The Kendall	30 Mar 2015	Leasehold	64 years	24 Mar 2079	59 years	50 Science Park Road	136,000	136,000	1.74	2.04
FM Global Centre[(ii)]	11 Dec 2019	Leasehold	99 years	23 Mar 2092	72 years	288 Pasir Panjang Road	95,700	–	1.22	–
Total Singapore Business & Science Park Properties							4,129,100	3,691,200	52.87	55.58
Integrated Development, Amenities & Retail Properties										
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	16 years	50 Tampines North Drive 2	64,000	64,000	0.82	0.96
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	16 years	21 Tampines North Drive 2	81,500	84,000	1.04	1.26
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	52 years	8, 10 & 12 Kallang Avenue	584,000	576,000	7.48	8.68
Total Singapore Integrated Development, Amenities & Retail Properties							729,500	724,000	9.34	10.90

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

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Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019 $'000	31/3/2019 $'000	31/12/2019 %	31/3/2019 %
SINGAPORE										
High-Specifications Industrial Properties & Data Centres										
Data Centres										
Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	71 years	5 Tampines Central 6	272,400	268,700	3.49	4.04
Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	71 years	38 Kim Chuan Road	144,800	143,100	1.85	2.14
38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	71 years	38A Kim Chuan Road	126,400	126,400	1.62	1.90
High-Specifications Industrial Properties										
Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	34 years	31 Kaki Bukit Road 3	124,900	124,000	1.60	1.87
Siemens Centre	12 Mar 2004	Leasehold	60 years[a]	15 Dec 2061[a]	42 years[a]	60 MacPherson Road	108,700	106,100	1.39	1.60
Infineon Building	01 Dec 2004	Leasehold	47 years[c]	30 Jun 2050[c]	31 years[c]	8 Kallang Sector	90,700	87,600	1.16	1.32
Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	32 years	10 Ang Mo Kio Street 65	155,200	155,100	1.99	2.34
Wisma Gulab[iii]	01 Dec 2004	Freehold	Freehold	–	–	190 MacPherson Road	–	83,400	–	1.26
KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	38 years	150 Kampong Ampat	54,900	50,700	0.70	0.76
KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	38 years	159 Kampong Ampat	22,100	21,700	0.28	0.33
Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang Timor	91,200	90,700	1.17	1.37
Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	37 years	1 Kaki Bukit View	161,200	152,900	2.06	2.30
1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang	25,000	25,000	0.32	0.38
30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[a]	31 Dec 2063[a]	44 years[a]	30 Tampines Industrial Avenue 3	37,800	37,800	0.48	0.57
138 Depot Road	15 Mar 2006	Leasehold	60 years[a]	30 Nov 2064[a]	45 years[a]	138 Depot Road	70,300	66,900	0.90	1.01
2 Changi South Lane	01 Feb 2007	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	2 Changi South Lane	38,300	38,300	0.49	0.58
CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	9 Serangoon North Avenue 5	16,300	24,300	0.21	0.37
Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	31 years	2 Corporation Road	123,900	123,800	1.59	1.86
31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[a]	28 Feb 2050[a]	30 years[a]	31 Ubi Road 1	29,300	32,100	0.38	0.48
80 Bendeemer Road (formerly known as "Hyflux Innovation Centre")	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	49 years	80 Bendemeer Road	212,300	212,300	2.72	3.20
Schneider Electric Building	27 Feb 2006	Leasehold	60 years	15 Nov 2055	36 years	50 Kallang Avenue	91,800	91,600	1.18	1.38
10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	36 years[a]	10 Toh Guan Road	129,000	129,000	1.65	1.94
Total Singapore High-Specifications Industrial Properties & Data Centres							2,126,500	2,191,500	27.23	33.00

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							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
SINGAPORE										
Light Industrial Properties & Flatted Factories										
Flatted Factories										
Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	32 years	Blk 4008-4012 Ang Mo Kio Avenue 10	144,000	144,600	1.84	2.18
Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	32 years	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	191,400	189,900	2.45	2.86
Light Industrial Properties										
OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	37 years	65 Ubi Avenue 1	39,700	39,500	0.51	0.59
12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[a]	15 Jan 2056[a]	36 years[a]	12 Woodlands Loop	28,200	28,200	0.36	0.42
25 Changi South Street 1	26 Nov 2004	Leasehold	60 years[a]	30 Sep 2057[a]	38 years[a]	25 Changi South Street 1	19,900	19,900	0.25	0.30
247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	32 years	247 Alexandra Road	70,000	66,000	0.90	0.99
5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	30 years	5 Tai Seng Drive	21,800	22,400	0.28	0.34
35 Tampines Street 92	01 Dec 2004	Leasehold	60 years[a]	31 Jan 2052[a]	32 years[a]	35 Tampines Street 92	12,600	12,600	0.16	0.19
53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	53 Serangoon North Avenue 4	16,800	13,500	0.22	0.21
3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	30 years	3 Tai Seng Drive	19,500	20,600	0.25	0.31
27 Ubi Road 4[iv]	01 Apr 2005	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	27 Ubi Road 4	–	12,500	–	0.19
52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[a]	15 Sep 2055[a]	36 years[a]	52 Serangoon North Avenue 4	21,800	21,800	0.28	0.33
202 Kallang Bahru[iii]	04 Apr 2005	Leasehold	60 years	15 Jan 2041	21 years	202 Kallang Bahru	–	18,500	–	0.28
25 Ubi Road 4[iv]	16 May 2005	Leasehold	60 years[a]	29 Feb 2056[a]	36 years[a]	25 Ubi Road 4	–	8,700	–	0.13
Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[a]	30 Nov 2049[a]	30 years[a]	11 Tampines Street 92	20,800	24,200	0.27	0.36
Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	13 years	455A Jalan Ahmad Ibrahim	8,600	8,800	0.11	0.13
37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[a]	31 Aug 2054[a]	35 years[a]	37A Tampines Street 92	18,700	15,900	0.24	0.24
Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[a]	28 Feb 2065[a]	45 years[a]	11 Changi North Rise	42,600	41,000	0.55	0.62
Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[f]	30 Jun 2047[f]	28 years[f]	21 Changi North Rise	12,900	12,000	0.17	0.18
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	37 years[a]	150 Ubi Avenue 4	18,700	18,500	0.24	0.28
2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	36 years[a]	2 Senoko South Road	40,100	39,000	0.51	0.59
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	37 years[a]	18 Woodlands Loop	34,400	33,400	0.44	0.50
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	35 years[a]	9 Woodlands Terrace	3,600	3,600	0.04	0.05
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	36 years[a]	11 Woodlands Terrace	4,600	4,600	0.05	0.07
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	25 years[a]	1 Senoko Avenue	92,700	91,100	1.19	1.37
8 Loyang Way 1[v]	05 May 2008	Leasehold	30 years[g]	15 Jul 2052[g]	33 years[g]	8 Loyang Way 1	–	23,600	–	0.36
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	36 years[a]	31 Joo Koon Circle	17,000	18,800	0.22	0.28
Total Singapore Light Industrial Properties & Flatted Factories							900,400	953,200	11.53	14.35

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

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Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
SINGAPORE										
Logistics & Distribution Centres										
20 Tuas Avenue 1	19 Feb 2004	Leasehold	58 years[b]	31 August 2056[b]	37 years[b]	20 Tuas Avenue 1	87,300	86,400	1.12	1.30
LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	37 years	3 Changi North Street 2	55,000	50,600	0.70	0.76
Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[a]	15 Oct 2050[a]	31 years[a]	19 Loyang Way	67,800	78,600	0.87	1.18
4 Changi South Lane	31 May 2004	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	4 Changi South Lane	26,800	26,000	0.34	0.39
40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[d]	31 Dec 2049[d]	30 years[d]	40 Penjuru Lane	234,000	241,500	3.00	3.64
Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[a]	31 May 2054[a]	34 years[a]	3 Changi South Street 2	35,600	35,600	0.46	0.54
20 Tuas Avenue 6	02 Dec 2004	Leasehold	60 years[a]	15 Jul 2050[a]	31 years[a]	20 Tuas Avenue 6	7,600	7,700	0.10	0.12
Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	6 Changi South Street 2	24,800	24,700	0.32	0.37
9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[a]	30 Apr 2055[a]	35 years[a]	9 Changi South Street 3	43,900	43,600	0.56	0.66
5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[a]	15 Dec 2049[a]	30 years[a]	5 Toh Guan Road East	28,000	27,900	0.36	0.41
Xilin Districentre Building C	05 May 2005	Leasehold	60 years[a]	30 Sep 2054[a]	35 years[a]	7 Changi South Street 2	29,000	29,000	0.37	0.44
19 & 21 Pandan Avenue	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[e]	31 Jan 2049[e]	29 years[e]	19 & 21 Pandan Avenue	126,800	126,400	1.62	1.90
1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	39 years	1 Changi South Lane	39,000	47,400	0.50	0.71
Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[a]	15 May 2053[a]	33 years[a]	2 Clementi Loop	23,000	31,500	0.29	0.47
11 Changi North Way	18 Nov 2005	Leasehold	60 years[a]	15 Nov 2063[a]	44 years[a]	11 Changi North Way	15,000	17,400	0.19	0.26
21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[a]	30 Sep 2055[a]	36 years[a]	21 Jalan Buroh	73,000	76,500	0.93	1.15
21 Changi South Avenue 2	19 Mar 2008	Leasehold	60 years[a]	30 Sep 2054[a]	35 years[a]	21 Changi South Avenue 2	18,000	21,000	0.23	0.32
15 Changi North Way	29 Jul 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	15 Changi North Way	44,800	41,700	0.57	0.63
Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	17 years	15 Pioneer Walk	116,000	122,500	1.49	1.84
71 Alps Avenue	02 Sep 2009	Leasehold	60 years[a]	14 Aug 2068[a]	49 years[a]	71 Alps Avenue	23,700	21,800	0.30	0.33
90 Alps Avenue	20 Jan 2012	Leasehold	60 years[a]	22 Oct 2070[a]	51 years[a]	90 Alps Avenue	57,000	51,800	0.73	0.79
Total Singapore Logistics & Distribution Centres							1,176,100	1,209,600	15.05	18.21
Total Singapore investment properties							9,061,600	8,769,500	116.02	132.04

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

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Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019 $'000	31/3/2019 $'000	31/12/2019 %	31/3/2019 %
AUSTRALIA										
Logistics & Distribution Centres										
Logistics & Distribution Centres (Sydney, New South Wales)										
484 – 490 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	484-490 Great Western Highway, Arndell Park	19,486	19,912	0.25	0.30
494 – 500 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	494-500 Great Western Highway, Arndell Park	38,740	35,745	0.50	0.54
1A & 1B Raffles Glade^	18 Nov 2015	Freehold	Freehold	–	–	1A & 1B Raffles Glade, Eastern Creek	42,684	42,702	0.54	0.64
7 Grevillea Street^	18 Nov 2015	Freehold	Freehold	–	–	7 Grevillea Street, Eastern Creek	123,412	123,309	1.58	1.86
5 Eucalyptus Place^	18 Nov 2015	Freehold	Freehold	–	–	5 Eucalyptus Place, Eastern Creek	29,461	27,589	0.38	0.42
16 Kangaroo Avenue^	18 Nov 2015	Freehold	Freehold	–	–	16 Kangaroo Avenue, Eastern Creek	41,060	38,144	0.53	0.57
1-15 Kellet Close^	18 Nov 2015	Freehold	Freehold	–	–	1-15 Kellet Close, Erskine Park	49,411	46,541	0.64	0.70
94 Lenore Drive^	18 Nov 2015	Freehold	Freehold	–	–	94 Lenore Drive, Erskine Park	44,076	37,185	0.57	0.56
1 Distribution Place^	18 Nov 2015	Freehold	Freehold	–	–	1 Distribution Place, Seven Hills	26,213	26,629	0.34	0.40
6-20 Clunies Ross Street	22 Feb 2016	Freehold	Freehold	–	–	6-20 Clunies Ross Street, Pemulway	79,800	80,606	1.02	1.21
Logistics & Distribution Centres (Melbourne, Victoria)										
676-698 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	676-698 Kororoit Creek Road, Altona North	64,304	62,374	0.82	0.94
700-718 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	700-718 Kororoit Creek Road, Altona North	35,261	34,546	0.45	0.52
14-28 Ordish Road^	18 Nov 2015	Freehold	Freehold	–	–	14-28 Ordish Road, Dandenong South	40,828	42,222	0.52	0.64
35-61 South Park Drive^	18 Nov 2015	Freehold	Freehold	–	–	35-61 South Park Drive, Dandenong South	42,962	40,879	0.55	0.62
2-16 Aylesbury Drive^	18 Nov 2015	Freehold	Freehold	–	–	2-16 Aylesbury Drive, Altona	21,806	18,328	0.28	0.28
81-89 Drake Boulevard^	18 Nov 2015	Freehold	Freehold	–	–	81-89 Drake Boulevard, Altona	15,311	15,162	0.19	0.23
9 Andretti Court^	18 Nov 2015	Freehold	Freehold	–	–	9 Andretti Court, Truganina	29,508	29,748	0.38	0.45
31 Permas Way^	18 Nov 2015	Freehold	Freehold	–	–	31 Permas Way, Truganina	60,314	57,576	0.77	0.87
162 Australis Drive^	18 Nov 2015	Freehold	Freehold	–	–	162 Australis Drive, Derrimut	25,981	25,909	0.33	0.39
52 Fox Drive	03 April 2017	Freehold	Freehold	–	–	52 Fox Drive, Dandenong South	27,652	26,869	0.35	0.40
169-177 Australis Drive[vi]	04 June 2018	Freehold	Freehold	–	–	169 -177 Australis Drive, Derrimut	33,590	33,586	0.43	0.50
1314 Ferntree Gully Drive[vii]	26 June 2018	Freehold	Freehold	–	–	1314 Ferntree Gully Drive, Scoresby	15,218	15,354	0.19	0.22
Balance carried forward – (Logistics & Distribution Centres)							907,078	880,915	11.61	13.26

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							31/12/2019 $'000	31/3/2019 $'000	31/12/2019 %	31/3/2019 %
AUSTRALIA										
Logistics & Distribution Centres (continued)										
Balance brought forward – (Logistics & Distribution Centres)							907,078	880,915	11.61	13.26
Logistics & Distribution Centres (Brisbane, Queensland)										
62 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	62 Sandstone Place, Parkinson	19,486	20,679	0.25	0.31
92 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	92 Sandstone Place, Parkinson	20,321	22,455	0.26	0.34
62 Stradbroke Street^	23 Oct 2015	Freehold	Freehold	–	–	62 Stradbroke Street, Heathwood	34,333	35,025	0.44	0.53
82 Noosa Street^	23 Oct 2015	Freehold	Freehold	–	–	82 Noosa Street, Heathwood	48,019	54,457	0.61	0.82
95 Gilmore Road^	23 Oct 2015	Freehold	Freehold	–	–	95 Gilmore Road, Berrinba	79,800	81,086	1.02	1.22
77 Logistics Place^	18 Nov 2015	Freehold	Freehold	–	–	77 Logistics Place, Larapinta	24,404	25,237	0.31	0.38
99 Radius Drive^	18 Nov 2015	Freehold	Freehold	–	–	99 Radius Drive, Larapinta	23,940	24,518	0.30	0.37
1-7 Wayne Goss Drive[viii]	07 Sep 2018	Freehold	Freehold	–	–	1-7 Wayne Goss Drive, Berrinba	29,368	25,909	0.38	0.39
Cargo Business Park[ix]	17 Sep 2018	Freehold	Freehold	–	–	56 Lavarack Ave, Eagle Farm	30,621	32,291	0.39	0.49
Logistics & Distribution Centres (Perth, Western Australia)										
35 Baile Road^	23 Oct 2015	Freehold	Freehold	–	–	35 Baile Road, Canning Vale	37,580	37,424	0.48	0.56
Total Australia Logistics & Distribution Centres							1,254,950	1,239,996	16.05	18.67
Suburban Offices										
Suburban Offices (Sydney, New South Wales)										
197-201 Coward Street	09 Sep 2016	Freehold	Freehold	–	–	197-201 Coward Street, Mascot	164,472	162,172	2.12	2.44
Suburban Offices (Brisbane, Queensland)										
100 Wickham	25 Sep 2017	Freehold	Freehold	–	–	100 Wickham Street, Fortitude Valley	67,087	68,610	0.86	1.03
108 Wickham	22 Dec 2017	Freehold	Freehold	–	–	108 Wickham Street, Fortitude Valley	88,152	90,202	1.13	1.36
Total Australia Suburban Offices							319,711	320,984	4.11	4.83
Total Australia investment properties							1,574,661	1,560,980	20.16	23.50

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							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED KINGDOM										
Logistics & Distribution Centres (East England)										
Market Garden Road[xii]	16 Aug 2018	Freehold	Freehold	–	–	Market Garden Road, Stratton Business Park, Biggleswade	36,848	37,128	0.47	0.56
Logistics & Distribution Centres (East Midlands)										
Common Road[xii]	16 Aug 2018	Freehold	Freehold	–	–	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	35,094	35,802	0.45	0.54
Unit 1-5, Export Drive[xii]	16 Aug 2018	Freehold	Freehold	–	–	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	2,983	2,917	0.04	0.04
Logistics & Distribution Centres (North West England)										
Astmoor Road[xii]	16 Aug 2018	Freehold	Freehold	–	–	Astmoor Road, Astmoor Industrial Estate, Runcorn	51,324	51,714	0.66	0.79
Transpennine 200[xii]	16 Aug 2018	Freehold	Freehold	–	–	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	14,081	15,028	0.18	0.23
Leacroft Road[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Leacroft Road, Birchwood, Warrington	9,388	9,459	0.12	0.16
Hawleys Lane[xiv]&[xiii]	04 Oct 2018	965 years	Leasehold	22 Nov 2962	943 years	Hawleys Lane, Warrington	42,814	43,139	0.54	0.65
8 Leacroft Road[xiii]	04 Oct 2018	Freehold	Freehold	–	–	8 Leacroft Road, Birchwood, Warrington	12,370	12,376	0.16	0.19
Logistics & Distribution Centres (South East England)										
Howard House[xi]&[xii]	16 Aug 2018	999 years	Leasehold	28 Nov 3004	985 years	Howard House, Howard Way, Interchange Park, Newport Pagnell	53,079	55,869	0.68	0.84
Units 1-2, Tower Lane[xii]	16 Aug 2018	Freehold	Freehold	–	–	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	20,144	20,332	0.26	0.31
Lodge Road[xiii]	4 Oct 2018	Freehold	Freehold	–	–	Lodge Road, Staplehurst, Kent	22,811	22,718	0.29	0.34
Balance carried forward – (Logistics & Distribution Centres)							300,936	306,482	3.85	4.65

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019 $'000	31/3/2019 $'000	31/12/2019 %	31/3/2019 %
UNITED KINDOM										
Balance brought forward – (Logistics & Distribution Centres)							300,936	306,482	3.85	4.65
Logistics & Distribution Centres (West Midlands)										
Eastern Avenue[xii]	16 Aug 2018	Freehold	Freehold	–	–	Eastern Avenue, Derby Road, Burton-on-Trent	25,794	25,990	0.33	0.39
Vernon Road[xii]	16 Aug 2018	Freehold	Freehold	–	–	Vernon Road, Stoke-on-Trent	30,224	30,454	0.38	0.46
1 Sun Street[xiii]	04 Oct 2018	Freehold	Freehold	–	–	1 Sun Street, Wolverhampton	43,604	43,935	0.56	0.66
The Triangle[xiii]	04 Oct 2018	Freehold	Freehold	–	–	The Triangle, North View, Walsgrave, Coventry	44,306	46,410	0.57	0.70
Unit 103, Stonebridge Cross Business Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 103, Stonebridge Cross Business Park, Droitwich	2,193	2,298	0.03	0.03
Unit 302, Stonebridge Cross Business Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	36,322	36,598	0.46	0.55
Unit 401, Stonebridge Cross Business Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	10,265	10,873	0.13	0.16
Unit 402, Stonebridge Cross Business Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	8,159	8,221	0.10	0.12
Unit 404, Stonebridge Cross Business Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	8,247	8,310	0.11	0.13
Unit 1, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	43,165	43,493	0.55	0.65
Unit 2, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	28,601	29,437	0.37	0.45
Unit 3, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	43,253	43,581	0.56	0.66
Unit 4, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	10,616	10,696	0.14	0.16
Balance carried forward – (Logistics & Distribution Centres)							635,685	646,778	8.14	9.77

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019 $'000	31/3/2019 $'000	31/12/2019 %	31/3/2019 %
UNITED KINDOM										
Balance brought forward – (Logistics & Distribution Centres)							635,685	646,778	8.14	9.77
Logistics & Distribution Centres (West Midlands) (continued)										
Unit 5, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	12,195	12,288	0.16	0.19
Unit 8, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	20,486	21,658	0.26	0.32
Unit 13, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	8,466	9,680	0.11	0.15
Unit 14, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	14,213	14,321	0.18	0.21
Unit 16, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	3,202	3,050	0.04	0.04
Unit 17, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	2,018	2,122	0.03	0.03
Unit 18, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	1,755	1,591	0.02	0.02
Unit 19, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	2,062	2,077	0.03	0.03
Unit 20, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	4,167	4,243	0.05	0.06
Unit 21, Wellesbourne Distribution Park[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Unit 21, Wellesbourne Distribution Park, Wellesbourne, Warwick	5,483	5,304	0.07	0.08
Balance carried forward – (Logistics & Distribution Centres)							709,732	723,112	9.09	10.90

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED KINDOM										
Balance brought forward – (Logistics & Distribution Centres)							709,732	723,112	9.09	10.90
Logistics & Distribution Centres (Yorkshire and the Humber)										
12 Park Farm Road[x][&][xii]	16 Aug 2018	Freehold	Freehold	–	–	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	18,600	19,448	0.24	0.29
Units 1a, 1b, 2 & 3, Upwell Street[xii]	16 Aug 2018	Freehold	Freehold	–	–	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	29,566	30,763	0.37	0.46
Unit 3, Brookfields Way[xii]	16 Aug 2018	Freehold	Freehold	–	–	Unit 3, Brookfields Way, Rotherham	21,934	22,100	0.28	0.33
Lowfields Way[xiii]	04 Oct 2018	Freehold	Freehold	–	–	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	17,898	18,034	0.23	0.27
Total United Kingdom investment properties							797,730	813,457	10.21	12.25

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED STATES										
Business Park (San Diego, California)										
5005 & 5010 Wateridge[xv]	11 December 2019	Freehold	Freehold	–	–	5005 & 5010 Wateridge Vista Drive, San Diego	117,824	–	1.51	–
6055 Lusk Boulevard[xv]	11 December 2019	Freehold	Freehold	–	–	6055 Lusk Boulevard, San Diego	47,891	–	0.61	–
10020 Pacific Mesa Boulevard[xv]	11 December 2019	Freehold	Freehold	–	–	10020 Pacific Mesa Boulevard, San Diego	173,606	–	2.22	–
15051 Avenue of Science[xv]	11 December 2019	Freehold	Freehold	–	–	15051 Avenue of Science, San Diego	37,551	–	0.48	–
15073 Avenue of Science[xv]	11 December 2019	Freehold	Freehold	–	–	15073 Avenue of Science, San Diego	27,483	–	0.35	–
15231, 15253 & 15333 Avenue of Science[xv]	11 December 2019	Freehold	Freehold	–	–	15231, 15253 & 15333 Avenue of Science, San Diego	100,409	–	1.29	–
15378 Avenue of Science[xv]	11 December 2019	Freehold	Freehold	–	–	15378 Avenue of Science, San Diego	41,497	–	0.53	–
15435 & 15445 Innovation Drive[xv]	11 December 2019	Freehold	Freehold	–	–	15435 & 15445 Innovation Drive	60,817	–	0.78	–
Business Park (Raleigh, North Carolina)										
5200 East & West Paramount Parkway[xv]	11 December 2019	Freehold	Freehold	–	–	5200 East & West Paramount Parkway, Morrisville	101,361	–	1.30	–
Perimeter One[xv]	11 December 2019	Freehold	Freehold	–	–	3005 Carrington Mill Boulevard, Morrisville	74,966	–	0.96	–
Perimeter Two[xv]	11 December 2019	Freehold	Freehold	–	–	3020 Carrington Mill Boulevard, Morrisville	75,374	–	0.97	–
Perimeter Three[xv]	11 December 2019	Freehold	Freehold	–	–	3015 Carrington Mill Boulevard, Morrisville	76,599	–	0.98	–
Perimeter Four[xv]	11 December 2019	Freehold	Freehold	–	–	3025 Carrington Mill Boulevard, Morrisville	71,021	–	0.91	–
Balance carried forward – (Business Park)							1,006,399	–	12.89	–

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED STATES										
Balance brought forward – (Business Park)							1,006,399	–	12.89	–
Business Park (Portland, Oregon)										
The Atrium[xv]	11 December 2019	Freehold	Freehold	–	–	15220 NW Greenbrier Parkway, Beaverton	44,626	–	0.57	–
The Commons[xv]	11 December 2019	Freehold	Freehold	–	–	15455 NW Greenbrier Parkway, Beaverton	17,279	–	0.22	–
Greenbrier Court[xv]	11 December 2019	Freehold	Freehold	–	–	14600-14700 NW Greenbrier Parkway, Beaverton	22,857	–	0.29	–
Parkside[xv]	11 December 2019	Freehold	Freehold	–	–	15350-15400 NW Greenbrier Parkway, Beaverton	27,619	–	0.36	–
Ridgeview[xv]	11 December 2019	Freehold	Freehold	–	–	15201 NW Greenbrier Parkway, Beaverton	21,497	–	0.28	–
Waterside[xv]	11 December 2019	Freehold	Freehold	–	–	14908, 14924, 15247 and 15272 NW Greenbrier Parkway, Beaverton	31,157	–	0.40	–
8300 Creekside[xv]	11 December 2019	Freehold	Freehold	–	–	8300 SW Creekside Place, Beaverton	14,694	–	0.19	–
8305 Creekside[xv]	11 December 2019	Freehold	Freehold	–	–	8305 SW Creekside Place, Beaverton	4,898	–	0.06	–
8405 Nimbus[xv]	11 December 2019	Freehold	Freehold	–	–	8405 SW Nimbus Avenue, Beaverton	20,272	–	0.26	–
8500 Creekside[xv]	11 December 2019	Freehold	Freehold	–	–	8500 SW Creekside Place, Beaverton	22,721	–	0.29	–
8700-8770 Nimbus[xv]	11 December 2019	Freehold	Freehold	–	–	8700-8770 SW Nimbus Avenue, Beaverton	8,027	–	0.10	–
Creekside 5[xv]	11 December 2019	Freehold	Freehold	–	–	8705 SW Nimbus Avenue, Beaverton	14,150	–	0.18	–
Creekside 6[xv]	11 December 2019	Freehold	Freehold	–	–	8905 SW Nimbus Avenue, Beaverton	25,034	–	0.32	–
9205 Gemini[xv]	11 December 2019	Freehold	Freehold	–	–	9205 SW Gemini Drive, Beaverton	10,476	–	0.13	–
9405 Gemini[xv]	11 December 2019	Freehold	Freehold	–	–	9405 SW Gemini Drive, Beaverton	18,095	–	0.23	–
Total United States investment properties							1,309,801	–	16.77	–
Total Group's investment properties							12,743,792	11,143,937	163.16	167.79
Investment properties under development (Note 5)							182,057	91,595	2.33	1.38
Investment properties held for sale (Note 11)							98,400	–	1.26	–
Other assets and liabilities (net)							(4,913,011)	(4,289,539)	(62.90)	(64.59)
Net assets of the Group							8,111,238	6,945,993	103.85	104.58
Perpetual securities							(300,868)	(304,382)	(3.85)	(4.58)
Net assets attributable to Unitholders							7,810,370	6,641,611	100.00	100.00

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

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

Independent valuations for 198 (31 March 2019: 171) properties including investment properties, and investment properties held for sale were undertaken by the following valuers on the dates stated below:

Valuers	31/12/2019 Valuation date	31/03/2019 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	31 December 2019	31 March 2019
CBRE Pte. Ltd.	31 December 2019	31 March 2019
Edmund Tie & Company (SEA) Pte Ltd	31 December 2019	31 March 2019
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2019	31 March 2019
Jones Lang LaSalle Property Consultants Pte Ltd	31 December 2019	31 March 2019
Knight Frank Pte Ltd	31 December 2019	31 March 2019
Knight Frank LLP	31 December 2019	31 March 2019
Jones Lang LaSalle Advisory Services Pty Ltd	31 December 2019	31 March 2019
Newmark Knight Frank Valuation & Advisory, LLC	31 December 2019	–

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 December 2019, the valuations adopted for investment properties and investment properties held for sale amounted to $12,842.2 million (31 March 2019: investment properteis of $11,143.9 million). The net fair value gain on investment properties and investment properties held for sale recognised in Statement of Total Return is $48.1 million (31 March 2019: $29.3 million).

(i) The land titles of both The Aries and The Gemini have been amalgamated subsequent to the completion of asset enhancement works for Sparkle, a link block connecting the two buildings.

(ii) The two Singapore business park properties, namely Nucleos and FM Global were acquired on 11 December 2019.

(iii) No. 202 Kallang Bahru and Wisma Gulab were classified as investment properties held for sale as at 31 December 2019. Further details were disclosed in Note 5.

(iv) 25 and 27 Ubi Road 4 were de-commissioned for redevelopment from July 2019. They were classified as investment properties under development as at 31 December 2019.

(v) The divestment of 8 Loyang Way 1 was completed on 18 September 2019.

(vi) 169-177 Australis Drive, Derrimut, a Logistics & Distribution Centre located in Australia was acquired on 4 June 2018.

(vii) 1314 Ferntree Gully Drive, Scoresby, a Logistics & Distribution Centre located in Australia was acquired on 26 June 2018.

(viii) 1-7 Wayne Goss Drive, Berrinba was transferred to investment properties on 7 September 2018 after the completion of the redevelopment.

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

(ix) Cargo Business Park, Eagle Farm, a Logistics & Distribution Centre located in Australia was acquired on 17 September 2018.

(x) Leasehold for a term of 999 years from 26 March 1999 to 25 March 2998.

(xi) Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.

(xii) The 12 logistics properties in the UK were acquired on 16 August 2018.

(xiii) The 26 logistics properties in the UK were acquired on 4 October 2018.

(xiv) During the current financial year, the tenure of the land was converted to be freehold. Prior to the financial year ended 31 December 2019, the property was on the land which is leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.

(xv) The 28 business park properties in the United States were acquired on 11 December 2019.

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

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

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

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

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

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

(g) 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.

^ These properties were pledged as securities in relation to the syndicated term loans from Australian banks for the financial year ended 31 December 2019 and 31 March 2019.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Cash flows from operating activities			
Total return for the year before tax		408,548	517,474
Adjustments for:			
Finance costs	23	121,556	126,488
Management fees paid/payable in Units	21	8,642	10,873
Provision/(reversal) of impairment loss on doubtful receivables	10	16	(10)
Write-off of receivables		–	30
Net change in fair value of financial derivatives		3,784	(22,197)
Finance income	23	(8,159)	(10,448)
Net foreign exchange differences		8,640	11,093
Gain from disposal of investment properties		(3,220)	(5,088)
Net change in fair value of investment properties and investment properties held for sale	4	(48,059)	(29,304)
Net change in fair value of right-of-use assets	7	4,668	–
Share of joint venture's results	9	(409)	(493)
Operating income before working capital changes		496,007	598,418
Changes in working capital:			
Trade and other receivables		9,949	(3,373)
Trade and other payables		86,759	23,117
Cash generated from operating activities		592,715	618,162
Income tax paid		(3,609)	(5,729)
Net cash generated from operating activities		589,106	612,433
Cash flows from investing activities			
Acquisition of investment properties	(A)	(1,655,533)	(914,244)
Payment for capital improvement on investment properties		(67,376)	(66,162)
Payment for investment properties under development		(49,653)	(109,888)
Proceeds from disposal of investment properties		27,000	37,580
Dividend received from joint venture	9	357	514
Interest received		20,545	24,413
Net cash used in investing activities		(1,724,660)	(1,027,787)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Cash flows from financing activities			
Proceeds from issue of Units through equity fund raising		1,309,848	452,138
Unit issue costs paid		(12,067)	(3,970)
Distributions paid to Unitholders		(501,900)	(463,083)
Distributions paid to perpetual securities holders		(14,250)	(14,250)
Finance costs paid		(108,239)	(128,650)
Payment of lease liabilities		(24,596)	–
Transaction costs paid in respect of borrowings		(2,091)	(7,407)
Proceeds from borrowings		1,858,358	2,311,699
Repayment of borrowings		(1,319,277)	(1,702,070)
Net cash received from financing activities		1,185,786	444,407
Net increase in cash and cash equivalents		50,232	29,053
Cash and cash equivalents at beginning of the financial year	12	4,921	(22,949)
Effect of exchange rate changes on cash balances		(598)	(1,183)
Cash and cash equivalents at end of the financial year	12	54,555	4,921

Notes:

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

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

	Group Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Investment properties (including acquisition costs) (Note 4)	1,692,146	919,491
Trade and other receivables	6,715	6,063
Trade and other payables	(24,742)	(9,793)
Provision for taxation	–	(656)
Deferred tax liabilities	–	(861)
Net identifiable assets acquired	1,674,119	914,244
Total consideration	1,674,119	914,244
Less: Accrued transaction costs payable	(2,050)	–
Less: Acquisition fee payable in Units	(16,536)	–
Net cash outflow	1,655,533	914,244

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

(B) Significant non-cash transactions

During the financial year ended 31 December 2019:

- 3,811,105 new Units amounting to $8,642,000 were issued at issue prices ranging from $2.9337 to $2.9772 per unit for the payment of 20% base management fee to the Manager in Units.

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,540,000 were issued at issue prices ranging from $2.5731 to $2.6584 per unit for the payment of 20% base management fee to the Manager in Units.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manger at an issue price of $2.8126 per unit. The issuance of Units was for the payment of 1% development management fee for the $84.0 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

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

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The financial statements were authorised for issue by the Manager and the Trustee on 24 February 2020.

1. GENERAL

Ascendas Real Estate Investment Trust (the "Trust" or "Ascendas Reit") 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, the First Amending and Restating Deed dated 11 June 2008, 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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017, the Fifteenth Supplemental Deed dated 20 August 2018 and the Sixteenth Supplemental Deed dated 24 July 2019 (collectively, the "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 mission to deliver predictable distributions and achieve long-term capital stability for Unitholders. The principal activities of the subsidiaries are set out in Note 8.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in an equity-accounted investee.

The Group has entered into several service agreements in relation to the management of the Group and its property operations.

The fees structures of these services are as follows:

1.1 Trustee fee

Trustee 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. The Trustee 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.

1. GENERAL (CONTINUED)

1.2 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 ("DPU") 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 comparable services is materially lower, the Manager will reduce the development management fee 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 1 April 2019, the Manager has excluded right-of-use assets from the computation of the Deposited Property (the "Adjusted Deposited Property").

With effect from 1 April 2014, the Manager has improved the basis of determining management fees by excluding derivative assets and investment properties under development from the computation of Adjusted Deposited Property.

The Manager will also unilaterally waive part of its performance fee to ensure equitable distribution of the growth in distributable income such that any increase in DPU (which is calculated before accounting for the performance fee) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the performance fee. In addition, the performance fee payable will be based on 0.1% per annum, or as the case may be, 0.2% per annum of the Adjusted Deposited Property instead of the Deposited Property.

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 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.

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties)

(i) Property management services

For property management services, the Group will pay Ascendas Services Pte Ltd ("ASPL") (the "Singapore Property Manager"), a fee of 2.0% per annum of the adjusted gross revenue of each property, managed by the Singapore Property Manager, and in the event that the Singapore Property Manager only manages such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Singapore Property Manager manages such property divided by the number of days in such year.

(ii) Marketing services

For marketing services, the Group will pay the Singapore Property Manager the following commissions, subject to a refund of 50.0% of the commission paid to the Singapore Property Manager 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 Singapore Property Manager 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 Singapore Property Manager 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 Singapore Property Manager shall pay to the third party agent the same fees as stated above. Prior approval of the Manager is required for the Singapore Property Manager 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 Singapore Property Manager as the commissions payable to such third party agents shall be paid out of the Singapore Property Manager's fee; and
- an administrative charge of 20.0% of the commission is payable to the Manager or the Singapore Property Manager 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 Singapore Property Manager.

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(iii) Project management services

For project management services, the Group will pay the Singapore Property Manager 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;
- 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.

For purpose of calculating the fees payable to the Singapore Property Manager, 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.

(iv) Energy audit services

For energy audit services, the Group will pay the Singapore Property Manager $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property (being the base energy audit fee). 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 (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees:

- in relation to the car parks located at certain 33 properties as set out in the property management agreement ("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.

1.4 Fees under the lease management agreement (for the Singapore properties)

(i) Lease management services

For lease management services, the Group will pay the Manager or its nominees (as the Manager may direct), a fee of 1.0% per annum of the adjusted gross revenue 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

1. GENERAL (CONTINUED)

1.4 Fees under the lease management agreement (for the Singapore properties) (continued)

(i) Lease management services (continued)

- 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.

(ii) Property tax services

For property tax services, 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;
- 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; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million.

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.

1. GENERAL (CONTINUED)

1.5 Fees under the strategic and asset management agreements (for the Australia properties)

For strategic management services, the Group will pay Ascendas Funds Management (Australia) Pty Ltd ("AFMA"), a wholly owned subsidiary of the Manager, a strategic management fee of 1.0% per annum of the adjusted gross revenue of each property.

For asset management services, the Group will pay AFMA an asset management fee (to be mutually agreed between the Group and AFMA) under the asset management agreement. To the extent that the asset management fees payable to AFMA exceeds the fees charged to AFMA by third-party licensed real estate agents and results in a net positive balance for any financial year to AFMA (an "Excess"), the fees payable to AFMA under the strategic management agreement will be reduced by the Excess such that the total fee payable to AFMA under both the strategic management agreement and the asset management agreement, after taking into consideration the fees charged by the third-party licensed real estate agents, will not exceed the aggregate fee of 1.0% per annum of the adjusted gross revenue of the properties for which strategic management services and asset management services are provided.

1.6 Fees under the asset and lease management agreements [for the United Kingdom (the "UK") properties]

The Group appointed Ascendas Investment Pte Ltd ("AIPL") as the asset manager till 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the UK, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time. In connection with the foregoing, the Manager, the Trustee and AIPL entered into a master asset and lease management agreement (the "UK Master ALMA").

Pursuant to the UK Master ALMA, individual asset and lease management agreements (the "UK Individual ALMAs", together with the UK Master ALMA, the "UK ALMAs") were entered into by each underlying asset holding company with CapitaLand International Management (UK) Ltd (formerly known as "Ascendas Management (UK) Ltd") ("AMUK"), a wholly-owned subsidiary of AIPL, to appoint AMUK as the asset manager for the UK properties till 30 September 2022.

In consideration of AMUK providing the asset management services under the UK ALMAs, the Group will pay AMUK an asset management fee of 0.4% per annum of the Deposited Property. The payment of the asset management fee will reduce the base management fees payable to the Manager described under 1.2 (i) correspondingly, such that there is no double-counting of the payment of the asset management fees under the asset and lease management agreements and the payment of base management fees to the Manager.

For lease management services, the Group will pay AMUK a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the UK.

1. GENERAL (CONTINUED)

1.7 Fees under the asset and lease management agreements [for the United States (the "US") properties]

The Group appointed CapitaLand International USA LLC ("AMUS") as the asset manager till 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the US, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time. In connection with the foregoing, the Manager, the Trustee and AMUS entered into a master asset and lease management agreement (the "US Master ALMA").

Pursuant to the US Master ALMA, individual asset and lease management agreements (the "US Individual ALMAs", together with the US Master ALMA, the "US ALMAs") were entered into by each underlying asset holding company with AM US for the US properties till 30 September 2022.

In consideration of AMUS providing the asset management services under the US ALMAs, the Group will pay AMUS an asset management fee of up to 0.4% per annum of the Deposited Property. The payment of the asset management fee will reduce the base management fees payable to the Manager described under 1.2 (i) correspondingly, such that there is no double-counting of the payment of the asset management fees under the asset and lease management agreements and the payment of base management fees to the Manager.

For lease management services, the Group will pay AMUS a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the US.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the recommendations *of The 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. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Functional and presentation currency

The financial statements are presented in Singapore dollars ("SGD"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2. BASIS OF PREPARATION (CONTINUED)

2.3 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, investment properties held for sale, investment properties under development, right-of-use assets and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

Ascendas Reit changed its financial year end from 31 March to 31 December in July 2019. Therefore, the current financial year is a nine-month period from 1 April 2019 to 31 December 2019 ("FY2019"). Thereafter, Ascendas Reit's financial year will be a 12-month period ending on 31 December each year. The comparative financial year for FY2019 is a 12-month period from 1 April 2018 to 31 March 2019 ("FY18/19"). Accordingly, the comparative amounts presented for the statement of total return and distribution statement in relation to the nine-month period in the current financial year are not entirely comparable.

As at 31 December 2019, the Group and the Trust's current liabilities exceed its current assets by $727.7 million (31 March 2019: $728.9 million) and $230.3 million (31 March 2019: $747.0 million) respectively. Notwithstanding the net current liabilities position, based on the Group and the Trust's existing financial resources, the Manager is of the opinion that the Group and the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.4 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, expenses and the disclosure of contingent liabilities at the end of each reporting period. 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.

Information about significant areas of estimation that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 30 (d) – Valuation of investment properties
- Note 30 (d) – Estimation of incremental borrowing rates for leases
- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation 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 in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 30 (d) – Valuation of investment properties
- Note 30 (d) – Estimation of incremental borrowing rates for leases
- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies

Revised standards

The Group has applied the principles relating to the recognition and measurement of the following FRSs for the first time for the annual period beginning on 1 April 2019:

- FRS 116 *Leases*
- FRS INT 23 *Uncertainty over Income Tax Treatments*

Other than FRS 116, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

FRS 116 *Leases*

The Group applied FRS 116 using the modified retrospective approach. Accordingly, the comparative information presented for the financial year ended 31 March 2019 is not adjusted for the effect arising from the adoption of FRS 116 and it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under FRS INT 4 *Determing whether an Arrangement Contains a Lease*.

The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and FRS INT 4 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Group leases land from JTC Corporation ("JTC") and other land owners. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to the ownership of the underlying asset to the Group. Under FRS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies (continued)

Leases classified as operating leases under FRS17

Previously, the Group classified land leases with JTC and other land owners as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

As a lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor.

Impact on financial statements

Impact on transition

On transition to FRS 116, the Group recognised additional right-of-use assets and lease liabilities. The impact on transition is summarised below.

	Group and Trust As at 1 April 2019 (Initial recognition) $'000
Right-of-use assets – investment property	625,890
Lease liabilities	625,890

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 April 2019. The weighted-average discount rates applied are 4.22% for 15 years' leases, 4.55% for 20 years' leases and 5.05% for 30 years' leases.

3. SUMMARY OF 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 which address changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. 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 adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset at fair value depending on the level of influence retained.

Investment in joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

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. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Interest in subsidiaries and joint venture are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 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, which are recognised in Unitholders' funds.

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.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in Unitholders' funds. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties and investment properties under development

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 under development include properties that are being constructed or developed for future use as investment properties.

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.

3.4 Investment properties held for sale

Investment properties that are expected to be recovered primarily through disposal rather than through continued use, are classified as investment properties held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

3.5 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

The accounting for leases before 1 April 2019 are as follows:

(i) Operating lease

Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.14. Contingent rents are recognised as revenue in the period in which they are earned.

Lessee

Payments made under operating leases (net of any incentives received from the lessor) are recognised in the Statement of Total Return on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Lessor

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 Statements of Financial Position. 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.

The accounting for leases from 1 April 2019 are as follows:

(i) Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

The accounting for leases from 1 April 2019 are as follows: (continued)

(i) Lessee (continued)

The right-of-use asset is measured at fair value and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

The accounting for leases from 1 April 2019 are as follows: (continued)

(ii) Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in FRS 109 to the net investment in the lease (see note 3.8 (i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight- line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

3.7 Financial instruments

(i) Financial assets

Classification and measurement

The Group classifies its non-derivative financial assets at amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(i) Financial assets (continued)

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised costs are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in the Statement of Total Return using the effective interest method.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Statement of Total Return.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Total Return when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Total Return.

3.8 Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Group are measured on either of the following bases:

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument; or

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

Simplified approach

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

General approach

For other financial assets at amortised costs, the Group applies the general approach to provide for ECLs. Under the general approach, the loss allowance is measured at an amount equal to 12-months ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(i) Financial assets (continued)

General approach (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments which are 1 to 90 days past due or there is significant financial difficulty of the counterparty.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

The Group determined that its financial assets are credit-impaired when:

- there is financial significant difficulty of the debtor
- a breach of contract, such as a default or past due event
- it is becoming probable that the debtor will enter bankruptcy or another financial reorganisation

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

(ii) Non-financial assets

The carrying amounts of Group's non-financial assets, other than investment properties, investment property held for sale 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(ii) Non-Financial assets (continued)

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 of disposal. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets 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.

3.9 Taxation

(i) Current tax 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 or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the liability method in respect of 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; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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 that are measured at fair value in Singapore, Australia, the UK and the US, the presumption that the carrying amounts will be recovered through sale has not been rebutted. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 the 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);

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

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% has been extended to 31 December 2025.

(ii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3.11 Distribution policy

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

3.12 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders funds.

3.13 Perpetual securities

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity.

The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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.

3.15 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 in Singapore, strategic and asset management agreement in Australia, UK ALMAs in the UK and US ALMAs in the US which are based on the applicable formula stipulated in Note 1.3 to Note 1.7 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 1.2.

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee fee which is based on the applicable formula stipulated in Note 1.1.

3.16 Finance costs

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 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.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management policy.

3.19 New standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Amendments to FRS 103: Definition of a Business

The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments include;

- an optional concentration test. This is a simplified assessment that results in an asset acquisition, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets;

- an assessment focused on substantive process. If an entity chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

The amendments apply to businesses acquired in annual periods beginning on or after 1 January 2020.

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

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

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

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

4. INVESTMENT PROPERTIES

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
At the beginning of the financial year	11,143,937	10,118,978	8,769,500	8,625,500
Acquisition of investment properties	1,692,146	919,491	397,212	–
Transfer (to)/from investment properties under development (Note 5)	(21,200)	112,111	(21,200)	86,400
Transfer to investment properties held for sale (Note 11)	(98,400)	–	(98,400)	–
Capital expenditure incurred	56,981	61,946	53,718	53,538
Disposal of investment properties	(23,600)	(19,783)	(23,600)	(19,783)
Exchange differences	(58,472)	(84,966)	–	–
Fair value change	52,400	36,160	(15,630)	23,845
At the end of the financial year	12,743,792	11,143,937	9,061,600	8,769,500
Statement of Total Return:				
Fair value change of investment properties and investment properties hold for sale	52,400	36,160	(15,630)	23,845
Effect of lease incentive and marketing fee amortisation	(4,341)	(6,856)	(2,618)	(2,983)
Net fair value change on investment properties and investment properties held for sale recognised in the Statement of Total Return (unrealised)	48,059	29,304	(18,248)	20,862

Details of the properties are shown in the Investment Properties Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating lease or finance lease (Note 19 and Note 27).

As at 31 December 2019, investment properties with an aggregate carrying amount of $1,038,701,000 (31 March 2019: $1,025,381,000) have been pledged as collateral for certain term loans taken out by the Group (Note 15).

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 December 2019 and 31 March 2019. Information on the fair value assessment of investment properties is disclosed in Note 30(d).

5. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
At the beginning of the financial year	91,595	95,463	91,595	86,400
Transfer from/(to) investment properties (Note 4)	21,200	(112,111)	21,200	(86,400)
Capital expenditure incurred	34,674	108,385	34,674	91,595
Acquisition	36,029	–	–	–
Exchange differences	(1,441)	(142)	–	–
At the end of the financial year	182,057	91,595	147,469	91,595

As at 31 December 2019 and 31 March 2019, investment properties under development ("IPUD") are as follows:

Description of Property	Location	31/12/2019 $'000	31/3/2019 $'000
Built-to-suit project	One North	121,609	91,595
25 and 27 Ubi Road 4	25 and 27 Ubi Road 4	25,860	–
Total Singapore investment properties under development		147,469	91,595
254 Wellington Road	254 Wellington Road, Australia	34,588	–
Total Group investment properties under development		182,057	91,595

The carrying amount of investment properties under development is stated at fair value based on internal or external valuation. Information on the fair value assessment of investment properties under development is disclosed in Note 30(d).

6. FINANCE LEASE RECEIVABLES

	31/12/2019		31/3/2019	
	Carrying amount $'000	Face value $'000	Carrying amount $'000	Face value $'000
Group and Trust				
Finance lease receivables				
– Current	2,932	6,471	2,688	6,376
– Non-current	48,331	67,440	50,554	72,298
	51,263	73,911	53,242	78,674

Finance lease receivables are receivable from the lessees as follows:

	31/12/2019			31/3/2019		
	Gross receivable $'000	Unearned interest income $'000	Net receivable $'000	Gross receivable $'000	Unearned interest income $'000	Net receivable $'000
Group and Trust						
Within 1 year	6,471	3,539	2,932	6,376	3,688	2,688
After 1 year but within 5 years	34,234	13,869	20,365	26,223	12,273	13,950
After 5 years	33,206	5,240	27,966	46,075	9,471	36,604
	73,911	22,648	51,263	78,674	25,432	53,242

The Group has a credit policy in place to monitor lessees' credit rating on an ongoing basis. The lessees would be required to provide a security deposit if the credit rating falls below the agreed terms. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

7. LEASES

As Lessee

The Trust leases land from JTC and other landowners and pays 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 leases typically run for a period 30-99 years, with an option to renew for certain of the leases after that date. Previously, these leases were classified as operating leases under FRS 17.

Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	Group and Trust 2019 $'000
As at 1 April (initial recognition)	625,890
Derecognition of right-of-use assets due to divestments	(3,583)
Fair value change on the right-of-use assets	(4,668)
As at 31 December	617,639

Lease liabilities

	Group and Trust 2019 $'000
As at 1 April (initial recognition)	625,890
Payment of land rent expenses	(24,596)
Derecognition of lease liabilities due to divestments	(3,583)
Interests on the lease liabilities (Note 23)	19,928
As at 31 December	617,639

Presented as:

	Group and Trust	
	31/12/2019 $'000	31/3/2019 $'000
Current	37,509	–
Non-current	580,130	–
	617,639	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES

	Trust	
	31/12/2019 $'000	31/3/2019 $'000
Interests in subsidiaries		
Equity investment, at cost		
At the beginning of the financial year	540,329	501,864
Acquisitions	172,100	38,465
At the end of the financial year	712,429	540,329
Loans to subsidiaries (Note a)	884,119	638,683
	1,596,548	1,179,012
Loans to subsidiaries		
Current (Note b)	269,559	–
Non-current (Note c)	267,705	297,000

(a) As loans to subsidiaries for both financial years ended 31 December 2019 and 31 March 2019 were, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses. The other loans to subsidiaries were interest free and unsecured. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future.

(b) Loans to subsidiaries (current) are non-trade related, unsecured and non-interest bearing. The balances are expected to be repaid in cash within one year from the balance sheet date.

(c) As at 31 December 2019, loans to subsidiaries bear interest of BBSY+2.3% and BBSW+1.8% (31 March 2019: BBSY+2.3% and BBSW+1.8%) per annum respectively. The interest is payable annually while the payment of principal will be upon maturity in 2021 and 2023.

Details of interests in subsidiaries:

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			31/12/2019 %	31/3/2019 %
(i) Direct subsidiaries				
PLC 8 Holdings Pte. Ltd. ("PLC8H")*	Investment holding	Singapore	100	100
Ascendas REIT Australia ("ARA")^	Investment holding	Australia	100	100
Ascendas REIT (Europe) Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas US HoldCo Pte. Ltd.@	Investment holding	Singapore	100	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries				
PLC 8 Development Pte. Ltd. ("PLC8D")*	Commercial and industrial real estate management	Singapore	100	100
Ascendas Logistics Trust ("ALT")^	Investment holding	Australia	100	100
Ascendas Logistics Trust 2 ("ALT2")^	Investment holding	Australia	100	100
Ascendas Logistics Trust 3 ("ALT3")^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.1^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.2^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.3^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.4^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.5^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.6^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.7^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.8^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.9^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.10^	Investment holding	Australia	100	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Trust No.11^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.1^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.2^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.3^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.4^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.5^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.6^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.7^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.8^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.9^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.10^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.11^	Investment holding	Australia	100	100
Ascendas Business Park Trust No.1^	Investment holding	Australia	100	100
Ascendas REIT (Europe Sub 1) Ltd.&	Investment holding	Guernsey	100	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries (continued)				
ARE S1 (Logistics I) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics II) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics III) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics IV) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics V) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics VI) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics VII) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics VIII) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics IX) Limited[&]	Investment holding	Guernsey	100	100
ARE S1 (Logistics X) Limited[&]	Investment holding	Guernsey	100	100
Ascendas REIT (Europe Sub 2) Group Ltd[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics I) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics II) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics III) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics IV) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics V) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics VI) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics VII) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics VIII) Limited[&]	Investment holding	Jersey	100	100
ARE S2 (Logistics IX) Limited[&]	Investment holding	Jersey	100	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries (continued)				
Ascendas US REIT LLC#	Investment holding	United States	100	–
Portland 1 LLC#	Investment in real estate assets	United States	100	–
Portland 2 LLC#	Investment in real estate assets	United States	100	–
San Diego 1 LLC#	Investment in real estate assets	United States	100	–
San Diego 1 LLC#	Investment in real estate assets	United States	100	–
Raleigh 1 LLC#	Investment in real estate assets	United States	100	–
Raleigh 1 LP#	Investment in real estate assets	United States	100	–
Ascendas TRS 1 LLC#	Operate and manage real estate assets	United States	100	–

* Audited by Ernst & Yong ("EY") LLP Singapore for the financial year ended 31 December 2019 (31 March 2019: EY LLP Singapore).

^ Audited by a member firm of EY International for the financial year ended 31 December 2019 for Group consolidation purpose (31 March 2019: EY International).

& Audited by EY LLP Singapore for the financial year ended 31 December 2019 for Group consolidation purpose (31 March 2019: EY LLP Singapore).

Audited by a member firm of EY International for the financial year ended 31 December 2019 for Group consolidation purpose (31 March 2019: Not applicable).

@ Audited by EY LLP Singapore for the financial year ended 31 December 2019 (31 March 2019: Not applicable).

9. INVESTMENT IN A JOINT VENTURE

	Group	
	31/12/2019 $'000	31/3/2019 $'000
At the beginning of the financial year	102	123
Share of post-acquisition profit	409	493
Dividend received	(357)	(514)
At the end of the financial year	154	102

Details of the joint venture is as follows:

Name of joint venture	Principal place of business	Effective equity held by the Group and the Trust	
		31/12/2019 %	31/3/2019 %
Changi City Carpark Operations LLP*	Singapore	39.914	39.914

* Audited by Tan, Chan & Partners LLP for the financial year ended 30 September 2019 and 2018.

Changi City Carpark Operations LLP ("CCCO") is an unlisted joint arrangement in which the Group has joint control via a partnership agreement and 39.914% equity interest. CCCO manages and operates the car park at ONE@Changi City.

CCCO is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in CCCO as a joint venture, which is equity accounted.

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Trade receivables, gross	8,603	7,536	2,118	2,692
Impairment loss	(16)	–	–	–
Trade receivables, net	8,587	7,536	2,118	2,692
Deposits	3,834	8,761	–	–
Interest receivables	7,063	8,795	7,064	8,626
– Subsidiaries	–	–	5,302	12,652
– Non-related parties	10,095	7,868	7,779	6,720
	10,095	7,868	13,081	19,372
	29,579	32,960	22,263	30,690
Prepayments	6,760	6,675	3,324	2,880
	36,339	39,635	25,587	33,570

Other receivable from a subsidiary is the interest receivable related to loans to subsidiaries, which is receivable on demand.

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	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Business & Science Park Properties, and Suburban Offices	1,861	588	840	99
Integrated Development, Amenities & Retail Properties	148	96	148	96
High-Specifications Industrial Properties & Data Centres	598	1,702	598	1,702
Light Industrial Properties & Flatted Factories	402	191	402	191
Logistics & Distribution Centres	5,578	4,959	130	604
	8,587	7,536	2,118	2,692

The amounts represented in the table above are mainly secured by way of bankers' guarantees, insurance bonds or cash security deposits held by the Group, except for trade receivables balance which are impaired.

As a result of the default in rental by tenants, $7,262,000 (31 March 2019: $1,782,000) of cash security deposits were forfeited during the financial year.

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of trade receivables at the reporting date was:

	31/12/2019		31/3/2019	
	Gross $'000	Impairment losses $'000	Gross $'000	Impairment losses $'000
Group				
Not past due	7,987	(16)	5,086	–
Past due 1 – 90 days	420	–	2,369	–
Past due over 90 days	196	–	81	–
	8,603	(16)	7,536	–
Trust				
Not past due	1,486	–	242	–
Past due 1 – 90 days	436	–	2,369	–
Past due over 90 days	196	–	81	–
	2,118	–	2,692	–

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	31/12/2019 $'000	31/3/2019 $'000
Group and Trust		
At the beginning of the financial year	–	10
Provision/(reversal) of impairment losses during the year	16	(10)
At the end of the financial year	16	–

The Manager believes that no provision of impairment losses is necessary in respect of the remaining trade receivables as majority of the balances are not past due. And the rest of 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.

11. INVESTMENT PROPERTIES HELD FOR SALE

Investment properties held for sale as at 31 December 2019 represented two properties in Singapore, namely Wisma Gulab, a high-specifications building located at 190 Macpherson Road ("Wisma Gulab"), with the fair value of $83.4 million and No. 202 Kallang Bahru ("202 KB") with the fair value of $15.0 million.

Subsequent to the year end, the Trust completed the divestment of Wisma Gulab to Heap Seng Group Pte Ltd at the sales price of $88.0 million on 23 January 2020. The divestment of 202 KB to Work Plus Store (Kallang Bahru) Pte Ltd at the sales price of $17.0 million was completed on 4 February 2020.

12. CASH AND FIXED DEPOSITS

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Cash at bank	94,346	50,946	8,967	6,678
Fixed deposits	1,359	1,395	–	–
	95,705	52,341	8,967	6,678

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following at the end of each financial year:

	Group	
	31/12/2019 $'000	31/3/2019 $'000
Cash at bank	94,346	50,946
Fixed deposits	1,359	1,395
	95,705	52,341
Bank overdrafts (Note 15)	(41,150)	(47,420)
Cash and cash equivalents	54,555	4,921

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Trade payables				
– non-related parties	1,878	4,911	1,699	3,479
– the Manager	5,192	1,618	5,192	1,618
– the Singapore Property Manager	8,147	6,587	8,147	6,587
– the Trustee	507	507	507	507
– other related parties	63	115	63	115
Accruals	133,729	74,667	96,374	62,928
Other payables	44,196	15,067	41,654	12,718
Interest payable	24,647	21,792	20,851	17,875
Amount owing to a subsidiary(1)	–	–	10,079	9,392
Property tax payable	7,553	5,861	7,553	5,861
Cumulative redeemable preference shares	87	–	–	–
	225,999	131,125	192,119	121,080
GST/VAT payables	7,842	5,752	6,336	2,509
Rental received in advance	22,082	21,378	8,150	7,992
Total	255,923	158,255	206,605	131,581

(1) The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

Presented as:				
Current	255,836	158,255	206,605	131,581
Non-current	87	–	–	–
	255,923	158,255	206,605	131,581

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Derivative assets				
Current	17,896	1,425	17,896	1,425
Non-current	20,890	31,546	19,508	29,767
	38,786	32,971	37,404	31,192
Derivative liabilities				
Current	(6,279)	(8)	(384)	(8)
Non-current	(67,174)	(64,112)	(64,043)	(55,958)
	(73,453)	(64,120)	(64,427)	(55,966)
Total derivative financial instruments	(34,667)	(31,149)	(27,023)	(24,774)
Derivative financial instruments as a percentage of net assets	0.43%	0.45%	0.34%	0.36%

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of $1,775.2 million (31 March 2019: $1,967.9 million) to provide fixed rate funding for terms of less than one year to 5.1 years (31 March 2019: less than one year to 5.8 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of $350.0 million (31 March 2019: $350.0 million) and basis interest rate swaps with an aggregate notional amount of $504.5 million (31 March 2019: $504.5 million) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

The changes in fair value of the interest rate swaps are recognised in the Statement of Total Return for both financial years ended 31 December 2019 and 31 March 2019.

As at 31 December 2019, the Group held cross currency swaps ("CCS") with notional amounts of JPY15.0 billion, and HKD4.2 billion (31 March 2019: JPY15.0 billion, HKD4.2 billion, and USD148.3 million) respectively, to provide Singapore dollar funding for terms of less than one year to 9.2 years (31 March 2019: 1.0 year to 10.4 years).

In addition, the Group held CCS with notional amounts of AUD294.5 million and GBP114.9 million (31 March 2019: AUD294.5 million and GBP114.9 million) as a hedge for its investment in Australia and the UK for a term of less than one year to 2.8 years (31 March 2019: 1.5 years to 4.0 years) respectively.

The Group had also entered into forward exchange contracts to manage its foreign currency risk. The notional amount of the Group's outstanding forward exchange contracts as at 31 December 2019 was AUD12.2 million (31 March 2019: AUD14.5 million).

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 Statements of Financial Position.

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 the net amount is due or payable in settlement of all transactions.

The swaps presented below are not offset in the Statements of Financial Position as the right to off-set 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.

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial assets/ liabilities $'000	Gross amounts of recognised financial liabilities/ assets offset in the Statements of Financial Position $'000	Net amounts of financial assets/ liabilities presented in the Statements of Financial Position $'000	Related amounts not offset in the Statements of Financial Position $'000	Net amount $'000
31 December 2019					
Group					
Types of financial assets					
Derivative assets	38,786	–	38,786	(19,855)	18,931
Types of financial liabilities					
Derivative liabilities	73,453	–	73,453	(19,855)	53,598
Trust					
Types of financial assets					
Derivative assets	37,404	–	37,404	(19,855)	17,549
Types of financial liabilities					
Derivative liabilities	64,427	–	64,427	(19,855)	44,572
31 March 2019					
Group					
Types of financial assets					
Derivative assets	32,971	–	32,971	(4,943)	28,028
Types of financial liabilities					
Derivative liabilities	64,120	–	64,120	(4,943)	59,177
Trust					
Types of financial assets					
Derivative assets	31,192	–	31,192	(4,943)	26,249
Types of financial liabilities					
Derivative liabilities	55,966	–	55,966	(4,943)	51,023

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Statements of Financial Position at their fair values.

15. LOANS AND BORROWINGS

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Current				
Short term bank borrowings (unsecured)	173,971	168,400	173,971	168,400
Less: Unamortised transaction costs	(39)	–	(39)	–
	173,932	168,400	173,932	168,400
Bank overdrafts (Note 12)	41,150	47,420	41,150	47,420
	215,082	215,820	215,082	215,820
Term loans				
– Secured	261,829	–	–	–
– Unsecured		301,142		301,142
Less: Unamortised transaction costs	–	(48)	–	(48)
	261,829	301,094	–	301,094
Medium term notes (unsecured)	100,000	95,000	100,000	95,000
Less: Unamortised transaction costs	(34)	(6)	(34)	(6)
	99,966	94,994	99,966	94,994
Total current loans and borrowings	576,877	611,908	315,048	611,908
Non-current				
Term loans				
– Secured	261,829	541,543	–	–
– Unsecured	1,987,525	1,061,434	978,283	704,080
Less: Unamortised transaction costs	(10,219)	(7,030)	(3,230)	(2,083)
	2,239,135	1,595,947	975,053	701,997
Medium term notes (unsecured)	1,798,917	1,893,839	1,798,917	1,893,839
Less: Unamortised transaction costs	(3,281)	(3,903)	(3,281)	(3,903)
	1,795,636	1,889,936	1,795,636	1,889,936
Total non-current loans and borrowings	4,034,771	3,485,883	2,770,689	2,591,933
Total loans and borrowings	4,611,648	4,097,791	3,085,737	3,203,841

Maturity of gross loans and borrowings:

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Within 1 year	576,950	611,962	315,121	611,962
After 1 year but within 5 years	3,242,039	2,173,430	1,970,968	1,545,305
After 5 years	806,232	1,323,386	806,232	1,052,614
	4,625,221	4,108,778	3,092,321	3,209,881

15. LOANS AND BORROWINGS (CONTINUED)

Short term bank borrowings

As at the reporting date, the Group has in place various short term banking credit facilities totalling $1,418.0 million (31 March 2019: $1,417.5 million), of which $222.0 million (31 March 2019: $212.6 million) has been utilised. Included in the amount of $1,418.0 million (31 March 2019: $1,417.5 million) is a sub-facility of $101.4 million (31 March 2019: $101.4 million) facility for the issuance of letters of guarantee.

Term loans

As at the reporting date, the Group has in place various term loan facilities totalling $2,145.5 million (31 March 2019: $2,002.9 million) of which $1,987.5 million (31 March 2019: $1,902.9 million) has been utilised.

Included in the above was approximately $523.7 million (31 March 2019: $541.5 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from the Trust.

Medium term notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN") Programme. Pursuant to the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes") in Singapore dollars or any other currency for up to a programme limit of $1.0 billion. In March 2016, the Trust upsized the programme limit to $5.0 billion.

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 principal amount of the Notes outstanding as at 31 December 2019 comprised $980.0 million (31 March 2019: $1,075.0 million) in SGD-denominated Notes, $186.0 million (31 March 2019: $183.7 million) in JPY-denominated Notes and $733.0 million (31 March 2019: $730.2 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY15.0 billion and HKD4.2 billion (31 March 2019: JPY15.0 billion and HKD4.2 billion) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 14).

15. LOANS AND BORROWINGS (CONTINUED)

Medium term notes (continued)

As at 31 December 2019, the Notes issued under the MTN programme are as follows:

(i) $200.0 million (31 March 2019: $200.0 million) Series 004 Notes. The Series 004 Notes will mature on 3 February 2022 and bear a fixed interest rate of 4.00% per annum, payable semi-annually in arrear.

(ii) JPY10.0 billion (31 March 2019: JPY10.0 billion) Series 005 Notes. The Series 005 Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% per annum, payable semi-annually in arrear.

(iii) JPY5.0 billion (31 March 2019: JPY5.0 billion) 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.

(iv) HKD640.0 million (31 March 2019: HKD640.0 million) Series 009 Notes. The Series 009 Notes will mature on 4 September 2029 and bear a fixed interest rate of 3.64% per annum, payable annually in arrear.

(v) $150.0 million (31 March 2019: $150.0 million) Series 010 Notes. The Series 010 Notes will mature on 3 June 2022 and bear a fixed interest rate of 3.20% per annum, payable semi-annually in arrear.

(vi) $100.0 million (31 March 2019: $100.0 million) Series 011 Notes. The Series 011 Notes will mature on 3 August 2020 and bear a fixed interest rate of 2.95% per annum, payable semi-annually in arrear.

(vii) HKD500.0 million (31 March 2019: HKD500.0 million) Series 012 Notes. The Series 012 Notes will mature on 4 February 2026 and bear a fixed interest rate of 3.00% per annum, payable annually in arrear.

(viii) $130.0 million (31 March 2019: $130.0 million) Series 013 Notes. The Series 013 Notes will mature on 7 April 2021 and bear a fixed interest rate of 2.655% per annum, payable semi-annually in arrear.

(ix) HKD923.0 million (31 March 2019: HKD923.0 million) Series 014 Notes. The Series 014 Notes will mature on 3 August 2026 and bear a fixed interest rate of 2.77% per annum, payable annually in arrear.

(x) $200.0 million (31 March 2019: $200.0 million) Series 015 Notes. The Series 015 Notes will mature on 10 August 2023 and bear a fixed interest rate of 2.47% per annum, payable semi-annually in arrear.

(xi) $200.0 million (31 March 2019: $200.0 million) Series 016 Notes. The Series 016 Notes will mature on 2 March 2025 and bear a fixed interest rate of 3.14% per annum, payable semi-annually in arrear.

(xii) HKD729.0 million (31 March 2019: HKD729.0 million) Series 017 Notes. The Series 017 Notes will mature on 16 May 2025 and bear a fixed interest rate of 3.66% per annum, payable semi-annually in arrear.

(xiii) HKD1,450.0 million (31 March 2019: HKD1,450.0 million) Series 018 Notes. The Series 018 Notes will mature on 20 March 2029 and bear a fixed interest rate of 3.57% per annum, payable semi-annually in arrear.

The Trust has entered into cross currency swaps to swap – the Series 005 Notes, the Series 006 Notes, the Series 009 Notes, the Series 012 Notes, the Series 014 Notes, the Series 017 Notes, and the Series 018 Notes – into Singapore dollars.

15. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2019				
Short term bank borrowings	SOR/COF^ + margin	2020	215,121	215,082
Term loans	SOR/COF^ + margin	2020 to 2025	2,511,183	2,500,964
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2020 to 2029	1,898,917	1,895,602
			4,625,221	4,611,648
31 March 2019				
Short term bank borrowings	SOR/COF^ + margin	2019	215,820	215,820
Term loans	SOR/COF^ + margin	2019 to 2025	1,904,119	1,897,041
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2019 to 2029	1,988,839	1,984,930
			4,108,778	4,097,791
Trust				
31 December 2019				
Short term bank borrowings	SOR/COF^ + margin	2020	215,121	215,082
Term loans	SOR/COF^ + margin	2020 to 2023	978,283	975,053
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2020 to 2029	1,898,917	1,895,602
			3,092,321	3,085,737
31 March 2019				
Short term bank borrowings	SOR/COF^ + margin	2019	215,820	215,820
Term loans	SOR/COF^ + margin	2019 to 2023	1,005,222	1,003,091
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2019 to 2029	1,988,839	1,984,930
			3,209,881	3,203,841

^ COF denotes the lender's cost of funds

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 December 2019 was 2.9% (31 March 2019: 3.0%) per annum. Total borrowings have a weighted average term remaining of 4.0 years (31 March 2019: 3.6 years).

15. LOANS AND BORROWINGS (CONTINUED)

A reconciliation of liabilities (excluding the bank overdraft) arising from financing activities is as follows:

	1 April 2019 $'000	Cash flows $'000	Non-cash changes: Currency translation $'000	Non-cash changes: Accretion of interests $'000	Non-cash changes: Others $'000	31 December 2019 $'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	4,050,371	532,813	(18,733)	2,066	3,981	4,570,498
Lease liabilities	625,890	(24,596)	–	19,928	(3,583)	617,639
	4,676,261	508,217	(18,733)	21,994	398	5,188,137

	1 April 2018 $'000	Cash flows $'000	Non-cash changes: Currency translation $'000	Non-cash changes: Accretion of interests $'000	Non-cash changes: Others $'000	31 March 2019 $'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,471,255	609,629	(27,527)	2,541	(5,527)	4,050,371

The "Others" column related to the movement of debt related transaction cost and derecognition of lease liabilities due to the divestments.

16. DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities during the year are as follows:

	Investment properties $'000	Unremitted earnings of overseas subsidiaries $'000	Total $'000
Group			
At 1 April 2018	–	1,411	1,411
Recognised in the Statement of Total Return (Note 24)	–	8,429	8,429
Acquisition of subsidiaries	861	–	861
At 31 March 2019 and 1 April 2019	861	9,840	10,701
Recognised in the Statement of Total Return (Note 24)	103	15,755	15,858
At 31 December 2019	964	25,595	26,559

17. PERPETUAL SECURITIES

In October 2015, the Trust issued $300.0 million perpetual securities. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 4.75% per annum with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded as equity in the Statements of Financial Position. The $300.9 million (31 March 2019: $304.4 million) presented in the Statements of Financial Position represents the carrying value of the $300.0 million (31 March 2019: $300.0 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

18. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	31/12/2019 ('000)	31/3/2019 ('000)
Units issued:		
At the beginning of the financial year	3,110,842	2,928,504
Issue of new Units:		
– Management fees paid in Units	3,811	4,032
– Equity fund raising	498,041	178,007
– Development management fees paid in Units	–	299
At end of the financial year	3,612,694	3,110,842
Units to be issued:		
Management fee payable in Units	380	1,296
Acquisition fee payable in Units	5,494	–
Total Units issued and to be issued at end of the financial year	3,618,568	3,112,138

During the financial year ended 31 December 2019:

- 3,811,105 new Units amounting to $8,642,000 were issued at issue prices ranging from $2.9337 to $2.9772 per unit for the payment of 20% base management fee to the Manager in Units.
- 498,040,904 new Units were issued on 6 December 2019 at an issue price of $2.63 per unit pursuant to the Rights Issue, amounting to $1,309,848 after netting off the issuance cost. The Right Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Right units, including the right to any distributions which may accrue for the period from 1 October 2019 to 31 December 2019 as well as all distributions thereafter.

18. UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

Subsequent to the financial year ended 31 December 2019:

- 5,494,086 new Units amounting to $16,536,000 were issued on 10 January 2020 at issue price of $3.0098 per unit for the payment of acquisition fee in relation to the acquisition of a portfolio of United States properties and two Singapore properties by the Group from indirect wholly owned entities of CapitaLand Limited on 11 December 2019.

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,873,000 were issued at issue prices ranging from $2.5731 to $2.6584 per unit for the payment of 20% base management fee to the Manager in Units.

- 178,007,000 new Units were issued on 18 September 2018 at an issue price of $2.540 per unit pursuant to a private placement, amounting to $452,138,000. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 17 September 2018 received an advance distribution on 17 October 2018 of 7.250 cents per unit for the period from 1 April 2018 to 17 September 2018. Thereafter, the 178,007,000 new Units rank *pari passu* in all respects with the Units in issue prior to 18 September 2018, including the entitlements to all future distributions.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manager at an issue price of $2.8126 per unit. The issuance of Units was for the payment of 1% development management fee for the $84 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

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;

- 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 the units while the units are listed on the SGX-ST.

19. GROSS REVENUE

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Property rental income	626,811	800,273
Other income	72,246	85,898
	699,057	886,171

20. PROPERTY OPERATING EXPENSES

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Land rent	–	32,343
Maintenance and conservancy ("M&C") expenses	27,619	38,262
Property service fees	26,238	35,193
Property tax	44,203	52,900
Utilities	37,254	46,945
Land tax	8,258	9,039
Security services	6,195	8,193
Site staff cost	4,341	3,961
Carpark management fee expenses	3,552	4,563
Other operating expenses	3,719	5,193
	161,379	236,592

21. MANAGEMENT FEES

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Base management fee	43,332	54,379

Included in management fees is an aggregate of 3,811,000 (31 March 2019: 4,032,000) Units amounting to approximately $8,642,000 (31 March 2019: $10,873,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in Units at unit prices ranging from $2.9337 to $2.9772 (31 March 2019: $2.6584 to $2.8755) per Unit.

22. TRUST EXPENSES

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Auditors' remuneration		
– audit fees	735	444
– non-audit fees	38	77
Professional fees	1,293	1,601
Valuation fees	735	589
Trustee fee	1,861	2,415
Other expenses	2,335	2,549
	6,997	7,675

23. FINANCE INCOME AND FINANCE COSTS

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Finance income	8,159	10,448
Interest expense on loans and borrowings	99,278	122,942
Interest expense on lease liabilities (Note 7)	19,928	–
Amortisation of transaction costs	2,159	3,323
Others	191	223
Finance costs	121,556	126,488

24. TAX EXPENSE

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Current tax expense		
– Current year	4,819	5,955
– Under provision in respect of prior year	–	7
	4,819	5,962
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	15,858	8,429
Tax expense	20,677	14,391
Reconciliation of effective tax rate		
Total return for the year before tax	408,548	517,474
Tax calculated using Singapore tax rate of 17% (31 March 2019: 17%)	69,453	87,971
Effect of different tax rate in foreign jurisdictions	3,288	4,317
Non-tax deductible items, net	6,566	8,114
Income not subject to tax	(19,625)	(20,998)
Tax on overseas profits yet to be remitted	15,858	8,429
Under provision in respect of prior year	–	7
Tax transparency	(54,863)	(73,449)
	20,677	14,391

25. 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	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Total return for the year attributable to the Unitholders and perpetual securities holders	387,871	503,087
Less: Amount reserved for distribution to perpetual securities holders	(10,736)	(14,250)
Total return attributable to Unitholders	377,135	488,837

As adjusted to include the effects of the Rights Issue:

	Number of Units	
	Nine months ended 31/12/2019 ('000)	12 months ended 31/3/2019 ('000)
Weighted average number of Units:		
– outstanding during the year	3,228,320	3,092,737
– to be issued as payment for management fee payable in Units	16	4
	3,228,336	3,092,741

	Group	
	Nine months ended 31/12/2019	12 months ended 31/3/2019
Basic earnings per Unit (cents)	11.682	15.806

25. EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (CONTINUED)

(a) Basic earnings per Unit (continued)

As previously reported:

	Number of Units 12 months ended 31/3/2019 ('000)
Weighted average number of Units:	
– outstanding during the year	3,025,741
– to be issued as payment for management fee payable in Units	4
	3,025,745

	Group 12 months ended 31/3/2019
Basic earnings per Unit (cents)	16.156

(b) Diluted earnings per Unit

As at 31 December 2019 and 31 March 2019, the diluted earnings per Unit was equivalent to the basic earnings per Unit.

(c) Distribution per unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	Nine months ended 31/12/2019	12 months ended 31/3/2019
Total amount available to the Unitholders for distribution for the year ($'000)	375,412	485,683
Distribution per Unit (cents)		
– As actually distributed or distributable to the Unitholders	11.490	16.035
– As restated to reflect the effects of the Rights Issue	11.317	15.688

26. COMMITMENTS AND CONTINGENCIES

(a) 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	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Within 1 year	859,227	762,874	636,152	630,447
After 1 year but within 5 years	1,914,398	1,672,177	1,267,289	1,246,807
After 5 years	1,155,524	1,094,387	816,985	765,862
	3,929,149	3,529,438	2,720,426	2,643,116

(b) As at 31 December 2019, the Group and the Trust had $150.5 million (31 March 2019: $81.1 million) and $81.5 million (31 March 2019: $81.1 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

(c) The Trust has provided corporate guarantees amounting to $879.8 million (31 March 2019: $898.9 million) to banks for loans obtained by its subsidiaries.

27. 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 Singapore 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:

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Acquisition fee paid/payable to the Manager and a subsidiary of the Manager	16,536	9,305
Acquisition of investment properties from the controlling Unitholder of Ascendas Reit	1,665,262	–
Car park management fee paid/payable to the Singapore Property Manager	3,537	4,527
Divestment fee paid/payable to the Manager	135	229
Development management fee paid to the Manager	–	840
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	9,852	123,895
Lease rental, securities, utilities and car park income received from other related parties	(35,977)	(47,952)
Lease service fees paid/payable to the Manager and a subsidiary of the Manager	11,465	17,669
Management fees paid/payable to the Manager and a subsidiary of the Manager	40,349	52,523
Property service fees paid to the Singapore Property Manager	18,320	21,936
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	4,392	4,321
Reimbursements and receipts on behalf of the Singapore Property Manager	229	759
Reimbursements paid/payable to the Manager	64	2,144
Reimbursements of expenses from other related parties	(34)	(56)
Receipts on behalf by the Manager	–	(14)
Rental income of meeting rooms and receipts on behalf by the Singapore Property Manager	(4)	(23)
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	5,389	9,536
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	(35)	(264)

28. FINANCIAL RATIOS

	Group	
	Nine months ended 31/12/2019 %	12 months ended 31/03/2019 %
Ratio of expenses to weighted average net asset value[1]	0.71	0.93
Ratio of expenses to weighted average net asset value[2]	0.71	0.93
Ratio of expenses to net asset value[3]	2.61	4.30
Portfolio turnover rate[4]	0.45	0.60

(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. The expenses used for the current financial year were only for the nine months period from 1 April 2019 to 31 December 2019 due to the change of the financial year (Note 2.3).

(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 ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.

(4) 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.

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is integral to the whole business of the Group. The Manager has a system of controls in place to maintain 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 achievement of business objectives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit and Risk 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 and Risk 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 controls and procedures, the results of which are reported to the Audit and Risk Committee.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Australia, the UK and the US. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's exposure to fluctuations in foreign currency rates relates primarily to its bank borrowings and medium term notes that are denominated in foreign currencies as well as investments in non-Singapore properties. The foreign currencies giving rise to this risk are mainly AUD, GBP, HKD, JPY and USD.

The Group monitors its foreign currency exposure on an ongoing basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products. The Group and the Trust enter into CCS with banks to manage currency risk.

In relation to foreign currency risk arising from investments in non-Singapore properties, the Group and the Trust had borrowed in the foreign currency of underlying investments to achieve a natural hedge. The Group and the Trust had also entered into forward exchange contracts to hedge the cash flows from overseas investments (Note 14).

The Group's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
31 December 2019							
Financial assets							
Cash and fixed deposits	4,761	21,725	24,886	44,333	–	–	95,705
Trade and other receivables[1]	17,115	4,478	6,225	1,761	–	–	29,579
Finance lease receivables	51,263	–	–	–	–	–	51,263
	73,139	26,203	31,111	46,094	–	–	176,547
Financial liabilities							
Trade and other payables[2]	(187,063)	(6,145)	(6,326)	(26,465)	–	–	(225,999)
Security deposits	(153,060)	(1,481)	(846)	(3,179)	–	–	(158,566)
Lease liabilities	(617,639)	–	–	–	–	–	(617,639)
Loans and borrowings – Gross	(1,470,822)	(883,212)	(359,069)	(993,201)	(732,932)	(185,985)	(4,625,221)
	(2,428,584)	(890,838)	(366,241)	(1,022,845)	(732,932)	(185,985)	(5,627,425)
Net financial liabilities	(2,355,445)	(864,635)	(335,130)	(976,751)	(732,932)	(185,985)	(5,450,878)
Add: Net non-financial assets of foreign subsidiaries	–	359,553	210,562	340,138	–	–	910,253
Less: Net financial assets denominated in the respective entities' functional currency	2,147,778	510,874	129,538	636,613	–	–	3,424,803
Less: Cross currency swap	207,667	–	–	–	732,932	185,985	1,126,584
Currency exposure	–	5,792	4,970	–	–	–	10,762

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
31 March 2019							
Financial assets							
Cash and fixed deposits	3,706	28,695	19,940	–	–	–	52,341
Trade and other receivables[1]	18,539	3,384	11,037	–	–	–	32,960
Finance lease receivables	53,242	–	–	–	–	–	53,242
	75,487	32,079	30,977	–	–	–	138,543
Financial liabilities							
Trade and other payables[2]	(116,948)	(8,246)	(5,931)	–	–	–	(131,125)
Security deposits	(126,713)	(1,464)	(852)	–	–	–	(129,029)
Loans and borrowings – Gross	(1,730,139)	(890,865)	(372,793)	(201,142)	(730,164)	(183,675)	(4,108,778)
	(1,973,800)	(900,575)	(379,576)	(201,142)	(730,164)	(183,675)	(4,368,932)
Net financial liabilities	(1,898,313)	(868,496)	(348,599)	(201,142)	(730,164)	(183,675)	(4,230,389)
Add: Net non-financial assets of foreign subsidiaries	–	349,321	223,159	–	–	–	572,480
Less: Net financial assets denominated in the respective entities' functional currency	1,690,597	524,180	125,460	–	–	–	2,340,237
Less: Cross currency swap	207,716	–	–	201,142	730,164	183,675	1,322,697
Currency exposure	–	5,005	20	–	–	–	5,025

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
Trust							
31 December 2019							
Financial assets							
Cash and fixed deposits	3,091	906	4,970	–	–	–	8,967
Trade and other receivables[1]	16,961	5,302	–	–	–	–	22,263
Finance lease receivables	51,263	–	–	–	–	–	51,263
Loans to subsidiaries	–	267,705	–	269,559	–	–	537,264
	71,315	273,913	4,970	269,559	–	–	619,757
Financial liabilities							
Trade and other payables[2]	(192,119)	–	–	–	–	–	(192,119)
Security deposits	(152,861)	–	–	–	–	–	(152,861)
Amount due to a subsidiary	(25,062)	–	–	–	–	–	(25,062)
Lease liabilities	(617,639)	–	–	–	–	–	(617,639)
Loans and borrowings – Gross	(1,263,151)	(359,553)	(210,562)	(340,138)	(732,932)	(185,985)	(3,092,321)
	(2,250,832)	(359,553)	(210,562)	(340,138)	(732,932)	(185,985)	(4,080,002)
Net financial liabilities	(2,179,517)	(85,640)	(205,592)	(70,579)	(732,932)	(185,985)	(3,460,245)
Add: Net interest in subsidiaries	–	91,848	210,562	70,579	–	–	372,989
Less: Net financial assets denominated in the respective entities' functional currency	2,179,517	–	–	–	–	–	2,179,517
Less: Cross currency swap	–	–	–	–	732,932	185,985	918,917
Currency exposure	–	6,208	4,970	–	–	–	11,178

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
31 March 2019							
Financial assets							
Cash and fixed deposits	1,653	5,005	20	–	–	–	6,678
Trade and other receivables[1]	18,207	3,255	9,228	–	–	–	30,690
Finance lease receivables	53,242	–	–	–	–	–	53,242
Loans to subsidiaries	–	297,000	–	–	–	–	297,000
	73,102	305,260	9,248	–	–	–	387,610
Financial liabilities							
Trade and other payables[2]	(121,080)	–	–	–	–	–	(121,080)
Security deposits	(126,611)	–	–	–	–	–	(126,611)
Amount due to a subsidiary	(25,646)	–	–	–	–	–	(25,646)
Loans and borrowings – Gross	(1,522,420)	(349,321)	(223,159)	(201,142)	(730,164)	(183,675)	(3,209,881)
	(1,795,757)	(349,321)	(223,159)	(201,142)	(730,164)	(183,675)	(3,483,218)
Net financial liabilities	(1,722,655)	(44,061)	(213,911)	(201,142)	(730,164)	(183,675)	(3,095,608)
Add: Net interest in subsidiaries	–	52,321	223,159	–	–	–	275,480
Less: Net financial assets denominated in the respective entities' functional currency	1,722,655	–	–	–	–	–	1,722,655
Less: Cross currency swap	–	–	–	201,142	730,164	183,675	1,114,981
Currency exposure	–	8,260	9,248	–	–	–	17,508

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

Sensitivity analysis

The Group and the Trust are not subject to significant currency risk after entering into cross currency swap and forward exchange contracts for the financial assets or liabilities denominated in foreign currencies.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets.

The Group's policy is to maintain a certain level of its borrowings in fixed-rate instruments. The Group's and the Trust's exposure to cash flow interest rate risks arise mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's and Trust's borrowings at variable rates on which interest rate swaps have not been entered into, are denominated mainly in SGD and AUD (31 March 2019: SGD and AUD). If the SGD or AUD interest rates had increased/decreased by 100 basis point (31 March 2019: 100 basis point) with all other variables including tax rate being held constant, the total profit would have been lower/higher by $11,418,000 and $11,418,000 respectively (31 March 2019: $9,134,000 and $9,134,000 respectively) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's major classes of financial assets are cash and cash equivalents, finance receivables, trade and other receivables and derivative financial assets.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Group deals only with high credit quality counterparties. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

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, corporate guarantees or cash security deposits are obtained upon the commencement of the lease.

As at the reporting date, there are 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 Statements of Financial Position.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables

For all trade receivables, the Group provides for lifetime expected credit losses using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group's and the Trust's credit risk for net trade receivables based on the information provided to key management is disclosed in Note 10.

(ii) Loans to subsidiaries

The Trust held loans to its subsidiaries of $537,264,000 (31 March 2019: $297,000,000) which are amounts lent to subsidiaries to satisfy long term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis, and the amount of the allowance is not significant.

(iii) Financial derivatives

Financial derivatives are entered into with financial institution counterparties, which are regulated.

(iv) Cash and fixed deposits

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings, and thus management does not expect any counterparty to fail to meet its obligations.

Other than the above, the Group and the Trust had no other financial assets which it had determined to be impaired and there are no allowances on impairment provided for as at 31 December 2019 and 31 March 2019.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Trust may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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 credit facilities and a Multicurrency Medium Term Note Programme with a programme limit of $5.0 billion (Note 15).

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group			
31 December 2019			
Non-derivative financial liabilities			
Loans and borrowings	739,257	3,598,733	834,161
Trade and other payables[1]	225,999	–	–
Security deposits	93,356	42,767	22,443
Lease liabilities	37,509	187,546	1,156,108
	1,096,121	3,829,046	2,012,712
Derivative financial liabilities			
Interest rate swaps (net-settled)	5,895	19,753	837
Cross currency swaps (net-settled)	–	14,157	12,758
Forward contact	37	–	–
	5,932	33,910	13,595
	1,102,053	3,862,956	2,026,307
31 March 2019			
Non-derivative financial liabilities			
Loans and borrowings	714,398	2,447,791	1,413,112
Trade and other payables[1]	131,125	–	–
Security deposits	46,862	67,917	14,250
	892,385	2,515,708	1,427,362
Derivative financial liabilities			
Interest rate swaps (net-settled)	1,906	15,049	1,969
Cross currency swaps (net-settled)	–	–	40,253
	1,906	15,049	42,222
	894,291	2,530,757	1,469,584

(1) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
31 December 2019			
Non-derivative financial liabilities			
Loans and borrowings	438,285	2,219,387	834,161
Trade and other payables[1]	192,119	–	–
Security deposits	93,157	38,107	21,597
Lease liabilities	37,509	187,546	1,156,108
	761,070	2,445,040	2,011,866
Derivative financial liabilities			
Interest rate swaps (net-settled)	161	16,623	837
Cross currency swaps (net-settled)	–	14,157	12,758
Forward contract	37	–	–
	198	30,780	13,595
	761,268	2,475,820	2,025,461
31 March 2019			
Non-derivative financial liabilities			
Loans and borrowings	692,972	1,770,062	1,131,857
Trade and other payables [1]	121,080	–	–
Security deposits	46,690	66,523	13,398
	860,742	1,836,585	1,145,255
Derivative financial liabilities			
Interest rate swaps (net-settled)	–	8,801	1,969
Cross currency swaps (net-settled)	–	–	40,253
	–	8,801	42,222
	860,742	1,845,386	1,187,477

(1) Excludes rental received in advance and GST/VAT payable.

The table below shows the contractual expiry by maturity of the Trust's corporate guarantee provided to the subsidiaries (Note 26(c)). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
31 December 2019			
Corporate guarantee	879,837	–	–
31 March 2019			
Corporate guarantee	898,897	–	–

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mixture of available capital sources which include debt, equity and convertible instruments. In addition, the Group and the Trust ensure the compliance with statutory and constitutional capital and distribution requirements, maintaining gearing ratio, interest expense coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management as well as financing policies regularly so as to optimise the Group's and the Trust's capital 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. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the Deposited Property.

As at 31 December 2019, the Aggregate Leverage of the Group is 35.1% (31 March 2019: 36.3%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

30. FAIR VALUE MEASUREMENT

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 SFRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market 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 or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities of the Group measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2019				
Financial assets				
Derivative assets	–	38,786	–	38,786
Total financial assets	–	38,786	–	38,786
Non-financial assets				
Investment properties	–	–	12,743,792	12,743,792
Investment properties under development	–	–	182,057	182,057
Investment properties held for sale	–	–	98,400	98,400
Right-of-use assets	–	–	617,639	617,639
Total non-financial assets	–	–	13,641,888	13,641,888
Financial liabilities				
Derivative liabilities	–	(73,453)	–	(73,453)
Total financial liabilities	–	(73,453)	–	(73,453)
31 March 2019				
Financial assets				
Derivative assets	–	32,971	–	32,971
Total financial assets	–	32,971	–	32,971
Non-financial assets				
Investment properties	–	–	11,143,937	11,143,937
Investment properties under development	–	–	91,595	91,595
Total non-financial assets	–	–	11,235,532	11,235,532
Financial liabilities				
Derivative liabilities	–	(64,120)	–	(64,120)
Total financial liabilities	–	(64,120)	–	(64,120)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value (continued)

The following table shows an analysis of each class of assets and liabilities of the Trust measured at fair value at the end of the reporting period: (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
31 December 2019				
Financial assets				
Derivative assets	–	37,404	–	37,404
Total financial assets	–	37,404	–	37,404
Non-financial assets				
Investment properties	–	–	9,061,600	9,061,600
Investment properties under development	–	–	147,469	147,469
Investment properties held for sale	–	–	98,400	98,400
Right-of-use assets	–	–	617,639	617,639
Total non-financial assets	–	–	9,925,108	9,925,108
Financial liabilities				
Derivative liabilities	–	(64,427)	–	(64,427)
Total financial liabilities	–	(64,427)	–	(64,427)
31 March 2019				
Financial assets				
Derivative assets	–	31,192	–	31,192
Total financial assets	–	31,192	–	31,192
Non-financial assets				
Investment properties	–	–	8,769,500	8,769,500
Investment properties under development	–	–	91,595	91,595
Total non-financial assets	–	–	8,861,095	8,861,095
Financial liabilities				
Derivative liabilities	–	(55,966)	–	(55,966)
Total financial liabilities	–	(55,966)	–	(55,966)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair value of interest rate swaps, forward contracts and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties of 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.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties, investment properties under development and investment properties held for sale

Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

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. These valuation methods 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 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 and terminal yield.

The fair value of investment properties of the Group and the Trust was $12,743.8 million (31 March 2019: $11,143.9 million) and $9,061.6 million (31 March 2019: $8,769.5 million) as at 31 December 2019 respectively. The fair value of investment properties under development of the Group and the Trust was $182.1 million (31 March 2019: $91.6 million) and $147.5 million (31 March 2019: $91.6 million) as at 31 December 2019 respectively. The fair value of investment property held for sale for the Group and the Trust was $98.4 million as at 31 December 2019.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurement (continued)

Investment properties, investment properties under development and investment properties held for sale (continued)

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
	Group	
Capitalisation Approach	Singapore • Capitalisation rates of 5.25% to 7.25% (31 March 2019: 5.00% to 7.00%) Australia • Capitalisation rates of 5.00% to 6.75% (31 March 2019: 5.00% to 6.75%) UK • Equivalent yield of 4.42% to 8.15% (31 March 2019: 4.30% to 8.00%) US • Capitalisation rates of 5.75% to 7.25% (31 March 2019: Not applicable)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price per sq m ("psm") increased.
Discounted Cash Flow Method	Singapore • Discount rates of 7.00% to 8.00% (31 March 2019: 7.00% to 8.25%) • Terminal yields of 5.50% to 7.75% (31 March 2019: 5.25% to 7.25%) Australia • Discount rates of 6.50% to 7.75% (31 March 2019: 6.80% to 7.50%) • Terminal yields of 5.25% to 7.00% (31 March 2019: 5.50% to 7.00%) US • Discount rates of 7.00% to 8.50% (31 March 2019: Not applicable) • Terminal yields of 6.50% to 7.00% (31 March 2019: Not applicable)	
Direct Comparison Method	Singapore • Adjusted price (psm) of $1,102 to $8,244 (31 March 2019: $1,563 to $9,289)	

30. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurement (continued)

Investment properties, investment properties under development and investment properties held for sale (continued)

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
	Trust	
Capitalisation Approach	• Capitalisation rates of 5.25% to 7.25% (31 March 2019: 5.00% to 7.00%)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price psm increased.
Discounted Cash Flow Method	• Discount rates of 7.00% to 8.00% (31 March 2019: 7.00% to 8.25%)	
	• Terminal yields of 5.50% to 7.75% (31 March 2019: 5.25% to 7.25%)	
Direct comparison Method	• Adjusted price (psm) of $1,102 to $8,244 (31 March 2019: $1,563 to $9,289)	

Right-of-use assets

The right-of-use assets are stated at fair value approximate the value of lease liabilities at each balance sheet date.

The Group discounted lease payments using the applicable incremental borrowing rates to measure the value of lease liabilities. The weighted average incremental borrowing rates applied are 4.22% for 15 years' leases, 4.55% for 20 years' leases and 5.05% for 30 years leases as at 31 December 2019 and 1 April 2019.

The fair value of right-of-use assets of the Group and the Trust was $617.6 million as at 31 December 2019.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties, investment properties under developments and right-of-use assets measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 4, Note 5 and Note 7 respectively.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of the Group and the Trust's other non-current assets and liabilities not measured at fair value for which fair value is disclosed:

	Fair value determined using significant unobservable inputs (Level 3) Total $'000	Carrying amount $'000
Group		
31 December 2019		
Asset		
Finance lease receivables	61,166	48,331
Liabilities		
Security deposits	64,050	65,210
Lease liabilities	580,130	580,130
Medium term notes - gross	1,803,114	1,795,636
31 March 2019		
Asset		
Finance lease receivables	62,008	50,554
Liabilities		
Security deposits	74,681	82,167
Medium term notes – gross	1,889,104	1,889,936
Trust		
31 December 2019		
Asset		
Finance lease receivables	61,166	48,331
Liabilities		
Security deposits	59,296	59,704
Lease liabilities	580,130	580,130
Medium term notes - gross	1,803,114	1,795,636
31 March 2019		
Asset		
Finance lease receivables	62,008	50,554
Liabilities		
Security deposits	72,714	79,921
Medium term notes – gross	1,889,104	1,889,936

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed (continued)

Interest rates used to discount the estimated cash flows were as following:

	Group and Trust	
	31/12/2019 %	31/3/2019 %
Finance lease receivables	1.85	2.48
Security deposits	2.90	3.00
Lease liabilities	4.22 – 5.05	–
Medium term notes	1.58 – 3.89	1.58 – 4.37

Determination of fair value

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.

Security deposits

The fair value of security deposits is calculated based on the present value of future cash outflows, discounted at the market interest rate at the reporting date.

Lease liabilities

The fair value of lease liabilities are calculated based on the present value of future cash out flows, discounted at the Group's incremental borrowing rates.

Medium term notes

The fair value the medium term notes is 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.

Other non-current loans and borrowings

The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

Other financial assets and liabilities

The fair values of all other financial assets and liabilities are calculated based on the present value of future principal, discounted at the market interest rate of the instruments at the reporting date.

(f) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amount of the Group and the Trust's current financial assets and liabilities approximate their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

31. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Chief Executive Officer, the Group's Chief Operating Decision Maker ("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.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Property rental income	217,433	281,211	43,769	57,886	129,937	167,048	60,751	82,742	174,921	211,386	626,811	800,273
Other income	27,450	35,585	3,311	3,499	19,446	27,673	7,663	7,657	14,376	11,484	72,246	85,898
Gross revenue	244,883	316,796	47,080	61,385	149,383	194,721	68,414	90,399	189,297	222,870	699,057	886,171
Property operating expenses	(64,055)	(98,830)	(10,511)	(14,230)	(32,448)	(42,201)	(18,420)	(28,149)	(35,945)	(53,182)	(161,379)	(236,592)
Segment net property income	180,828	217,966	36,569	47,155	116,935	152,520	49,994	62,250	153,352	169,688	537,678	649,579
Net property income margin	73.8%	68.8%	77.7%	76.8%	78.3%	78.3%	73.1%	68.9%	81.0%	76.1%	76.9%	73.3%

31. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Unallocated												
– Gain on disposal on investment properties											3,220	5,088
– Finance income											8,159	10,448
– Finance costs											(121,556)	(126,488)
– Other net expenses											(58,969)	(73,147)
Net income											368,532	465,480
Unallocated net change in fair value of financial derivatives											(3,784)	22,197
Net change in fair value of right-of-use assets	(1,253)	–	–	–	(719)	–	(1,039)	–	(1,657)	–	(4,668)	–
Net change in fair value of investment properties	35,272	16,821	5,719	(9,006)	4,728	(1,142)	(3,315)	7,798	5,655	14,833	48,059	29,304
Share of joint venture's results											409	493
Total return for the year before tax											408,548	517,474
Unallocated tax expenses											(20,677)	(14,391)
Total return for the year											387,871	503,083

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 December 2019						
Assets and liabilities						
Segment assets	6,124,608	729,492	2,366,294	1,052,017	3,449,277	13,721,688
Unallocated assets						142,447
Total assets						13,864,135
Segment liabilities	407,250	20,763	149,207	145,387	231,290	953,897
Unallocated liabilities:						
– loans and borrowings						4,611,648
– others						187,352
Total liabilities						5,752,897
Other segmental information						
Capital expenditure:						
– investment properties	21,725	10,146	14,190	3,133	7,787	56,981
– investment properties under development	30,014	–	4,660	–	–	34,674
Provision impairment loss on doubtful receivables	–	–	–	–	16	16

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities (continued)

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2019						
Assets and liabilities						
Segment assets	4,108,375	724,305	2,247,948	954,443	3,283,698	11,318,769
Unallocated assets						95,054
Total assets						11,413,823
Segment liabilities	83,789	21,898	44,732	30,694	67,889	249,002
Unallocated liabilities:						
– loans and borrowings						4,097,791
– others						121,037
Total liabilities						4,467,830
Other segmental information						
Capital expenditure:						
– investment properties	21,566	10,146	14,190	3,133	12,911	61,946
– investment properties under development	91,595	–	–	–	16,790	108,385
Write-off of receivables	–	–	–	–	30	30
Reversal of impairment loss on doubtful receivables	(9)	–	–	–	(1)	(10)

31. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of properties. 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		Australia		UK		US		Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019
Group										
External revenue	571,032	747,661	88,894	116,676	32,661	21,834	6,470	–	699,057	886,171
	31/12/2019	**31/3/2019**	**31/12/2019**	**31/3/2019**	**31/12/2019**	**31/3/2019**	**31/12/2019**	**31/3/2019**	**31/12/2019**	**31/3/2019**
Non-current assets[1]	9,826,862	8,861,197	1,609,249	1,560,980	797,730	813,457	1,309,801	–	13,543,642	11,235,634

(1) Exclude financial assets

32. EVENTS AFTER BALANCE SHEET DATE

The Trust signed the Sales and Purchase Agreement with Hao Mart Pte Ltd on 24 February 2020 to sell 25 Changi South Street 1, a light industrial property in Singapore, for $20.3 million. The divestment is expected to be completed in March 2020.

UNAUDITED FINANCIAL STATEMENTS OF ASCENDAS REAL ESTATE INVESTMENT TRUST FOR THE SIX MONTHS ENDED 30 JUNE 2020

Summary of Ascendas Reit Group Results

	Note	01/01/20 to 30/06/20 ('1H FY2020') S$'000	01/01/19 to 30/06/19 ('1H 2019') S$'000	Variance %
Gross revenue		**521,234**	454,732	14.6%
Net property income		**388,042**	349,076	11.2%
Total amount available for distribution:	(a)	**263,185**	253,687	3.7%
- Taxable income		**213,955**	221,800	(3.5%)
- Tax-exempt income	(b)	**1,450**	-	n.m.
- Distribution from capital	(c)	**47,780**	31,887	49.8%

Distribution per Unit ("DPU") (cents)		**FY2020**	**2019**	**Variance %**
For the period from 1 January to 30 June	(a)	**7.270**	8.153	(10.8%)
- Taxable income		**5.910**	7.128	(17.1%)
- Tax-exempt income	(b)	**0.040**	-	n.m.
- Distribution from capital	(c)	**1.320**	1.025	28.8%

Footnotes

(a) Included in 1H 2019 was distribution of rollover adjustments from prior years amounting to S$7.8 million (DPU impact of 0.250 cents). This arose mainly from tax rulings by the Inland Revenue Authority of Singapore ("IRAS") on the non-tax deductibility of certain finance costs in prior years. Excluding the rollover adjustments in 1H 2019, DPU of 1H FY2020 would have decreased by 8.0%.

(b) This includes the distribution of one-tier dividend income received from the associate company in Singapore. This distribution is exempt from tax in the hands of Unitholders.

(c) This relates to the distribution of (i) income repatriated from Australia by way of shareholder loan repayment, (ii) net income attributable to properties in the United Kingdom ("UK") and United States ("US"), (iii) reimbursements received from vendors in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of certain properties in Australia and the UK, and (iv) rental support received from vendors in relation to the acquisition of certain properties in Australia and the UK. Such distributions are deemed to be capital distributions from a tax perspective and are not taxable in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.

Distribution Details

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

Introduction

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

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

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

As at 30 June 2020, Ascendas Reit and its subsidiaries (the "Group") have a diversified portfolio of 96 properties in Singapore, 35 properties in Australia, 38 properties in the UK and 28 properties in the US with a tenant base of more than 1,400 customers across the following segments: Business & Science Park/Suburban Office, High-specifications Industrial Properties/Data Centres, Light Industrial Properties/Flatted Factories, Logistics & Distribution Centres and Integrated Development, Amenities & Retail.

The Group's results include the consolidation of subsidiaries, a joint venture and an associate company. The commentaries provided are based on the consolidated Group results unless otherwise stated.

Comparative information

As disclosed in the announcement made by the Manager dated 24 July 2019 in relation to the Change of scendas Reit's Financial Year End, Ascendas Reit has changed its financial year end from 31 March to 31 December. Therefore, the current six months is period from 1 January 2020 to 30 June 2020 ("1H FY2020"). The comparative information presented in these financial statements was for the six months ended 30 June 2019 ("1H 2019"). The immediately preceding half year was for the six months period from 1 July 2019 to 31 December 2019 ("2H 2019").

The Group adopted Singapore Financial Reporting Standard 116 *Leases* ("FRS 116") on a modified retrospective basis on 1 April 2019 and did not adjust its comparatives for the effects arising from the adoption of the new standard.

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

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

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

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

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

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

Explanatory notes to the statement of total return and distribution statement

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

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

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

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

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

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

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

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

(e) Foreign exchange differences arose mainly from the revaluation of AUD, GBP, HKD, USD and JPY denominated borrowings. Cross currency swaps were entered into to hedge against the foreign exchange exposure of certain HKD, USD and JPY denominated borrowings. Hence, the foreign exchange differences were largely offset by fair value movements in the foreign currency component of the cross currency swaps. Please refer to note (h) below.

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

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

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

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

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

1. The government grant income pertains to the property tax rebates received from IRAS as part of the Singapore government's initiatives to help businesses adapt to the challenges, amid the COVID-19 pandemic. The government grant expense represents the property tax rebates passed on to all qualifying tenants by the Group. eve

2. Finance income comprises receipts from interest rate swaps and interest income from bank deposits.

3. Finance costs comprise interest expenses on borrowings, payments on interest rate swaps, amortised costs of establishing debt facilities (including the MTNs, term loan facilities and committed revolving credit facilities), and the finance costs on lease liabilities.

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

	Group 1H FY2020 S$'000	1H 2019 S$'000	Variance %
Fair value (loss)/gain on:			
- interest rate swaps	**(24,170)**	(15,397)	57.0%
- cross currency swaps	**76,965**	33,679	128.5%
- foreign exchange forward contracts	**(102)**	(250)	(59.2%)
Net change in fair value of financial derivatives	**52,693**	18,032	192.2%

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

(i) The net change in fair value of investment properties recorded in 1H 2019 was based on the independent valuation performed for the financial year from 1 April 2018 to 31 March 2019, undertaken by (i) CBRE Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte. Ltd., Jones Lang LaSalle Property Consultants Pte. Ltd., Savills Valuation and Professional Services (S) Pte. Ltd., Knight Frank Pte. Ltd. For Singapore properties; (ii) Jones Lang LaSalle Advisory Services Pty Limited for Australian properties; and (iii) Knight Frank LLP for UK properties.

(j) With the adoption of FRS 116, the Group is required to recognise the land leases on the Statement of Financial Position to reflect the right-of-use of leasehold land and the associated obligation for the lease payments as lease liabilities. The right-of-use of leasehold land and the corresponding lease liabilities are derived by discounting the future lease payments using the Group's incremental borrowing rate for borrowings of similar amounts and tenors, and with similar security. The land rent payments are now reflected as finance cost on lease liabilities and fair value change of the right-of-use of leasehold land on the Statement of Total Return.

(k) Share of joint venture's results relates to the carpark operations at ONE@Changi City in Singapore, which is operated through a joint venture entity, Changi City Carpark Operations LLP ("CCP LLP"). Share of an associate company's results relates to the investment in Ascendas Fusion 5 Pte Ltd ("AF5PL"), which owns Galaxis. The Group uses the equity method to account for the results of CCP LLP and AF5PL.

(l) Tax expense includes income tax expenses of subsidiaries holding properties in the UK, withholding tax paid on the payments of shareholders' loan interests and distributions from Australia as well as deferred tax expense on the undistributed profits and temporary differences arising from the fair value uplift of investment properties of certain overseas subsidiaries.

(m) Ascendas Reit issued S$300 million of subordinated perpetual securities (the "Perpetual Securities") in 2015. The Perpetual Securities confer the holders a right to receive distribution payments at 4.75% per annum, with the first distribution rate reset on 14 October 2020 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

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

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

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

A. Other net non-tax deductible expenses and other adjustments include mainly set-up costs on loan facilities, commitment fees paid on undrawn committed credit facilities, interest expenses on loans drawn to fund overseas investments and deferred tax expenses.

B. This relates to the net income from the Trust's subsidiaries, joint venture and associate company including the effects of consolidation.

C. The distribution of rollover adjustment amounting to S$7.8 million in 1H 2019 arose mainly from tax rulings by IRAS on the non-tax deductibility of certain finance costs for prior years.

(o) This relates to the distribution of (i) income repatriated from Australia by way of shareholder loan repayment, (ii) net income attributable to properties in the UK and US, (iii) reimbursements received from vendors in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of certain properties in Australia and the UK, and (iv) rental support received from vendors in relation to the acquisition of certain properties in Australia and the UK. Such distributions are deemed to be capital distributions from a tax perspective and are not taxable in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.

1(b)(i) Statements of Financial Position

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

Explanatory notes to the statements of financial position

(a) The decrease of the Trust's investment properties was because of the divestment of No.25 Changi South Street 1 in March 2020, and the transfer of iQuest to investment property under development from January 2020.

(b) In addition to the properties under development ("IPUD") as at 31 December 2019, consisting of a built-to-suit development project, Ubix (formerly known as "25 & 27 Ubi Road") in Singapore and 254 Wellington Road in Australia, iQuest in Singapore was transferred to IPUD in January 2020.

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

(d) Investment in associate company relates to the Group's 25% equity interests in AF5PL, which owns Galaxis. The Trust acquired the investment in associate company on 31 March 2020.

(e) Derivative assets and derivative liabilities relate to favourable and unfavourable changes in the fair value of certain interest rate swaps, cross currency swaps and foreign currency forward contracts respectively.

(f) The decrease in trade and other receivables of the Group was mainly due to the collection of arrears in the UK.

(g) As at 31 December 2019, investment properties held for sale were Wisma Gulab and 202KB in Singapore. The divestments of the two properties were completed on 23 January 2020 and 4 February 2020 respectively.

(h) Notwithstanding the net current liabilities position, based on the Group's available financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

(i) The decrease in trade and other payables is mainly due to payment of the withholding tax held on behalf of the unitholders and the payment of certain property development related cost.

(j) Details of borrowings

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

As at 30 June 2020, the Group has A$564.3 million (31 December 2019: A$564.3 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts and guaranteed by Ascendas Reit. The carrying value of properties secured for the Syndicated Loans was S$1,025.7 million or A$1,120.6 million as at 30 June 2020 (31 December 2019: S$1,038.7 million or A$1,119.4 million).

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

As at 30 June 2020, 80.9% (31 December 2019: 75.8%) of the Group's borrowings are on fixed interest rates (after taking into consideration effects of the interest rate swaps) with an overall weighted average tenure of 3.1 years (31 December 2019: 3.3 years). The overall weighted average cost of borrowings for the period ended 30 June 2020 was 2.9% (31 December 2019: 2.9%).

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

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

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

Footnote

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

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

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

Footnotes

(a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.

(b) This relates to the issuance of new Units on 11 March 2019 at $2.8126 per Unit for the partial payment of development management fee for a built-to-suit development in Singapore.

(c) The distribution paid in 1H FY2020 and 1H 2019 comprised of distributions to Unitholders for the period from 1 October 2019 to 31 December 2019 and from 1 October 2018 to 31 March 2019 respectively.

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

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

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

There are no treasury Units in issue as at 30 June 2020 and 31 December 2019. The total number of issued Units are as disclosed in paragraph 1d(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements ('SSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

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

Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial year beginning 1 January 2020 as follows:

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

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

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

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

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

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

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

Footnotes

(a) The EPU has been calculated using total return for the period and the weighted average number of Units issued and issuable during the period. The diluted EPU is equivalent to the basic EPU as no dilutive instruments were in issue as at 30 June 2020, 31 December 2019, and 1 January 2019.

(b) The weighted average number of Units and EPU have been adjusted to reflect the effects of the Rights Units issued on 6 December 2019. This is in accordance with requirements of FRS 33 "Earnings per Share".

(c) The DPU for 1H 2019 have been restated to reflect the effects of the Rights Units issued on 6 December 2019. This is in accordance with paragraph 46 of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

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

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

Footnote

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

8. Review of Performance

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

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

1H FY2020 vs 2H 2019

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

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

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

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

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

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

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

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

1H FY2020 vs 1H 2019

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

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

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

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

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

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

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in the Announcement of Results for The Financial Year Ended 31 December 2019 under Paragraph 10 on page 17 to 18. The Trust has not disclosed any financial forecast to the market.

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

The COVID-19 outbreak and the associated lockdowns all over the world have resulted in an unprecedented global health and economic crisis, with varying knock-on effects on businesses and individuals. In June 2020, the International Monetary Fund (IMF) lowered global growth further for 2020 to -4.9% (from -3% in April 2020) as recent data releases have indicated deeper downturns in various economies (source: IMF).

Singapore

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

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

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

Australia

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

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

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

Par value of units: Not applicable

Tax Rate:

Taxable income distribution

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

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

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

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

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

Tax-exempt income distribution

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

Capital distribution

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

Record date: 3 August 2020

Payment date: 27 August 2020

(b) Corresponding financial period of the immediately preceding year

Any distributions declared for the current financial period: Yes

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

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

Par value of units: Not applicable

Tax Rate:

Taxable income distribution

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

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

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

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

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

Tax-exempt income distribution

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

Capital distribution

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

Record date: 11 November 2019

Payment date: 3 December 2019

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

Not applicable.

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

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

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

The Manager hereby certifies that, in relation to the distribution to the Unitholders of Ascendas Reit for the period from 1 January 2020 to 30 June 2020, the Manager is satisfied on reasonable grounds that, immediately after making the distribution, Ascendas Reit will be able to fulfil, from its deposited property, its liabilities as and when they fall due.

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

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

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results for the six months ended 30 June 2020, to be false or misleading in any material aspect.

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

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

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

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

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

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

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

Mary Judith de Souza
Company Secretary
23 July 2020

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

Mailing Address:
Robinson Road
PO Box 384
Singapore 900734

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

The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
1 Fusionopolis Place
#10-10 Galaxis
Singapore 138522

23 July 2020

Dear Sirs

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

Introduction

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

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

Ascendas Funds Management (S) Limited, the Manager of the Trust, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Ernst & Young LLP (UEN T08LL0859H) is a limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

A member firm of Ernst & Young Global Limited

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

Mailing Address:
Robinson Road
PO Box 384
Singapore 900734

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

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of the RAP 7 relevant to interim financial information issued by the Institute of Singapore Chartered Accountants.

Restriction of use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim financial information for the purpose of assisting the Trust in meeting the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

23 July 2020

Ernst & Young LLP (UEN T08LL0859H) is a limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

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ISSUER

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Ascendas Real Estate Investment Trust)
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

ASCENDAS REIT MANAGER

Ascendas Funds Management (S) Limited
1 Fusionopolis Place
#10-10 Galaxis
Singapore 138522

ARRANGER AND DEALER

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#03-05 OCBC Centre East
Singapore 049514

TRUSTEE

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

REGISTRARS AND TRANSFER AGENTS

In respect of Securities cleared through CDP

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

In respect of Securities cleared through Euroclear/Clearstream, Luxembourg

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg

ISSUING AND PAYING AGENTS AND CALCULATION AGENTS

In respect of Securities cleared through CDP

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

In respect of Securities cleared through Euroclear/Clearstream, Luxembourg

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

AUSTRALIAN AGENT

BTA Institutional Services Australia Limited
Level 2, 1 Bligh Street
Sydney NSW 2000
Australia

LEGAL ADVISERS

To the Ascendas Reit Manager as to Singapore law

Allen & Gledhill LLP
One Marina Boulevard
#28-00
Singapore 018989

To the Arranger and Dealer as to English law

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

To the Ascendas Reit Manager as to Australian law

King & Wood Mallesons
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

To the Arranger and Dealer as to Australian law

Allen & Overy LLP
Level 25
85 Castlereagh Street
Sydney NSW 2000
Australia

To the Issuer as to Singapore law

Dentons Rodyk & Davidson LLP
80 Raffles Place, #33-00
UOB Plaza 1
Singapore 048624

To the Trustee as to English law

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

AUDITOR

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