CHANGING LANDSCAPE

ascendas a-reit

ANNUAL REPORT 2014/15

CONTENTS

The changing landscape brings about new challenges but also opportunities for A-REIT.

The changing regulatory environment in Singapore and uncertain global economic outlook have increased the operating challenges for A-REIT. Shorter industrial land tenure, revised and more stringent subletting policy and record industrial space completions are some of the key challenges that have resulted in a tougher leasing and investment landscape in Singapore.

The Singapore government proactively positions Singapore as the preferred location for the world's top global companies with business friendly policies, well-developed infrastructure and by leveraging on our highly skilled and educated workforce. This has attracted a new class of technology, medical and service-oriented companies which are making Singapore their research, production and distribution base. These higher value-add and knowledge-based industries are emerging as one of the most important engines of Singapore's growth. A-REIT is well positioned to cater to the demands of this new class of customers.

We continuously improve our business and industrial space offerings, seek innovative ways to differentiate our services and strengthen our operations and customer care to support the needs of today's demanding industries as well as emerging ones.

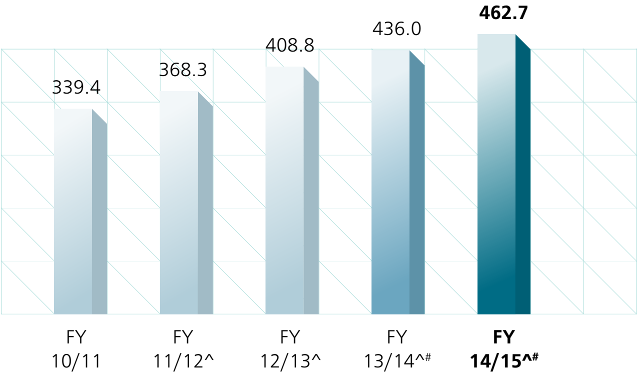
Given A-REIT's market-leading portfolio, track record and strong management system, we believe we can differentiate ourselves from our competitors. We will continue to build stronger capabilities and enhance our competitiveness to overcome the challenges brought about by the changing landscape.

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

PERFORMANCE AT A GLANCE

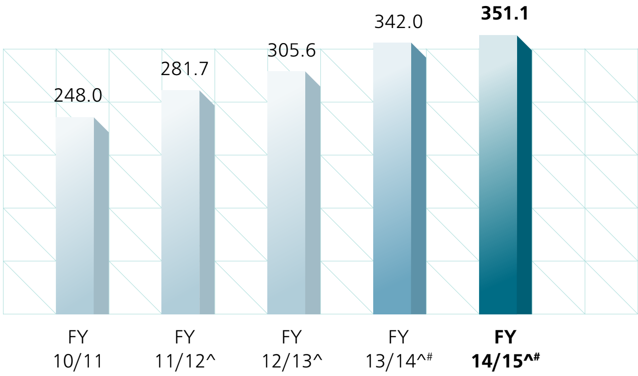
Net Property Income (S$M)

S$462.7M



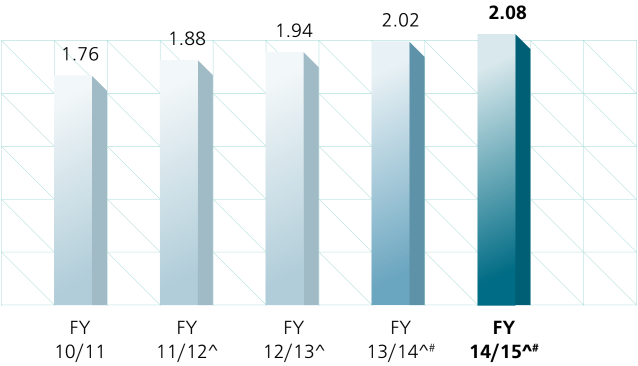
Total Amount Available for Distribution (S$M)

S$351.1M



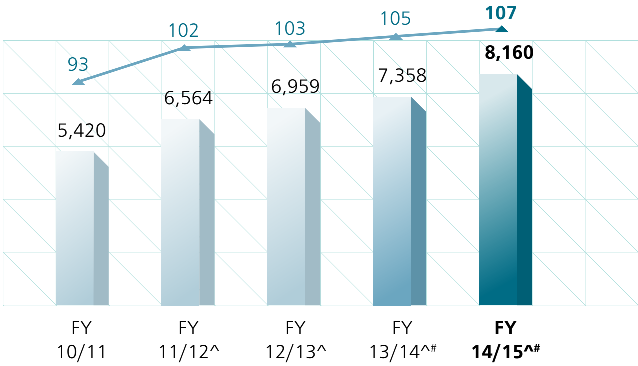
Net Asset Value Per Unit (S$)(1)

S$2.08



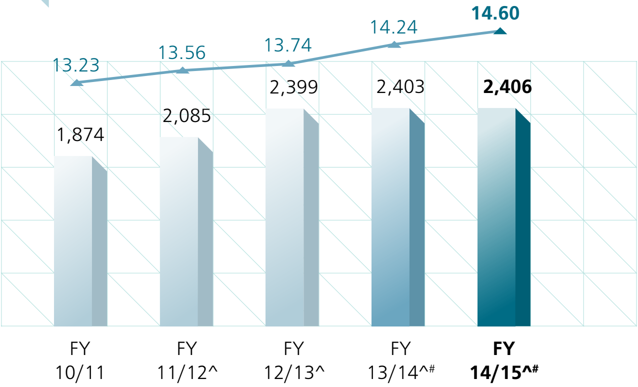
Number of Properties & Total Assets (S$M)

107 PROPERTIES



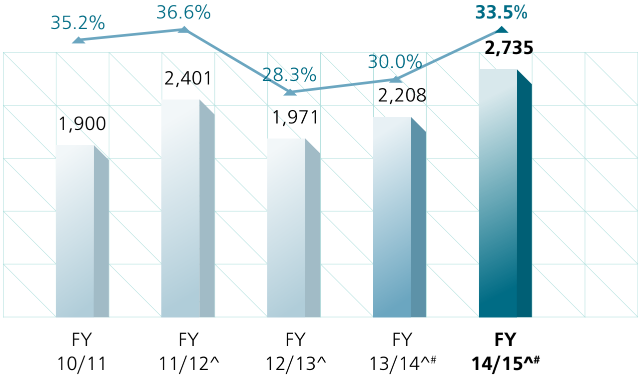
Distribution Per Unit (cents) & Units in Issue (M)

14.60 CENTS DPU



Aggregate Leverage(2) & Total Gross Borrowings (S$M)(3)

33.5% AGGREGATE LEVERAGE



NOTES:

^ With effect from FY11/12, results include the consolidation of the Trust's wholly owned subsidiaries.

The Group adopted FRS 110 Consolidated Financial Statements with effect from 1 April 2014 which results in the Group consolidating Ruby Assets Pte. Ltd. and Emerald Assets Limited since 1Q FY14/15. FY13/14 figures have been restated on a similar basis for comparison.

(1) Prior to distribution of distributable income.

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

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

OVERVIEW OF A-REIT

OUR MISSION

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

About A-REIT

Ascendas Real Estate Investment Trust ("A-REIT") is Singapore's first and largest listed business space and industrial real estate investment trust. As one of Singapore's REIT pioneers, A-REIT has played a crucial role in the development of the Singapore REIT sector, providing an attractive platform for investment in business and industrial properties in Singapore.

A-REIT has a well-diversified portfolio of 105 properties in Singapore and 2 business park properties in China as at 31 March 2015. These properties host a customer base of around 1,410 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room support office in service industries, etc.

Ascendas Funds Management (S) Limited ("AFM"), a wholly owned subsidiary of Ascendas Group, is the manager of A-REIT (the "Manager"). See page 6 for A-REIT's structure.

A-REIT's Portfolio Comprises:

- *Business & Science Park Properties*
- *Integrated Development, Amenities & Retail ("IDAR") Properties*
- *High-Specifications Industrial Properties & Data Centres*
- *Light Industrial Properties & Flatted Factories*
- *Logistics & Distribution Centres*

A-REIT'S COMPETITIVE EDGE

Diversity and Depth

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

Stability and Sustainability

Our mission is to deliver predictable distributions and achieve long-term capital stability for Unitholders. This is achieved through a three-pronged strategy of prudent capital and risk management, disciplined value-adding investment and proactive asset management. Through this, the Manager seeks to create a competitive edge to differentiate A-REIT and to enhance stability and sustainability within the portfolio.

Market Leader

A-REIT is focused on suburban business space and industrial properties. It has a committed Sponsor, the Ascendas Group, which has a proven track record of more than 30 years of experience in this industry. A-REIT has established itself as the market leader in most of the segments that it operates in since its listing in 2002, growing from eight properties valued at around S$600 million in 2002 to 107 properties valued at around S$7.9 billion as at 31 March 2015.

Operations Platform

Ascendas Services Pte Ltd ("ASPL"), our property manager (refer to page 28), has a dedicated sales/ marketing, leasing and property management team of over 100 people, all of whom possess in-depth understanding of this property sector and customers' needs.

Development Capabilities

A-REIT is the first Singapore REIT ("S-REIT") to undertake development projects on its own balance sheet in 2006, enabling Unitholders to enjoy the benefits of potential development upsides. As at 31 March 2015, A-REIT has completed 12 development projects, achieving a total revaluation gain of about S$338.4 million or 34.3% over the total development cost, demonstrating the Manager's ability to achieve value-adding investments for the portfolio through its development capabilities.

Customer Focus

We have a track record of customers growing with us and have consistently maintained a high customer retention ratio when leases are due for renewal. With proactive asset management and leasing strategy, A-REIT is looking forward to serve its tenants in their spatial needs in Singapore and China through the provision of quality business space.

Size Advantage

A-REIT accounted for 8.7% of the market capitalisation of the S-REIT sector as at 31 March 2015. In FY14/15, it accounted for about 9.4% of the trading volume for S-REITs on the Singapore Exchange Securities Trading Limited ("SGX-ST"), making it one of the most liquid REITs in the Singapore market. A-REIT is one of the 30 constituents of the FTSE Straits Times Index and is also included in over 30 major indices including MSCI Singapore Index, FTSE ST All-Share Index, S&P Asia Property 40 index as well as WisdomTree Global ex-US Real Estate Index.

WHAT WE INVEST IN

BUSINESS & SCIENCE PARK PROPERTIES

Characteristics

Clusters of suburban offices, corporate headquarter ("HQ") buildings and research and development ("R&D") space in government-designated zones. Manufacturing activities are not allowed in these properties.

The China portfolio comprises two business park properties, one of which is located in Beijing and the other in Shanghai. These properties attract higher value-add industries such as IT and software companies as well as corporate headquarters of multinational companies and large local corporations.

Typical Customers

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

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL ("IDAR") PROPERTIES

Characteristics

Two or more types of space such as business space, retail and warehousing facility within one integrated development. Typically, IDAR projects are larger scale developments that possess requisite infrastructure and amenities to meet modern business needs.

Typical Customers

MNCs and corporates that desire quality space at prominent location with comprehensive range of amenities to house their corporate HQ and conduct their businesses under one roof. Companies in the IT services, fast-moving consumer goods, engineering, warehousing and retail activities.

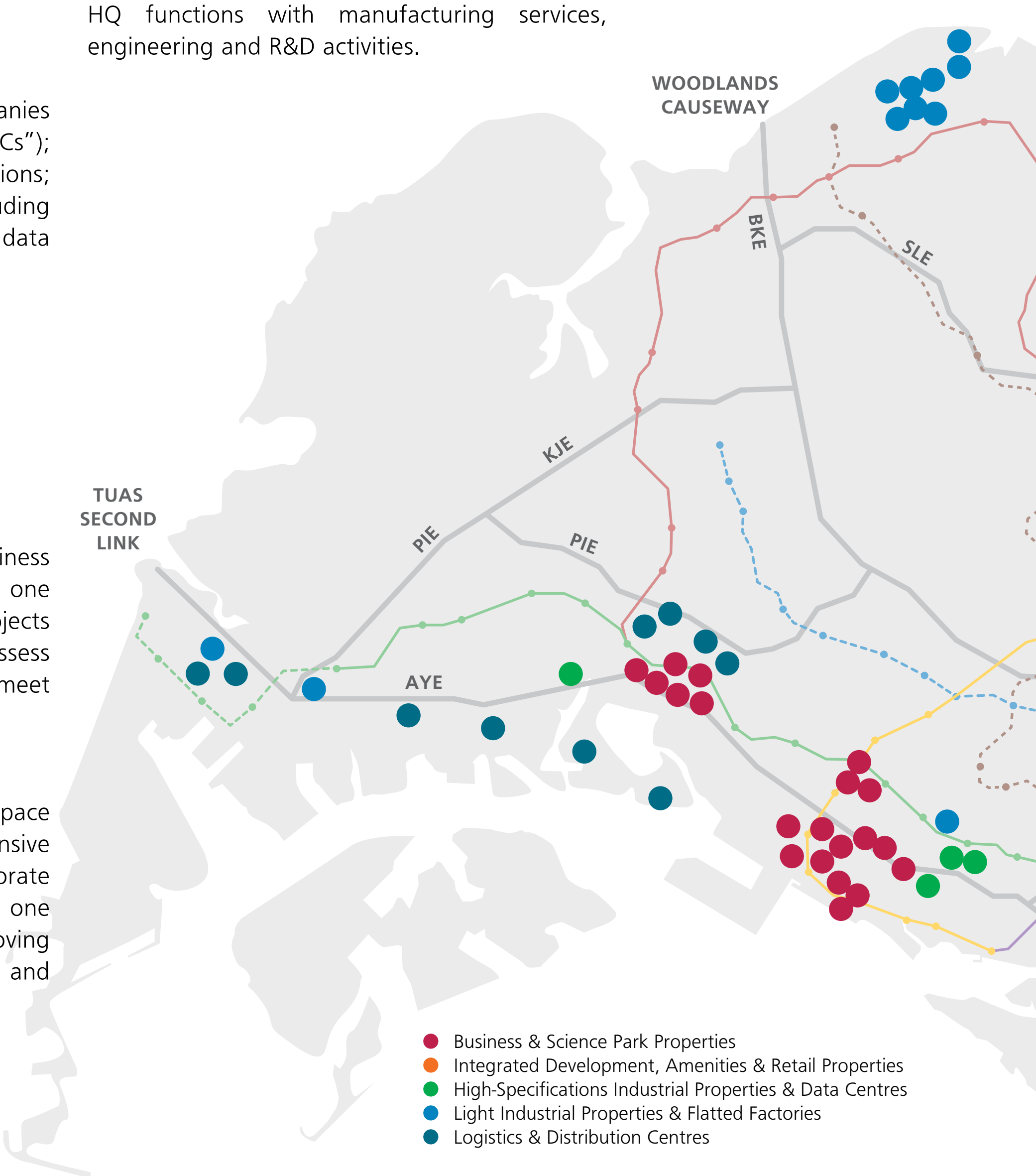
HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

Characteristics

Vertical corporate campuses with higher office content combined with high-specifications mixed-use industrial space. Properties typically have a modern facade, air-conditioned units, and sufficient floorloading and ceiling height as well as high power capacity to allow both office functions and manufacturing activities to be carried out. Includes data centres.

Typical Customers

Multinational industrial companies and large local companies that wish to co-locate their HQ functions with manufacturing services, engineering and R&D activities.



LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

Characteristics

Properties with low office content combined with manufacturing space. The manufacturing content in light industrial properties is higher compared to high-specifications industrial buildings. Flatted factories, a subset of light industrial properties, are stacked-up manufacturing space used for general manufacturing. Ground floor space tends to command higher rental rate due to higher floor loading and better accessibility.

Typical Customers

Companies which house their light manufacturing activities and HQ operations within a single facility. Popular with local small & medium-sized enterprises engaged in various manufacturing activities. Some MNC manufacturers also house their manufacturing operations in such buildings.

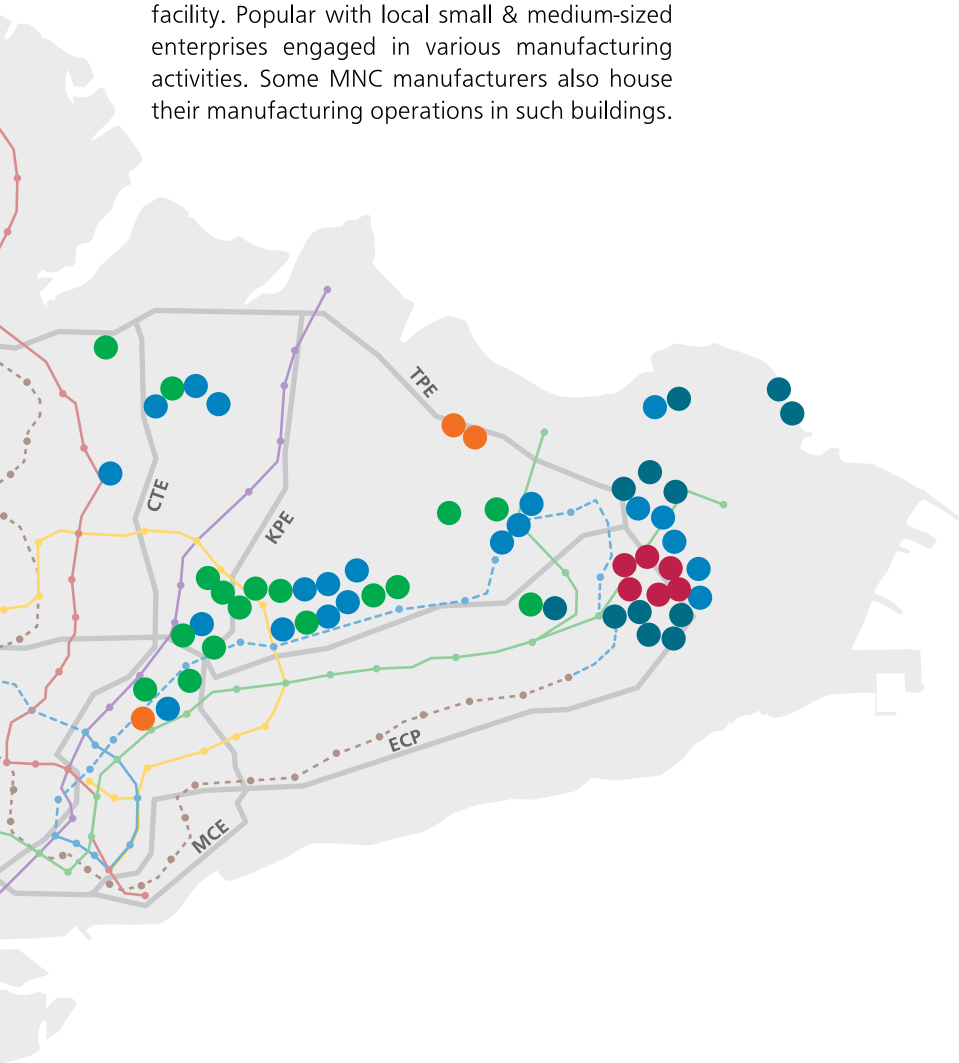
LOGISTICS & DISTRIBUTION CENTRES

Characteristics

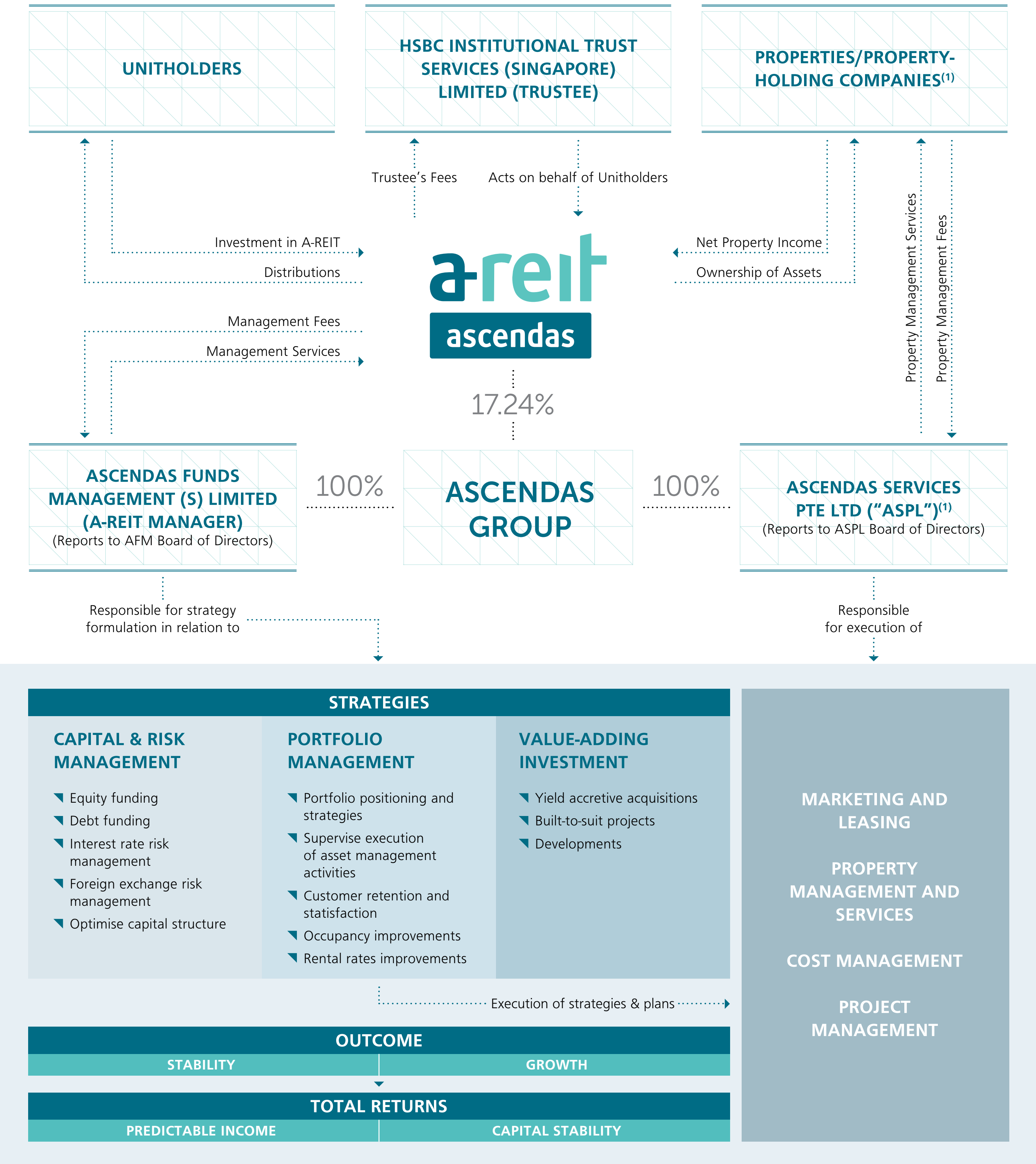
Warehouses and distribution centres equipped with high floor loading and high floor height. The majority of the warehouses are single-storey or multi-storey facilities with vehicular ramp access; others are multi-storey facilities with heavy duty cargo lift access.

Typical Customers

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



A-REIT'S STRUCTURE



(1) A-REIT's two properties located in China are held through wholly owned subsidiaries of A-REIT and are managed by property managers other than ASPL under separate property management agreements.

SIGNIFICANT EVENTS

April 2014

21st

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

May 2014

9th

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

14th

Completed the redemption of €197.5 million secured floating rate notes due in 2015, increasing the ratio of unencumbered properties to 84% from 62%.

16th

Issued S$75 million 5-year Medium Term Notes due 2019 at a fixed coupon of 2.50% per annum. The notes were subsequently upsized by S$20 million on the 21st of May.

21st

Completed the divestment of No. 1 Kallang Place (with remaining land tenure of about 10 years) for S$12.6 million realising a capital gain of S$0.4 million.

22nd

Aperia and DBS Asia Hub were both awarded Green Mark (Platinum) Certification by Singapore's Building & Construction Authority.

June 2014

4th

A-REIT was included as one of the 30 FTSE Straits Times Index constituents.

30th

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

Completed the acquisition of Hyflux Innovation Centre for S$193.9 million.

July 2014

1st

A-REIT achieved 2nd place in the Most Honoured Company (Singapore) category by Institutional Investor in the 2014 All-Asia Executive Team rankings. Executive Director and CEO of the Manager, Mr Tan Ser Ping, was awarded 3rd Place in the Best CEO (Property, Sell-side) category.

23rd

Announced results for the three months ended 30 June 2014: Net property income grew by 7.7% YoY.

August 2014

8th

Completed the acquisition of Aperia, a newly completed mixed-use development, for S$463.0 million.

26th

Issued HKD620 million 4-year Medium Term Notes due 2018 at 1.67% per annum.

SIGNIFICANT EVENTS

September 2014

4th

Issued HKD640 million 15-year Medium Term Notes due 2029 at 3.64% per annum.

October 2014

23rd

Announced results for the three months ended 30 September 2014: Net property income grew by 7.0% YoY.

31st

A-REIT won the 'Most Transparent Company Award' in the REITs and Business Trusts category at the Securities Investors Association (Singapore) Investors' Choice Award 2014 for the fourth consecutive year.

November 2014

30th

Mr Chia Kim Huat stepped down as Independent Director after serving on the Board for six years.

December 2014

1st

Appointment of Mr Chan Pangee, Adrian, an Independent Director to the Board, and as member of Audit Committee and the Operational Risk Management Committee.

9th

A-REIT was award the Certificate of Excellence in Investor Relations at the IR Magazine Awards & Conference – South East Asia 2014.

January 2015

22nd

Announced results for the three months ended 31 December 2014: Net property income grew by 5.6% YoY.

February 2015

16th

JTC and Temasek signed agreement to merge four operating subsidiaries including A-REIT's Sponsor, Ascendas Pte Ltd.

March 2015

2nd

Increased the Multicurrency Medium Term Note Programme Limit from S$1 billion to S$5 billion.

30th

Completed the acquisition of The Kendall for S$113.7 million.

April 2015

7th

Completed the sale of 26 Senoko Way for S$24.8 million, realising capital gains of S$9.0 million.

23rd

Announced results for the financial year ended 31 March 2015: Net property income grew by 6.1% YoY. DPU increased by 2.5% YoY to 14.60 cents from 14.24 cents. Achieved revaluation gains amounting to approximately S$47.0 million.

CHAIRMAN'S MESSAGE

A-REIT'S FOCUS REMAINS UNCHANGED. OUR COMMITMENT TO DELIVER VALUE FOR OUR CUSTOMERS AND UNITHOLDERS AND CAREER FULFILMENT FOR OUR EMPLOYEES, REMAIN OUR TOP PRIORITY.

KOH SOO KEONG
Chairman

CHAIRMAN'S MESSAGE

Dear Unitholders,

On behalf of the Board of Directors of Ascendas Funds Management (S) Limited ("AFM"), the Manager of A-REIT, I am pleased to present A-REIT's 13th Annual Report for the financial year ended 31 March 2015.

RECENT EVENTS

I would like to congratulate our Sponsor, Ascendas, on the partnership as announced between Temasek and JTC Corporation ("JTC"). This merger involving Temasek's Singbridge Group and JTC's Ascendas, will strengthen the combined group's capability to participate in urbanisation projects in the global market, particularly in Asia.

The merger has no immediate and direct impact on A-REIT. A-REIT will continue to strengthen its presence in the business space and industrial property sector. We can continue to count on opportunities arising from the Sponsor's portfolio of more than S$1 billion worth of properties in mainly the Business & Science Park segment in Singapore.

A-REIT is proud to be part of the enlarged group. We will review the possibilities of widened options to realise our strategic mission to deliver predictable distributions and achieve long-term capital stability for Unitholders.

FY 2014/15: ANOTHER SUCCESSFUL YEAR

A-REIT delivered another year of growth for the financial year ended 31 March 2015 with full year distribution per Unit ("DPU") of 14.6 cents, an increase of 2.5% over the previous year.

Our results were buoyed by positive rental reversion of 8.3% for leases that were renewed during the year, full year contributions from Nexus @one-north and A-REIT City @Jinqiao, which were new projects completed in 2013, as well as newly acquired properties in FY14/15 such as Hyflux Innovation Centre and Aperia. Higher occupancies were achieved at Nexus @one-north, A-REIT City @ Jinqiao, Aperia and Hyflux Innovation Centre which contributed positively to our improved results.

Assets Under Management

Assets under management ("AUM") topped S$8 billion (+10.9 % YoY) following the acquisition of three properties in Singapore for S$770.6 million during the year. A-REIT continues to maintain a leadership position as the largest listed business space and industrial REIT in Singapore in terms of AUM and market capitalisation. Total portfolio gross floor area expanded 3.8% to 3.0 million sqm.

The acquisition of three properties – Aperia (costing S$463.0 million), Hyflux Innovation Centre (S$193.9 million) and The Kendall (S$113.7 million) – is part of A-REIT's strategy to scale up exposure to the Business & Science Park, Integrated Development and High-Specifications segments from 56% to 64% of our portfolio. Currently, these multi-tenant buildings are well occupied by companies in higher value-add businesses. These properties also sit on land with long lease tenures ranging between 53-64 years.

Active Portfolio Management

A-REIT completed S$60 million worth of asset enhancement projects in FY14/15. Currently, another 4 enhancement projects are in-progress with an estimated value of S$91.2 million. These projects involve the upgrading of building specifications, repositioning of assets to enhance marketability and the maximisation of plot ratio.

Besides asset enhancements, we continuously look to streamline our portfolio. No. 1 Kallang Place, a 7-storey light industrial cum warehouse facility with a remaining land tenure of about 10 years, was divested for S$12.6 million. The transaction realised a disposal gain of about S$0.4 million over the original cost of investment. In April 2015, we completed the divestment of 26 Senoko Way, another light industrial property for S$24.8 million.

In addition to the completion of the brand new integrated development, Aperia (committed occupancy of 46% at TOP), several single-tenant buildings were converted to multi-tenant buildings during the year. As a result of the transitional downtime arising from the conversions, portfolio occupancy rate weakened to 87.7% compared to 89.6% a year ago.

Capital Strength

We maintained our strong balance sheet. Our gearing remains comfortable at 34% and we have hedges (68% of our outstanding interest rate exposure is hedged for 3.7 years) in place to mitigate the effects of rising interest rates.

Moody continues to maintain A-REIT's credit rating at A3, which reflects the underlying strength of A-REIT's financial metrics. A-REIT is well-placed to secure cost effective and competitive funding.

The recent divestment of No. 1 Kallang Place and 26 Senoko Way enables A-REIT to redeploy capital and make available funds for committed investments, repay existing indebtedness, finance loans to subsidiaries, fund general corporate and working capital needs and/or to make distributions to Unitholders.

The Multicurrency Medium Term Note ("MTN") programme was upsized to S$5 billion (from S$1 billion) to facilitate bonds issuance and widen A-REIT's funding sources.

BOARD RENEWAL

As part of our regular Board renewal process, we welcomed Mr Chan Pengee, Adrian as Independent Director to the AFM Board on 1 December 2014. Mr Chan is Head of the Corporate Department and a Senior Partner at the law firm, Lee & Lee. He brings to the Board extensive experience in corporate law, especially in the areas of mergers and acquisitions, corporate finance and corporate governance.

I would like to acknowledge here the outstanding contributions made by Mr Chia Kim Huat, an Independent Director who has served on the AFM Board for six years and retired on 30 November 2014. The Board and management have benefited significantly from his broad base of knowledge and experience in legal, financial and capital market matters, in general business strategies and management as well as China business.

At the date of this report, the Board comprises seven Directors, five of whom, including the Chairman, are independent.

THE YEAR AHEAD

The general outlook for global economic growth is uncertain with low growth potential and is subject to some volatility.

Industrial property market conditions are expected to be challenging. We foresee softer demand for industrial property space in Singapore. Coupled with significant new supply incoming and new Government regulations, occupancy growth may be under pressure. In July 2014, JTC announced a revised subletting policy which states that third party facility providers must sublet at least 70% of GFA to anchor subtenants[1]. Whilst JTC has allowed a grace period until December 2017 for compliance, we have been actively adjusting our tenant mix and upgrading qualified tenants to anchor tenants.

A-REIT's market leadership, strong financial position, prudent capital management and diversified portfolio of 106 buildings[2] will provide us the resilience to adapt to the changing landscape and the experience and commitment of the management team will keep us ahead of the competition.

A key focus area is to improve the way we operate to drive efficiencies and productivity. We will work closely with our Property Manager to further improve our level of service and enhance engagement with our customers.

Given the challenges in our existing markets and the opportunities offered by the extended umbrella of the Sponsor, we will explore selectively more developed and mature markets for opportunities to help us realise our strategic mission.

CONCLUSION

In closing, I would like to thank all employees of AFM (the Manager) and those of our various service partners such as ASPL (the Property Manager) as well as my fellow Board members for a year of dedication and achievement. We will continue to improve A-REIT for the benefit of Unitholders.

A-REIT's focus remains unchanged. Our commitment to deliver value for our customers and Unitholders and career fulfilment for our employees, remain our top priority.

Finally, on behalf of A-REIT and the Board, we would like to thank you, our Unitholders, for your continued support.

KOH SOO KEONG
Chairman

28 May 2015

(1) An anchor subtenant is defined by JTC as a company that satisfies JTC's assessment on value-added, remuneration per worker and employee profile and occupies at least 1,500 sqm (16,146 sq ft) of GFA.
(2) Excludes 26 Senoko Way which was divested on 7 April 2015.

董事会主席献词

亲爱的单位持有人，

我谨代表腾飞瑞资的管理人——腾飞基金管理(新加坡) 有限公司的董事会呈交截止至2015年3月31日的腾飞瑞资第十三份财政年度报告。

最新动态

首先，我要对裕廊集团和淡马锡控股之间的合作伙伴关系表示衷心的祝贺。腾飞瑞资的赞助人，即隶属于裕廊集团的腾飞集团，即将与淡马锡控股旗下的星桥集团合并组建星桥腾飞集团。合并后的集团将增强新加坡在全球市场，特别是在亚洲，参与城市化项目的竞争力。

此次合并对腾飞瑞资没有立即和直接的影响。腾飞瑞资将继续加强其在商务空间与工业地产领域的地位。腾飞瑞资的赞助人目前尚持有价值超过十亿新元的新加坡房地产资产，主要为科学园和商业园物业。这些资产将会继续为腾飞瑞资带来新的投资机遇。

腾飞瑞资以身为星桥腾飞集团的一员而感到自豪。我们将积极审视更多的投资机会，以实现为单位持有人提供可预测的分派收入及长期资本稳定的战略任务。

2014/15财年：又一个成功的一年

腾飞瑞资截至2015年3月31日的财年继续实现增长，全年每单位可分派收入(“DPU”)为14.6分，同比增长2.5%。

续约租金水平平均增长8.3%，2013年竣工的Nexus @one-north 和腾飞金桥瑞邑为腾飞瑞资贡献了全年收益，另外2014年新收购的凯发创新中心和Aperia综合开发项目也提振了本财年的业绩。Nexus @one-north、腾飞金桥瑞邑、Aperia及凯发创新中心的高出租率为本财年亮眼的成绩做出积极贡献。

资产管理规模

继本财年在新加坡以7亿7千零60万新元收购三个物业后，腾飞瑞资所管理的资产(“AUM”)总额达80亿新币，同比增长10.9%。在资产管理规模和市值计算方面，作为新加坡最大的上市商务空间和工业房地产投资信托，腾飞瑞资继续保持其领先地位。管理资产的建筑面积扩大3.8%，至3百万平方米。

腾飞瑞资的战略是进一步扩大商务园、科学园、综合发展项目及高规格工业房产等高级工业地产的投资比例。本财年收购的三个房地产项目，耗资4亿6千3百万新元的Aperia、1亿9千3百90万新元的凯发创新中心和1亿1千3百70万新元的 The Kendall 均是其战略的一部分，将高级工业地产的占比从56%提升至64%。目前，这些新收购多租户物业均被高附加值的工业企业所租用；并且有较长的剩余土地年限，从53年到64年不等。

积极的资产管理

在14/15财年，腾飞瑞资完成了总值6千万新元的资产提升项目。目前，另外4个耗资9千1百20万新元的提升项目正在进行中。这些项目包括升级建筑规格、重新定位物业资产和将现有物业的容积率最大化。

除了资产提升，我们也不断地优化资产组合。本财年，我们以1千2百60万新元的价格出售了位于1 Kallang Place，一座剩余土地年限约为10年的7层轻工业及仓储设施。本次交易兑现了约40万新元的资本收益。在2015年4月，我们以2千4百80万新元完成了轻工业房产26 Senoko Way 的出售。

除了新收购的综合发展项目Aperia尚处于招租期，一些单租户物业也在年内转型为多租户物业。这些过渡使投资组合的出租率从一年前的89.6%下调到87.7%。

资本实力

我们继续维持稳健的财务状况。我们的资产负债率保持在34%的健康水平。同时为了减轻利率上升的影响，我们通过发行定息债券和利率对冲工具，将68%的债务转化为固定利率。

穆迪投资者服务继续维持腾飞瑞资的A3信用评级，这反映了腾飞瑞资财务指标的实力。腾飞瑞资有足够的能力取得有竞争力的的资金成本。

最近出售的 1 Kallang Place 和 26 Senoko Way 也利于腾飞瑞资重新部署资金，为新的投资项目或企业运营提供资金，偿还现有债务，或增加单位持有人收入分派。

我们也将多币种中期票据计划（“MTN”）的发行上限从原来的10亿新元提升到50亿新元，以促进债券发行及扩大腾飞瑞资的资金来源。

董事会更新

作为董事会定期更新过程的一部分，我们欢迎陈秉义先生于2014年12月1日加入腾飞基金管理(新加坡)有限公司董事会，成为独立董事。陈先生是新加坡李及李律师事务所的资深合伙人和企业部主管。董事会必能从他在企业法务，尤其是在兼并和收购、公司财务和公司治理等领域的丰富经验中受益。

我也要在此感谢于2014年11月30日卸任的独立董事谢锦发先生在过去的6年的董事任命期间做出的杰出贡献。谢先生在法律、金融、资本市场、企业战略管理以及中国业务方面有广泛的知识基础和丰富的经验，使董事会和管理层受益良多。

截至2015年5月28日，董事会有七名董事，其中包括主席在内的五名独立董事。

展望新财政年

展望未来，全球经济增长还存在着众多不确定因素，增长潜力低并伴随着波动性。

工业房地产市场也面临不少挑战。我们预计新加坡工业房地产需求将会疲软。再加上新增房地产存量供应和新的政府法规，出租率增长可能会面临压力。在2014年7月，裕廊集团公布了转租新政策，其中规定第三方工业空间提供商必须将至少70%的面积租给主力租户[1]。虽然裕廊集团将该政策的执行期宽限到2017年12月，我们已经在积极地调整租赁组合并升级部分租户至主力租户。

腾飞瑞资在市场的领导地位，稳健的财务状况，审慎的资本管理和106[2]个多元化物业的投资组合将助我们适应不断变化的经济环境。管理团队的丰富经验和使命感也将让腾飞瑞资在激烈的竞争中保持领先。

未来我们的首要任务是提升运营效率和提高生产力。我们将与我们的物业服务经理，腾飞管理私人有限公司，紧密合作，以进一步提高我们的服务水平，加强与客户的联系。

鉴于我们目前面临的挑战和赞助人提供的支持，我们将选择性地探讨较发达地区和成熟市场的投资机遇，以帮助我们实现既定的战略任务。

总结

我要感谢腾飞基金管理（新加坡）有限公司的所有员工和我们的服务合作伙伴，如腾飞管理私人有限公司，以及董事会的其他成员一年来的奉献和成就。我们将始终如一，以单位持有人的利益为先，不断提升腾飞瑞资。

腾飞瑞资的业务重心保持不变；我们的首要任务仍然是为我们的客户和单位持有人创造价值，并成就公司员工的职业生涯。

最后，我谨代表腾飞瑞资和董事会，感谢所有的单位持有人一如既往的支持。

许思强
主席

2015年5月28日

(1) 主力租户是裕廊集团认定的工业企业，必须满足裕廊集团对于工业增加值、工人平均薪资和雇员资历的要求，并至少租赁1500平方米建筑面积的工业空间。
(2) 不计入于2015年4月7日出售的26 Senoko Way。

INTERVIEW WITH THE MANAGER'S CEO

A-REIT WILL EXPLORE SELECTIVELY MORE DEVELOPED AND MATURE MARKETS FOR OPPORTUNITIES THAT WILL FIT OUR PROFILE AND INVESTMENT RETURN CRITERIA. WE WILL BE GUIDED BY OUR MISSION TO DELIVER STABLE DISTRIBUTIONS TO AND MAINTAIN CAPITAL STABILITY FOR OUR UNITHOLDERS.

TAN SER PING
Chief Executive Officer

Looking back on FY14/15, what do you consider as some of A-REIT's achievements?

A significant initiative that the Manager of A-REIT undertook in favour of Unitholders was to revise the basis for the computation of Base Fee and to waive its Performance Fee to ensure that Unitholders receive the threshold levels of DPU growth. Hence in FY14/15, Unitholders will receive the full 2.5% of DPU growth and the Manager would not earn any performance fees.

Improving the portfolio occupancy level was another achievement for us. During the year, A-REIT encountered a few non-renewals in some Changi Business Park properties and single-tenant buildings. Our operations team put in extra effort to promote and attract new customers such as UBS, Huawei, Euroimmun, Ceva Logistics and Hellmann Worldwide Logistics. By September, the slide in portfolio occupancy to 85.6% was arrested and has since been lifted to 87.7% as at 31 March 2015, despite an increase in portfolio size by approximately 110,000 sqm.

A-REIT's total assets have reached S$8.2 billion with the acquisition of three new properties (Hyflux Innovation Centre, Aperia and The Kendall) in Singapore. We consider the acquisition of Aperia as the cornerstone of our growth strategy into the integrated mixed-use development space. Within eight months of obtaining the temporary occupation permit ("TOP"), we brought up the occupancy rate of Aperia to about 80%, with renowned multinationals in the likes of Audi, Intel and McDonald's. We are very happy with the leasing progress at Aperia.

We are proud of our strong corporate governance track record. A-REIT was awarded the Most Transparent Company Award in the REITs category by Securities Investors Association (Singapore) for the 10th year.

In June 2014, A-REIT was included in the Straits Times Index as one of the 30 constituents, an important milestone since our IPO in 2002. We have grown from eight properties and a market capitalisation of less than S$500 million to 107 properties and a market capitalisation of S$6.2 billion at the end of March 2015.

How would the new acquisitions add-value to A-REIT's business?

It is A-REIT's focus to own quality industrial properties and scale up exposure in the Business & Science Park, Integrated Development and High-Specifications segments. The three new acquisitions, Aperia, The Kendall and Hyflux Innovation Centre will boost the share of these segments to 64% of A-REIT's portfolio. Properties in these segments are aligned to serve the needs of the Singapore economy into the future.

Aperia is a new generation industrial property with a Green Mark Platinum Award. It offers a holistic and integrated work environment for businesses in Singapore. We also widened our customer base to include more renowned multinational corporations ("MNCs").

With its superior location and high quality specifications, we are able to command higher rents of around S$5 per square foot per month for the B1 industrial space, significantly higher than the average market rents for the high-specifications segment of S$3.15[1] per square foot per month.

Hyflux Innovation Centre and The Kendall are income-generating properties with attractive yields of 6.8 – 7.0%. These properties also sit on land with long remaining tenures of 54 – 64 years, an attractive attribute considering that new industrial sites released by the Singapore government have shorter lease tenure of 30 years or less.

Is A-REIT's China expansion plan on track or is it being dampened by the continuing slowdown of the economy?

China is undergoing a challenging transition from export-driven and debt-fuelled growth to a domestic demand-driven economy. The Chinese government's GDP growth forecast for 2015 is 7%, down from the 7.4% achieved in 2014. Softness in both external and domestic demand, overcapacity, the anti-corruption campaign, etc. are expected to exert pressure on the economy. In view of the uncertainties, we are treading cautiously.

The impact on our existing business varies by location. Leasing demand at A-REIT City @Jinqiao in Shanghai, which is more State-owned Enterprises and MNC-driven, has been dampened by the soft macro climate. However, occupancy has been creeping up to 56% as existing tenants such as Huawei expanded and as new tenants are secured. Ascendas Z-Link in Beijing remains 100% occupied and rental reversion remains robust, thanks to the vibrant IT and start-up sector. Overall, our opportune entry enabled A-REIT to achieve unrealised capital gains of between 40% and 50% over original costs for both the Shanghai and Beijing business park properties.

Amid the headwinds, pocket of opportunities still exists. A-REIT will continue to focus on business parks and pursue opportunities within the logistics segment. Industrial land for

(1) Source: CBRE, 4Q 2014

INTERVIEW WITH THE MANAGER'S CEO

logistics development, particularly in and around Tier 1 cities in China is very, very scarce and limited in supply. Hence, we recently seized the opportunity to acquire a site in Jiashan, located at the outskirt of Shanghai. A 35,244 sqm modern logistics facility will be built and is expected to complete in 1Q2016. It is well located i.e. within an hour's drive to downtown Shanghai and will tap the growing e-commerce fulfilment centered around Shanghai.

Stricter measures and policies have been imposed on the industrial property sector in Singapore. What impact do these measures and policies have on A-REIT and its strategy?

The recent changes in the policies pertaining to industrial properties, which include shorter industrial land tenure, payment of upfront land premium, and revised and more stringent subletting policy, on top of record new industrial space completions have resulted in a more challenging leasing and investment landscape.

To adapt, we are making improvements in our operating platform on two main fronts: leasing and investment.

On the leasing front, we will work closely with our Property Manager to further improve the level of service to and engagement with our customers to defend and improve A-REIT's portfolio occupancy.

On the investment front, A-REIT will continue to position its property portfolio to cater to the higher value-add industries. We can still bank on the Sponsor's portfolio of more than S$1 billion worth of properties in mainly the Business & Science Park segment. We will also look to recycle capital by divesting some properties that have limited scope for further income growth.

Although A-REIT has a market-leading portfolio in Singapore, given the overall growth constraint in Singapore, A-REIT will explore selectively more developed and mature markets for opportunities that will fit our profile and investment return criteria. We will be guided by our mission to deliver stable distributions to and maintain capital stability for our Unitholders. We will balance this with our desire to grow our business by adopting a disciplined and selective approach when evaluating investment opportunities.

The island-wide industrial market rents and occupancy have moderated in 2014 and will most probably continue to moderate in 2015 and 2016. What plans does A-REIT have to overcome this trend?

Record industrial space completions in 2014 to 2016 will heighten competition for customers.

It is crucial for A-REIT to differentiate ourselves by enhancing our assets, strengthening our operations and improving customer service and operational productivity to deliver a comprehensive suite of business space solutions for our customers.

This year, we will undertake several asset enhancement initiatives to improve the specifications of our properties to suit customers' requirements such as having amenities like eating places and better connectivity between buildings. For example, the rejuvenation of the Singapore Science Park I and II is underway. Besides enhancing several properties within the parks, we have also launched an exclusive clubhouse (Oasis) for our tenants. The clubhouse features spaces for business and social interaction including food and beverage destinations, an auditorium, meeting rooms, swimming pool and a fitness club spanning 12,000 square feet.

Apart from providing suitable property hardware, we continue to develop our operation team to better serve our customers. The improvement in our employees' soft skills and knowledge will further improve their level of service and engagement.

With the right assets, a strong operating platform together with balance sheet strength, we are confident that we can navigate the changing landscape and continue to deliver sustainable returns to Unitholders.

With rising interest rates on the horizon, how will you manage interest rate risks?

A-REIT maintains a healthy aggregate leverage of about 33.5%.

We took advantage of the current low interest rates to hedge 68% of our exposure for the next 3.7 years. For the unhedged portion of our interest exposure, A-REIT's distribution is expected to decrease by 1.9% for every 1% increase in interest rate.

We adopt a prudent approach to capital management. With Moody's A3 credit rating, we are able to finance our debt at attractive rates. The weighted average portfolio borrowing cost was 2.7% per annum for FY14/15.

OUR STRATEGY

The Manager is fully committed towards A-REIT's mission of delivering predictable distributions and long-term capital stability to Unitholders. Since its initial public offering in November 2002, A-REIT has been paying out 100% of its taxable income available for distribution and intends to continue doing so.

This is achieved through a three-pronged strategy of
1) Proactive portfolio management,
2) Disciplined value-adding investments, and
3) Prudent capital and risk management

1) Proactive portfolio management

The Manager's primary strategy is to maximise the organic growth potential of the portfolio through active asset management. Key areas of focus of portfolio and asset management include:

- proactive marketing and leasing of spaces to achieve a healthy occupancy;
- delivery of quality property and customer services to tenants;
- improvement of operational efficiency and optimise operating costs; and
- implementation of asset enhancement initiatives.

The Manager works closely with its Property Manager to ensure delivery of above strategies and to enhance portfolio returns.

2) Disciplined value-adding investments

The 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 with established tenants;
- acquisition of good quality multi-tenant properties with strong income stream and/or asset enhancement potential;
- built-to-suit development projects to cater to prospective tenants' operational requirements and specifications;
- selective redevelopment and government land sales to capitalise on the Manager's development capabilities; and
- sourcing of investment opportunities beyond Singapore to enhance portfolio diversification and resilience.

3) Prudent capital and risk management

The Manager regularly reviews A-REIT's debt and capital management as well as financing policy so as to optimise A-REIT's funding structure and costs. The Manager also monitors A-REIT's exposure to various risk elements and externally-imposed requirements by closely adhering to clearly established management policies and procedures.

A-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 Manager also monitors A-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 A-REIT's strategic direction.

The key aspects of the capital and risk management strategies are as follows:

- maintain a strong balance sheet and optimise the capital structure;
- diversify the sources of funding; and
- manage interest rate risk, liquidity risk, credit risk and foreign currency risk.

BOARD OF DIRECTORS

MR KOH SOO KEONG
Chairman, Independent Director

MR KHIATANI MANOHAR RAMESH
Vice Chairman, Non-Executive Director

MR HENRY TAN SONG KOK
Independent Director

MR TEO ENG CHEONG
Independent Director

MR TEO CHOON CHYE, MARC
Independent Director

MR CHAN PENGEE, ADRIAN
Independent Director

MR TAN SER PING
Executive Director, CEO

BOARD OF DIRECTORS

MR KOH SOO KEONG, 64
Chairman, Independent Director

Date of appointment as Director:
15 September 2009

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

Length of service as Director:
5 years and 8 months (as at 30 May 2015)

BOARD COMMITTEES SERVED ON:
- Nominating, Human Resource & Remuneration Committee (Chairman)
- Operational Risk Management Committee (Chairman)
- Investment Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Bachelor of Engineering (Honours), University of Singapore
- Master of Business Adminstration, National University of Singapore
- Postgraduate Diploma in Business Law, National University of Singapore

PRESENT DIRECTORSHIPS AS AT 30 MAY 2015
Listed companies
- Noel Gifts International Ltd
- Northern Technologies International Corporation

Others
- ABL Asia Pte Ltd
- EcoSave Pte Ltd
- Zerust Singapore Pte Ltd
- Agape Ace Pte Ltd
- Orita Sinclair School of Design, New Media & the Arts Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2015
- Chairman, Agri-Food and Veterinary Authority of Singapore

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
- ECS Holdings Limited
- Medtecs International Corporation Ltd
- KS Energy Services Limited

MR KHIATANI MANOHAR RAMESH, 55
Vice Chairman, Non-Executive Director

Date of appointment as Director:
10 June 2013

Length of service as Director:
1 year 11 months (as at 30 May 2015)

BOARD COMMITTEES SERVED ON:
- Investment Committee (Chairman)
- Nominating, Human Resource & Remuneration Committee (Member)
- Operational Risk Management Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Masters Degree (Naval Architecture), the University of Hamburg, Germany
- Advanced Management Program, Harvard Business School

PRESENT DIRECTORSHIPS
Listed companies
- SIA Engineering Company Limited
- Ascendas Property Fund Trustee Pte. Ltd. (as Trustee-Manager of Ascendas India Trust)
- Ascendas Hospitality Fund Management Pte Ltd (as Manager of Ascendas Hospitality REIT)
- Ascendas Hospitality Trust Management Pte Ltd (as Trustee-Manager of Ascendas Hospitality BT)

Others
- Ascendas Pte Ltd
- Ascendas Property Fund Trustee Pte Ltd
- Ascendas Investment Pte Ltd
- Ascendas Land International Pte Ltd
- Ascendas Land (Singapore) Pte Ltd
- Ascendas Frasers Pte Ltd
- Ascendas-Citramas Pte Ltd
- Carmelray-JTCI Corporation
- Nusajaya Tech Park Sdn Bhd
- Directorships in other Ascendas Group companies

MAJOR APPOINTMENTS AS AT 30 MAY 2015
Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
Nil

MR HENRY TAN SONG KOK, 50
Independent Director

Date of appointment as Director:
15 September 2009

Length of service as Director:
5 years and 8 months (as at 30 May 2015)

BOARD COMMITTEES SERVED ON:
- Audit Committee (Chairman)
- Nominating, Human Resource & Remuneration Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Bachelor of Accountancy (First Class Honours), National University of Singapore
- Fellow Member of Institute of Chartered Accountants in Australia
- Fellow Member of Institute of Singapore Chartered Accountants
- Associate Member of Institute of Internal Auditors
- Fellow Member of Insolvency Practitioners Association of Singapore
- Fellow Member of Singapore Institute of Directors

PRESENT DIRECTORSHIPS AS AT 30 MAY 2015
Listed companies
- Raffles Education Corporation Limited
- Chosen Holdings Limited
- YHI International Limited
- China New Town Development Co. Ltd

Others
- Nexia TS Group of Companies
- 2T Investment Holdings Pte Ltd
- Medallion Asset Management Pte Ltd
- Alpha Singapore
- The Methodist Church of Singapore
- Wesley Vineyard Childcare Ltd
- Member of Nanyang Business School (NBS) Dean's Alumni Advisory Board

MAJOR APPOINTMENTS AS AT 30 MAY 2015
Managing Director, Nexia TS Public Accounting Corporation

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
Pertama Holdings Limited

OTHERS
2013: Platinum Award Midas Touch Asia Enterprise Award
2013: Distinguished Award SME One Asia Award
2013: Nexia International Roy Hoffman Award
2004: Winner of the Spirit of Enterprise Award

MR TEO ENG CHEONG, 48
Independent Director

Date of appointment as Director:
10 August 2011

Length of service as Director:
3 years and 9 months (as at 30 May 2015)

BOARD COMMITTEES SERVED ON:
- Audit Committee (Member)
- Investment Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Bachelor of Science (Economics), National University of Singapore
- Master of Science (Economics), London School of Economics & Political Science

PRESENT DIRECTORSHIPS AS AT 30 MAY 2015
Listed companies
Nil

Others
- International Enterprise Singapore Board
- IE Singapore Holdings Pte Ltd

MAJOR APPOINTMENTS AS AT 30 MAY 2015
- Board Member, Council for Private Education
- Member, Air Traffic Rights Committee
- Board Member, ASEAN Infrastructure Fund Limited
- Deputy Chairman, Singapore Cooperation Enterprise

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
Nil

BOARD OF DIRECTORS

MR TEO CHOON CHYE, MARC, 53
Independent Director

Date of appointment as Director:
18 September 2012

Length of service as Director:
2 years and 8 months (as at 30 May 2015)

BOARD COMMITTEE SERVED ON:
- Audit Committee (Member)

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

PRESENT DIRECTORSHIPS AS AT 30 MAY 2015
Listed companies
Nil

Others
Nil

MAJOR APPOINTMENTS AS AT 30 MAY 2015
Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
Nil

MR CHAN PENGEE, ADRIAN, 50
Independent Director

Date of appointment as Director:
1 December 2014

Length of service as Director:
6 months (as at 30 May 2015)

BOARD COMMITTEES SERVED ON (EFFECTIVE 1 DECEMBER 2014):
- Audit Committee (Member)
- Operational Risk Management Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Bachelor of Laws (Hons), National University of Singapore

PRESENT DIRECTORSHIPS AS AT 30 MAY 2015
Listed companies
- Yoma Strategic Holdings Ltd
- Global Investments Limited
- Biosensors International Group, Ltd
- Nobel Design Holdings Ltd
- Hong Fok Corporation Limited

Others
- Hogan Lovells Lee & Lee
- Singapore Institute of Directors
- Shared Services For Charities Limited
- Accounting and Corporate Regulatory Authority

MAJOR APPOINTMENTS AS AT 30 MAY 2015
- Head of Corporate, Lee & Lee
- Honorary Secretary, Association of Small and Medium Enterprises
- Member, SGX Catalist Advisory Panel
- Member, Pro-Enterprise Panel

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
- UPP Holdings Limited
- Isetan (Singapore) Limited
- AEM Holdings Ltd

MR TAN SER PING, 56
Executive Director, CEO

Date of appointment as Director:
22 April 2008

Length of service as Director:
7 years and 1 month (as at 30 May 2015)

BOARD COMMITTEES SERVED ON:
- Investment Committee (Member)
- Operational Risk Management Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Bachelor of Accountancy (Hons), National University of Singapore
- Master of Business Administration, University of Leicester, UK

PRESENT DIRECTORSHIPS AS AT 30 MAY 2015
Listed companies
Nil

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

MAJOR APPOINTMENTS AS AT 30 MAY 2015
Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
Nil

OTHERS
2014: 3rd Place CEO for property catetory in Asia – voted by sell-side analysts in a survey conducted by Institutional Investor magazine
2013: Shanghai Pudong Economic Persons of the Year (上海浦东经济人物奖)
2012: Brendan Wood/SIAS TopGun CEO Award
2011: No 1 CEO for property category in Asia – voted by buy-side analysts in a survey conducted by Institutional Investor magazine

THE A-REIT TEAM

MR TAN SER PING
Executive Director
Chief Executive Officer

MS KAREN LEE
Head, Singapore Portfolio Operations

MS CHIN YEAN CHENG
General Manager,
Portfolio Management (China)

MS PATRICIA GOH
Head, Business Development,
Investment & Leasing

MS KOO LEE SZE
Head, Reporting,
Compliance and Corporate Services

MS CHAE MENG KERN
Head, Risk Management

MS YEOW KIT PENG
Head, Capital Markets
& Corporate Development

MR ANG BOON PENG
Head, Development Services

MR SASIDHARAN NAIR
Head, Property Services

THE A-REIT TEAM

MR TAN SER PING
Executive Director
Chief Executive Officer

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

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

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

MS KAREN LEE
Head, Singapore Portfolio Operations

Karen oversees the portfolio management in Singapore. She is responsible for the operational performance for A-REIT's properties in Singapore and executing its operational strategies in Singapore. In addition, she oversees the Property Manager, ASPL, in the delivery of customer care and services and has the responsibility of maximising customer retention, loyalty and satisfaction.

Prior to joining the Manager, Karen served as Head of Lease Operations in JTC Corporation and Vice President in Trust Company Asia in charge of client services. Karen has over 14 years of experience in the real estate industry covering various areas of industrial lease and property management and marketing in Singapore and Vietnam.

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

MS CHIN YEAN CHENG
General Manager, Portfolio Management (China)

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

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

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

MS PATRICIA GOH
Head, Business Development, Investment & Leasing

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

Patricia has over 10 years of experience in business development and evaluation of investments in Singapore, China, Japan and Australia. She holds a Bachelor of Arts (Political Science and Sociology) and a Master of Science (Real Estate) from the National University of Singapore.

THE A-REIT TEAM

MS KOO LEE SZE
Head, Reporting, Compliance and Corporate Services

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

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

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

MS CHAE MENG KERN
Head, Risk Management

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

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

MS YEOW KIT PENG
Head, Capital Markets & Corporate Development

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

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

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

MR ANG BOON PENG
Head, Development Services

Boon Peng is responsible for development management activities of A-REIT's businesses. He also oversees the lease operations of A-REIT's portfolio under its Light Industrial cluster.

Prior to joining the Manager, Boon Peng served as Deputy Director of Leased Land Management in the Housing & Development Board's (HDB) Industrial Properties Group, overseeing the allocation and management of HDB's industrial leases, the announcement of Phase 1 for the redevelopment of Defu Industrial Estate and the Project Director for its maiden multi-storey stack-up development. He has over 20 years of experience in the real estate industry covering various areas of industrial tenancy, lease and property management.

Boon Peng holds a Bachelor of Science, Estate Management (Honours) degree and a Master of Science (Project Management) from the National University of Singapore.

MR SASIDHARAN NAIR
Head, Property Services

Sasi oversees the performance of the Property Manager, ASPL, and provides guidance to ensure systems and processes are in place for the delivery of the desired service levels of property management for the A-REIT properties.

Sasi has extensive experience in estate management. He was with the Housing & Development Board for 12 years before joining EM Services Pte Ltd in 1991 to manage Town Councils. He was the General Manager of the East Coast Town Council, concurrently holding the post of Secretary of the Council. In addition, Sasi has also been involved in consultancy projects on township development and management in India and has conducted briefings to foreign delegations on township management.

He holds a Bachelor of Science, Estate Management (Hons) degree from the University of Reading, UK.

THE PROPERTY MANAGER

The daily operations of A-REIT's portfolio of properties located in Singapore are undertaken by the Property Manager, Ascendas Services Pte Ltd ("ASPL"), a 100% owned subsidiary of Ascendas Group.

The ASPL team has over 100 staff members providing proactive and professional services to A-REIT's tenants, and enhancing the market positioning and attractiveness of A-REIT's properties so as to maximise returns to Unitholders.

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

More specifically, ASPL is tasked with the following responsibilities:

Marketing and Leasing

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

Property Management and Services

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

Cost Management

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

Project Management

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

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

Responsibilities of Ascendas Services Pte Ltd

ASCENDAS SERVICES PTE LTD ("ASPL")

- Integrated Facility Solutions
- Property Management
- Project Management
- Lease Management
- Contracts & Procurement
- Customer Services & Solutions

MR JEFFERY CHUA
Chief Executive Officer

Mr Jeffrey Chua, the CEO of Ascendas Services Pte Ltd, is responsible for property management, lease management and project management of A-REIT's Singapore properties.

Jeffery has more than 20 years of experience in property and facilities management, having started his career with the Housing & Development Board in 1987. He was General Manager for Tanjong Pagar Town Council for more than 12 years. Prior to joining Ascendas, Jeffery was the Managing Director of CPG Facilities Management Pte Ltd which provides facilities management and operations for more than 1,000 buildings.

He graduated with a Bachelor of Engineering (Civil & Structural) (Honours) degree from the National University of Singapore (NUS) under the Singapore Government's Local Merit Scholarship. He also holds a Master of Science (Real Estate) from the NUS. He is currently a member on the Advisory Board of Temasek Polytechnic's Engineering School, and Singapore Polytechnic's School of Architecture and Built Environment.

Jeffery is a Member of Institute of Engineers Singapore and was admitted as Fellow of the Royal Institute of Chartered Surveyors in 2013.

MR ALYWIN TAN
Chief Customer Solutions Officer

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

Aylwin has extensive marketing and industry cluster development experience in Europe and Asia and has contributed to many successful government-to-government initiatives as well as private sector projects in Singapore and in the region.

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

Aylwin holds a Bachelor of Engineering (Mechanical and Production) from the National University of Singapore, and has completed his Advanced Management Program at Harvard Business School.

MANAGER'S REPORT

HIGHLIGHTS OF FY14/15

Financial Performance

Gross Revenue
+9.8%
FY14/15: S$673.5 million
FY13/14: S$613.6 million

Net Property Income (NPI)
+6.1%
FY14/15: S$462.7 million
FY13/14: S$436.0 million

Total Amount Available for Distribution
+2.7%
FY14/15: S$351.1 million
FY13/14: S$342.0 million

Distribution Per Unit (DPU)
+2.5%
FY14/15: 14.60 cents
FY13/14: 14.24 cents

Capitalisation Rate (Singapore Portfolio)
6.46%
FY13/14: 6.57%

Total Assets
+10.9%
FY14/15: S$8.2 billion
FY13/14: S$7.4 billion

Net Asset Value (NAV) Per Unit
+3.0%
FY14/15: S$2.08
FY13/14: S$2.02

Note:
The Group adopted FRS 110 Consolidated Financial Statements with effect from 1 April 2014 which results in the Group consolidating Ruby Assets Pte. Ltd. and Emerald Assets Limited since 1Q FY14/15. FY13/14 figures have been restated on a similar basis for comparison.

Proactive Portfolio Management

- Continued to review portfolio and embarked on asset enhancement initiatives to upgrade building specifications, enhance marketability of properties and in some cases, increase lettable area by maximising available plot ratio. In FY14/15, A-REIT embarked on 3 new asset enhancement initiatives with an estimated value of S$37.7 million.
- Achieved positive rental reversion of 8.3% in FY14/15 as passing rental rates for most of the leases were below the prevailing market rental rates.
- Overall portfolio occupancy and multi-tenant properties (same store) occupancy stood at 87.7% and 85.6% respectively as at 31 March 2015.

Disciplined Value-Adding Investment & Divestment

- Acquired three high quality properties for a combined purchase consideration of S$770.6 million:
  - Hyflux Innovation Centre, a prime high-specifications property, was acquired for a total purchase consideration of S$193.9 million. Hyflux has leased 50% of the gross floor area (GFA) for 15 years.
  - Acquired Aperia, a newly completed integrated mixed-use development located at the fringe of the central business district in Singapore for S$463.0 million. Aperia offers a unique and holistic work environment catering to many renowned global companies with operations in Singapore.
  - The Kendall, was acquired for S$113.7 million. This is the 19th property from the Ascendas Group since the IPO with 8 properties in 2002.
- Embarked on the development of a modern logistics facility in Jiashan, China, for a total development cost of RMB 105.2 million (approximately S$23.7 million). The facility is expected to complete in 1Q 2016.
- Divested No. 1 Kallang Place (with remaining land tenure of about 10 years) for S$12.6 million, representing a 5% premium over the original purchase price of S$12.0 million. In April 2015, the Manager also divested 26 Senoko Way for S$24.8 million, realising capital gains of S$9.0 million.

Prudent Capital And Risk Management

- Aggregate leverage remains healthy at 33.5% as at 31 March 2015. This implies a debt headroom of around S$1.7 billion before aggregate leverage reaches 45%.
- Maintained A3 credit rating from Moody's and continue to enjoy good access to debt capital markets
  - Secured a S$100 million 5-year Murabahah Term Loan Facility
  - Issued 3.5-year HKD620 million, 5-year S$95 million and 15-year HKD640 million notes under the Medium Term Note Programme.

- The S$395 million Commercial Mortgage Backed Securities (Euro Term Notes) were refinanced and the proportion of unencumbered properties increased to 86.1% from 62.2% of the portfolio.
- Weighted average all-in borrowing cost was maintained at 2.7% per annum.
- Lengthened debt maturity profile from 3.3 years to 3.6 years.
- 68.2% of A-REIT's interest rate risk exposure is hedged with a weighted average duration of 3.7 years.

Accolades

- A-REIT was the Winner of the "Most Transparent Company Award" in the REITs and business trusts category at the 2014 Securities Investors Association (Singapore) Investors' Choice Awards for the 4th consecutive year.
- A-REIT was awarded the Certificate of Excellence in Investor Relations at the IR Magazine Awards & Conference – South East Asia 2014.
- A-REIT achieved 2nd place in the Most Honoured Company (Singapore) category by Institutional Investor in their 2014 All-Asia Executive Team rankings. In addition, Executive Director and CEO of the Manager, Mr Tan Ser Ping, was awarded 3rd Place in the Best CEO (Property, sell-side) category.
- Aperia and DBS Asia Hub were awarded Green Mark (Platinum) Certification by Singapore's Building & Construction Authority.

The Manager continued with its three-pronged strategy of proactive portfolio management, disciplined investment and prudent capital and risk management whilst adapting to the changing landscape both in Singapore and China, to deliver predictable income and capital stability for A-REIT's Unitholders.

FINANCIAL PERFORMANCE

	FY14/15	FY13/14	Variance
Number of properties as at 31 March	107	105	+2
Gross revenue (S$ million)	673.5	613.6	+9.8%
NPI (S$ million)	462.7	436.0	+6.1%
Total amount available for distribution (S$ million)	351.1	342.0	+2.7%
DPU for the financial year (cents)	14.60	14.24	+2.5%

Gross revenue increased 9.8% to S$673.5 million, due to full year income contribution from investments made in FY13/14 (mainly from Nexus @one-north and A-REIT City @Jinqiao) and maiden contributions from investments made in FY14/15 (mainly from Hyflux Innovation Centre and Aperia).

These new investments, as well as the conversion of some properties from single-tenant to multi-tenant, contributed to higher property operating expenses (+18.7%).

Net property income increased 6.1% from S$436.0 million to S$462.7 million.

Total amount available for distribution grew 2.7% to S$351.1 million.

DPU grew 2.5% to 14.60 cents in FY14/15 as compared with 14.24 cents in FY13/14. The Manager continued to pay out 100% of A-REIT's taxable income available for distribution.

As at 31 March 2015, A-REIT remained the largest business space and industrial REIT listed on the SGX-ST with total assets and market capitalisation of S$8.2 billion and S$6.2 billion respectively.

ENHANCING A-REIT'S BRANDING

During the year, we embarked on a campaign to establish a consistent corporate image across our properties. Several properties have been repainted in our corporate colours and are now easily identifiable as A-REIT's properties. We will progressively enhance our assets to improve marketability and differentiate our offerings from our competitors to maintain our leadership position.

9 Changi South Street 3

Nan Wah Building

INVESTMENT HIGHLIGHTS

During the financial year, the Manager focused on strengthening its portfolio via the acquisitions of high-quality properties and implementation of asset enhancement initiatives to improve portfolio returns. The Manager completed the acquisition of Aperia, Hyflux Innovation Centre and The Kendall for a total of S$770.6 million. Asset enhancement initiatives worth S$60.0 million across seven properties were also completed. These include the addition of a new warehouse annex block at LogisTech, conversion of amenities space at 1 Changi Business Park Crescent and various upgrading works at some of the properties to improve building specifications.

MANAGER'S REPORT

The Manager initiated three new asset enhancement initiatives with an estimated value of S$37.7 million during the year. One of which, the Oasis (formerly Science Hub), has been completed in January 2015. The remaining two on-going projects are 2 Senoko South Road and SSPARKLE @SP2. Asset enhancements at 40 Penjuru Lane (formerly C&P Logistics Hub) and Techlink & Techview, which were investments committed in the financial year ended 31 March 2014 are still in progress.

In March 2015, the Manager secured a 57,513 sqm plot of land, located in Jiashan at the south-western border of Shanghai, for the development of a logistics property. The single-storey modern logistics facility with a GFA of approximately 35,244 sqm, based on a plot ratio utilisation rate of 0.6 (permitted 1.5), is expected to complete in 1Q 2016. The total cost of the development, including the cost of the land, is approximately RMB105.2 million (or approximately S$23.7 million). With China's rising domestic consumption and booming e-commerce market, there has been higher demand for modern logistics facilities located close to major consumer markets. Most of the current warehouses in China are unable to meet the standards required by logistics providers, hence demand has continued to outpace the limited supply. The Manager believes that leasing activity and rentals of logistics properties will be well supported by the fundamentals of the market in China. Pre-completion marketing of the space has already commenced.

In April 2015, the development of DBS Asia Hub Phase 2 in Changi Business Park was completed. DBS will lease the entire block until July 2020.

The total value of all on-going projects amounts to S$114.9 million.

COMPLETED INVESTMENTS IN FY14/15

	Value (S$m)	Completed
Acquisition	**770.6**	
The Kendall	113.7	Mar-15
Aperia	463.0	Aug-14
Hyflux Innovation Centre	193.9	Jun-14
Asset Enhancement Projects	**60.0**	
Oasis (formerly Science Hub)	8.4	Jan-15
The Alpha	11.1	Jan-15
1 Changi Business Park Crescent	8.1	Nov-14
Corporation Place	14.5	Aug-14
LogisTech	6.6	Aug-14
Techquest	4.3	Jul-14
5 Toh Guan Road East	7.0	Jun-14
Total	**830.6**	

ON-GOING PROJECTS AS AT 31 MARCH 2015

	Value (S$m)	Completion
Development	**21.8**	
DBS Asia Hub Phase 2	21.8	April 2015
	Value (S$m)	**Estimated Completion**
Development	**23.7**	
Jiashan Logistics Facility	23.7	1Q 2016
Asset Enhancement Projects	**91.2**	
2 Senoko South Road	12.1	4Q 2015
40 Penjuru Lane (formerly C&P Logistics Hub)	35.7	4Q 2015
Techlink & Techview	26.2	4Q 2015
SSPARKLE @SP2 (Gemini-Aries link)	17.2	2Q 2015
Total (excluding DBS Asia Hub Phase 2)	**114.9**	

DIVESTMENT

During the financial year, the Manager completed the divestment of No. 1 Kallang Place to its incumbent tenant, Flextronics Manufacturing (Singapore) Pte Ltd for S$12.6 million, realising capital gains of S$0.4 million over the original cost of investment, after transaction costs. The property had remaining land tenure of about 10 years. This was the 3rd divestment by A-REIT.

The Manager will continue to selectively divest properties that have reached a stage which offers limited scope for further income growth and to recycle capital and optimise A-REIT's portfolio. In April 2015, the Manager also divested 26 Senoko Way for S$24.8 million realising capital gains of S$9.0 million over the original cost of investment and after transaction costs.

COMPLETED ACQUISITIONS

The Kendall

The Kendall is a six-storey multi-tenant building located within the Singapore Science Park II, which caters to Research & Development and related companies. Acquired in March 2015 for S$113.7 million, the property has a remaining land tenure of 64 years. The Kendall is the 19th property that A-REIT has acquired from its Sponsor since its IPO with eight properties in 2002.

Aperia

The Manager completed the acquisition of Aperia, a new integrated mixed-use development in the Lavender precinct through the acquisition of shares in PLC 8 Holdings Pte Ltd for a total transaction value of S$463.0 million in August 2014. Sited on a 60-year leasehold land, the property consists of two Business-1 towers with high-quality specifications, fully integrated with retail space that features a suite of amenities such as childcare and enrichment centres, restaurants and convenience stores. Aperia is home to renowned companies such as Intel, Roche Diagnostics, Audi, Cardinal Health, McDonald's, and popular retailers such as Cold Storage, Tim Ho Wan and Old Town Café.

Hyflux Innovation Centre

Hyflux Innovation Centre is a prime high-specifications development located along Bendemeer Road. The Manager acquired this property in June 2014 through a sale-and-leaseback arrangement with Hyflux for a total purchase consideration of S$193.9 million. 50% of the GFA is leased back to Hyflux for 15 years. Other tenants include NEC, Covidien Private Ltd, American Express and Renesas Electronics Singapore Pte Ltd. The remaining land lease tenure is 54 years.

MANAGER'S REPORT

DEVELOPMENTS

DBS Asia Hub Phase 2 (Completed in April 2015)

An extension of the existing DBS Asia Hub, DBS Asia Hub Phase 2, caters to DBS Bank's increasing business space requirement within the Changi Business Park. Completed in April 2015, DBS Asia Hub Phase 2 is a new six-storey business park annex building with an estimated GFA and NLA of 7,081 sqm and 6,074 sqm respectively. DBS Bank has committed to lease the entire block until July 2020 to coincide with the lease expiry of the DBS Asia Hub. DBS has the option to renew the leases for the combined buildings for another three terms of three years each.

Jiashan Logistics Facility (located in Jiashan, China)

The Manager embarked on a new logistics property development in Jiashan, China, for an estimated total development cost (including land cost) of RMB105.2 million (or approximately S$23.7 million). A single-storey modern logistics facility, with a GFA of approximately 35,244 sqm, based on a plot ratio utilisation rate of 0.6 (permitted 1.5), will be developed on a plot of land located at the south western border of Shanghai. The land acquired has an area of 57,513 sqm and a lease tenure of 50 years. The construction of the development is in the preliminary stage and is expected to complete in 1Q 2016.

ASSET ENHANCEMENT INITIATIVES – COMPLETED

Oasis (formerly Science Hub)

Oasis, previously known as Science Hub, is a four-storey building located within Singapore Science Park I. The enhancement works will upgrade the building's image, amenities space and improve the building specifications and façade. Through this enhancement, the Manager seeks to differentiate the Singapore Science Park region by creating an exclusive tenant's social club for business and social activities and providing wider food and beverage options and other amenities for tenants. The asset enhancement was completed in January 2015.

The Alpha

The Alpha is four-storey building situated within Singapore Science Park II. Completed in January 2015, the enhancement works improved the connectivity between the bus stop and the building, converting the air-conditioned lobby to a naturally ventilated area, upgraded the lifts and toilets, and converted underutilised area into new leasable area.

1 Changi Business Park Crescent

The asset enhancement work at Changi Business Park Crescent (Plaza 8) was completed in November 2014. It involved converting the second level amenity space to business park space which increases potential income earning capacity of the property.

Corporation Place

At Corporation Place, the Manager upgraded all lifts and toilets, created extended lobbies and improved the physical connectivity between all lobbies to improve marketability of the property. The upgrade was completed in August 2014.

LogisTech

The Manager completed a new two-storey air-conditioned warehouse annex block of 3,370 sqm at LogisTech to capitalise on the strong demand for such space in the eastern part of Singapore. This maximised the plot ratio from 1.16 times to 1.25 times. The work was completed in August 2014 and the new area has been fully leased.

Techquest

Techquest is one of six A-REIT properties in International Business Park. The asset enhancement works improved building efficiency and specifications through reconfiguration of floor layout and upgrading of façade, restrooms and the lobby to improve marketability. The asset enhancement was completed in July 2014.

5 Toh Guan Road East

5 Toh Guan Road East was converted to a multi-tenant property in January 2013. The asset enhancement involved upgrading of lifts and subdivision of units to enhance marketability. The asset enhancement was completed in June 2014.

MANAGER'S REPORT

ASSET ENHANCEMENT INITIATIVES – ON-GOING

2 Senoko South Road

Well-located within JTC's designated Food Zone in Senoko area, 2 Senoko South Road will be converted from the existing single-tenant food factory into a multi-tenant light industrial food building. The proposed works will involve the reconfiguration of floor layout, installation of mechanical ventilation for sub-divided units, new loading/unloading bays, new cargo lifts, toilets etc. Post-enhancement, 2 Senoko South Road will be well positioned to cater to tenants looking for units with good specifications for their food production, processing, storage and central kitchen activities. The enhancement works are expected to complete by 4Q 2015.

40 Penjuru Lane (formerly C&P Logistics Hub)

40 Penjuru Lane is located in the Jurong Industrial Area and was acquired on a sale-and-leaseback basis in 2004. The enhancement work includes building a new four-storey warehouse block with GFA of 24,111 sqm over the existing vacant open container yard. This new block will be connected to the existing 40 feet vehicular ramp and driveways, greatly improving the utilisation of the premises. The asset enhancement works are expected to complete by 4Q 2015.

Techlink & Techview

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

SSPARKLE @SP2 (Gemini-Aries link)

Located in Singapore Science Park II, both The Gemini and The Aries are four-storey research and development buildings. The asset enhancement works will maximise unutilised plot ratio and enhance connectivity between the buildings. The additional amenities space of approximately 2,100 sqm, known as SSPARKLE @SP2, will enhance vibrancy in the Park, benefit existing tenants and improve marketability of the properties within Singapore Science Park II. SSPARKLE @SP2 is expected to complete by 2Q 2015.

CAPITAL & RISK MANAGEMENT

As at 31 March 2015, A-REIT's balance sheet remained strong with its aggregate leverage at 33.5%. With a debt headroom of around S$1.7 billion before aggregate leverage reaches 45%, A-REIT is well-positioned to seize investment opportunities when they arise.

In March 2013, the Manager raised S$406.4 million through a private placement to fund its investments. The proceeds had since been fully deployed for the acquisition of The Galen in March 2013 and to part-fund the acquisition of Aperia and its related transaction costs in August 2014.

A-REIT's weighted average term of debt is 3.6 years as at 31 March 2015 with a weighted average all-in borrowing cost of 2.7% per annum. Interest rate swaps are used to manage or hedge the interest rate exposure of its debts. About 68.2% of A-REIT's borrowing is hedged with a weighted average term of 3.7 years.

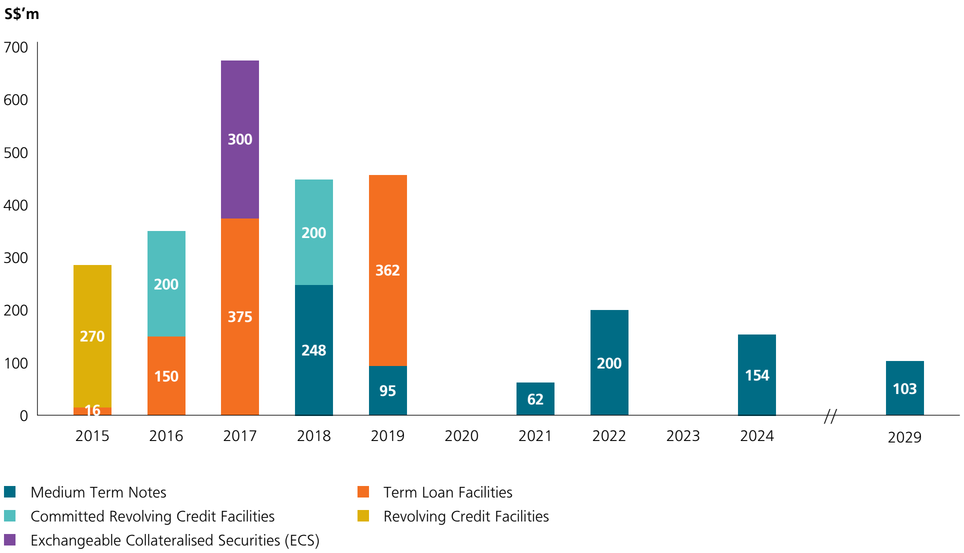
In FY14/15, A-REIT fully redeemed its €197.5 million (S$395 million equivalent) Commercial Mortgage Backed Securities ("CMBS") issued in 2007 via debt issues and bank debt. The proportion of unencumbered investment properties increased to 86.1% as at 31 March 2015 from 62.2% one year ago.

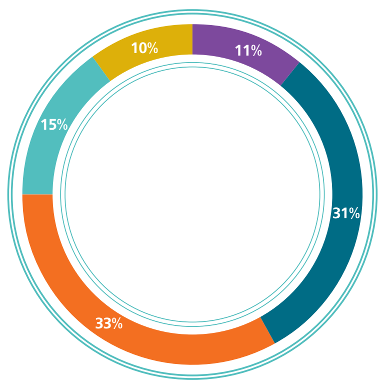
During the year, the Manager issued about S$298 million worth of Notes (comprising of HKD620 million 3.5-year Notes, S$95 million 5-year Notes, and HKD640 million 15-year Notes) under its Medium Term Note Programme. The Manager also secured two S$100 million 5–year Term Loan Facilities. All the notes and loans were competitively priced and they further diversified A-REIT's source of funds. The funds were used to refinance short-term borrowings and the CMBS, and to partially or fully fund the acquisitions of Hyflux Innovation Centre, Aperia and The Kendall.

As at 31 March 2015, none of the investors of the S$300 million Exchangeable Collateralised Securities ("ECS") exercised their option to convert their ECS holdings into A-REIT units. The ECS will mature on 1 February 2017.

To minimise refinancing risk, the Manager intends to continue to keep a well-spread debt maturity profile.

Debt Maturity Profile and Sources of Debt (as at 31 March 2015)





MANAGER'S REPORT

Key Debt Funding Indicators

Indicators	As at 31 March 2015	As at 31 March 2014
Aggregate Leverage	33.5%	30.0%
Total Debt^ (S$m)	2,735	2,208
Fixed debt as a % of total debt	68.2%	65.3%
Weighted average all-in borrowing cost	2.7%	2.7%
Weighted average tenure of debt outstanding (years)	3.6	3.3
Weighted average tenure of fixed debt outstanding (years)	3.7	3.5
Interest cover ratio	6.1x	6.0x
Total debt / EBITDA	6.5x	5.6x
Unencumbered properties as % of total investment properties#	86.1%	62.2%

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

Total investment properties exclude properties reported as finance lease receivables.

Customer Credit & Concentration Risk Management

To minimise tenant credit risk, a credit evaluation process has been established to assess the creditworthiness of A-REIT's customers. Based on standard industry practice, one month's worth of gross rental is usually held as security deposit for each year's lease. However, for long-term leases in single-tenant properties, a larger sum of security deposit may be held. This is dependent on the length of the lease, the credit risks of such tenants and commercial negotiation. Security deposits for A-REIT's single-tenant properties range from six months to 12 months of rental income equivalent. The average security deposit for the portfolio is approximately five months of rental income.

Average Security Deposits For Single-Tenant Properties

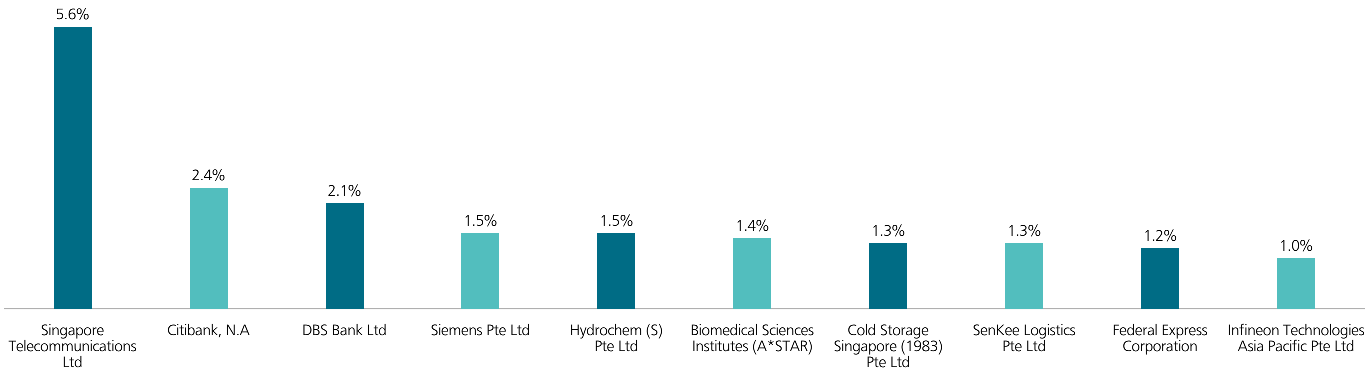
As at 31 March 2015	No. of single-tenant properties	Weighted average security deposit* (no. of months)
Business & Science Park Properties	2	12
Integrated Development, Amenities & Retail Properties	2	10
High-Specifications Industrial Properties & Data Centres	8	6
Light Industrial Properties	15	11
Logistics & Distribution Centres	8	10
	35	**9**

* Excluding cases where rental is paid upfront

With a tenant base of around 1,410 local and international companies, rigorous and conscientious effort has been put in to manage accounts receivables. About 81.8% of rental receipts are collected via interbank GIRO services. This enables us to react efficiently and appropriately towards any delinquency in payment.

Top ten tenants accounted for not more than 19.2% of A-REIT's gross rental income and the majority of these tenants are either multinational or listed companies. Furthermore, no single property accounts for more than 4.8% of A-REIT's monthly gross revenue, offering income diversity within the portfolio.

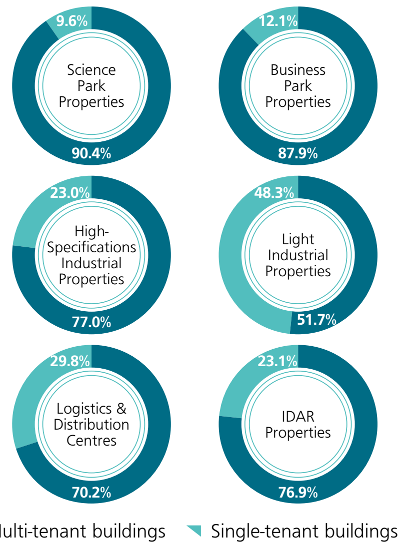
Top 10 Tenants of A-REIT by Gross Rental Income (As at 31 March 2015)



PORTFOLIO MANAGEMENT & PERFORMANCE

Well Diversified Portfolio by Asset Value (as at 31 March 2015)

High-Specifications Industrial Properties	18%
Science Park Properties	18%
Logistics & Distribution Centres	17%
Business Park Properties	16%
Integrated Development, Amenities & Retail ("IDAR") Properties	8%
Light Industrial Properties	8%
Data Centres	7%
Flatted Factories	4%
A-REIT Shanghai	3%
A-REIT Beijing	1%



Note:
A-REIT has three data centres of which two are single-tenant properties. Flatted factories are all multi-tenant properties.

Sources of New Demand in FY14/15 by Net Lettable Area

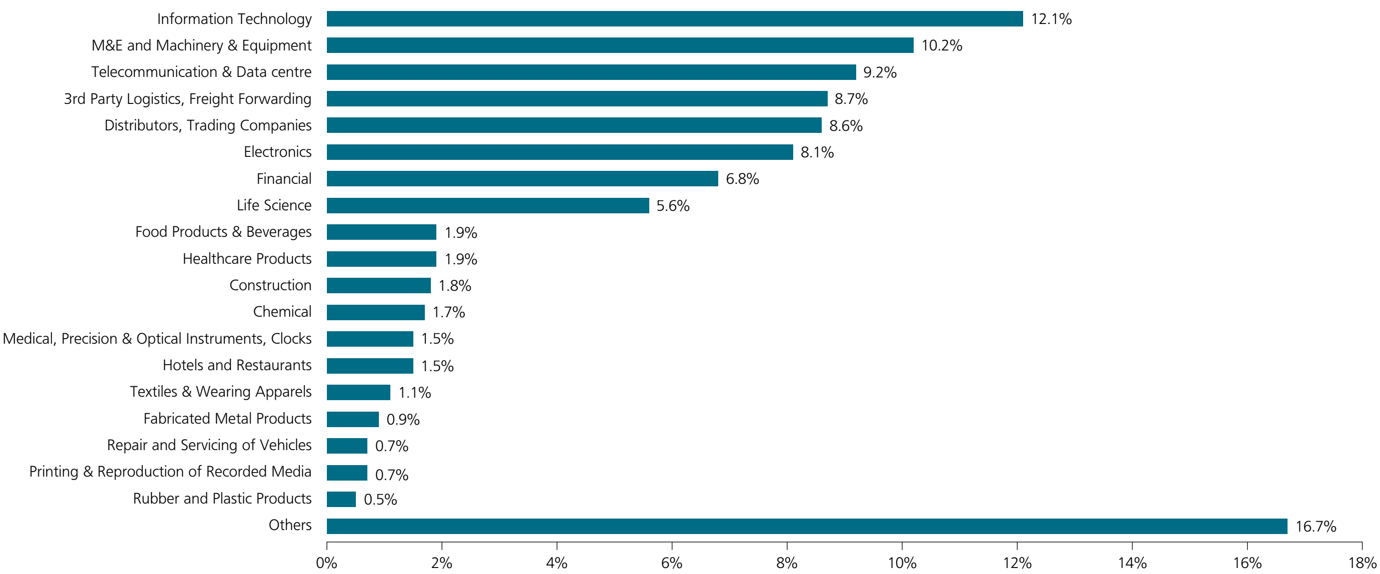
Transport and Storage	47%
IT	15%
Electronics	8%
Precision Engineering	8%
Financial Service	6%
Others	5%
Lifestyle and Services	3%
Food Products & Beverages	3%
Telecommunication & Data Centre	1%
Structural Engineering	1%
Biomedical	1%
General Manufacturing	1%
Research & Development	1%

Low Exposure to Conventional Manufacturing by Net Lettable Area (as at 31 March 2015)

Manufacturing Area	14%
Non-Manufacturing Area	86%

MANAGER'S REPORT

Tenant's Industry Diversification by Gross Rental Income



A-REIT continues to own a spectrum of business space and industrial properties, comprising Business & Science Park properties (BSP), Integrated Development, Amenities & Retail (IDAR) properties, High-Specifications Industrial properties & Data Centres (HiS), Light Industrial properties (LI) & Flatted Factories and Logistics & Distribution Centres (Log).

As at 31 March 2015, A-REIT has 107 properties in Singapore and two business park properties in China. These properties serve the spatial requirements of various segments of the economy. In FY14/15, sources of new demand continued to be broad based ranging from conventional space requirements of transport and storage, information technology and electronics to higher value and knowledge intensive industries such as biomedical, financial services and research & development.

Only about 14.0% of A-REIT's lettable area is involved in conventional manufacturing activities. The remaining space caters to non-manufacturing activities such as research and development, backroom offices, telecommunications & data centres, software and media consultancy services as well as transport & storage.

POSITIVE RENTAL REVERSION

For FY14/15, A-REIT's portfolio achieved positive rental reversions of between 3.2% and 12.4% across the various property segments, with a weighted average rental reversion of 8.3% for the leases renewed during the year.

Achieved Positive Rental Reversion in FY14/15

Multi-tenant properties(1)	As at 31 March 2015		FY14/15 Increase in renewal rates(2)
	Net lettable Area (sqm)	Vacant space (sqm)	
Business & Science Park Properties	450,146	57,907	12.4%
High-Specifications Industrial Properties	326,641	56,338	5.1%
Light Industrial Properties & Flatted Factories	325,705	36,225	7.0%
Logistics & Distribution Centres	505,605	103,772	3.2%
Weight Average			**8.3%**

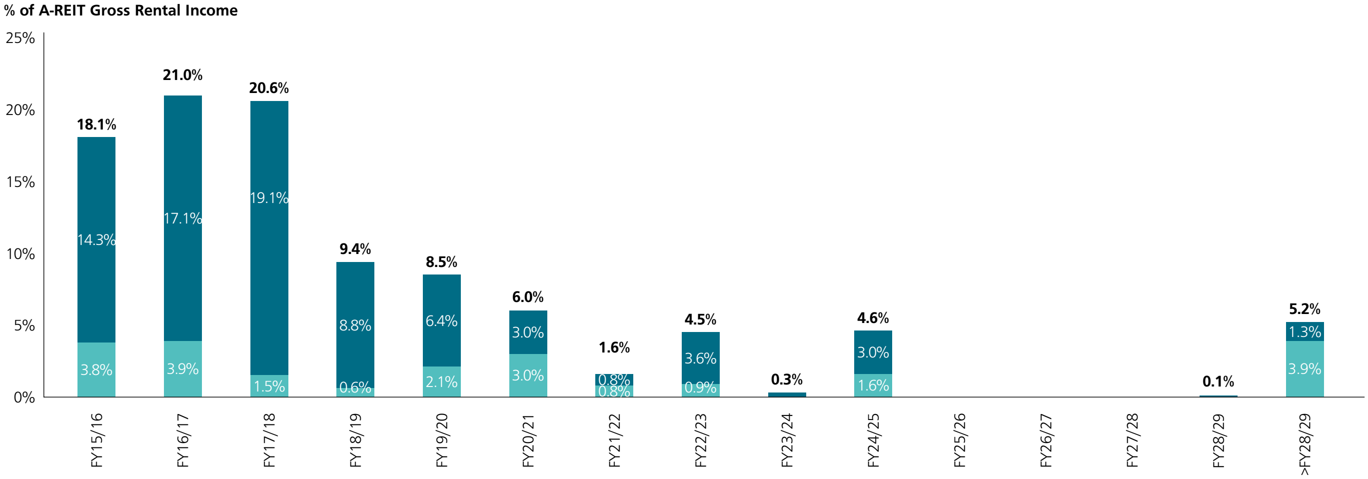
Notes:
(1) A-REIT's Singapore portfolio only.
(2) Increase in renewal rental rates for leases renewed in FY14/15 versus previous contracted rates.

LEASE STRUCTURE AND PROFILE

Split of Single-tenant Buildings and Multi-tenant Buildings by Asset Value (as at 31 March 2015)

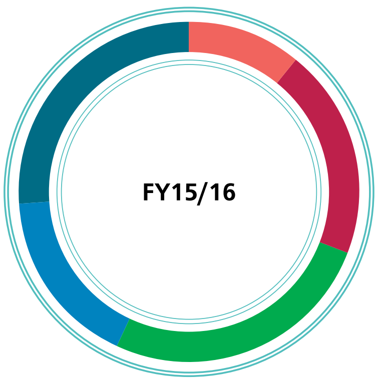
Multi-tenant buildings	78.1%
Single-tenant buildings	21.9%

A-REIT's Portfolio Lease Expiry Profile (as at 31 March 2015)

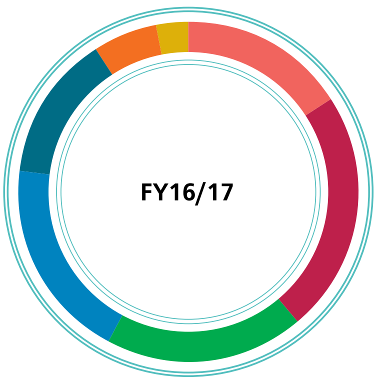


Multi-tenant buildings   Single-tenant buildings

Breakdown of Expiring Leases for FY15/16 and FY16/17 by Gross Rental Income (as at 31 March 2015)



Science Park Properties	11%
Business Park Properties	20%
High-Specifications Industrial Properties	26%
Light Industrial Properties	17%
Logistics & Distribution Centres	26%



Science Park Properties	16%
Business Park Properties	23%
High-Specifications Industrial Properties	19%
Light Industrial Properties	19%
Logistics & Distribution Centres	14%
IDAR Properties	6%
Business Park Properties (China)	3%

MANAGER'S REPORT

About 21.9% of A-REIT's portfolio comprises long-term leases in single-tenant properties as a result of sale-and-leaseback or built-to-suit transactions. These leases provide stability in earnings growth as 32.5% of such leases have rental escalation pegged to the Consumer Price Index with a fixed rate floor while the rest have varying quantums of periodic escalation. The other 78.1% comprises multi-tenant buildings with typically three-year leases without any rental adjustments during their tenure. The rental rates for such leases are marked-to-market upon renewal and provide an opportunity for increase in earnings in an upmarket. The weighted average lease to expiry for the portfolio is 3.8 years as at 31 March 2015.

About 18.1% of A-REIT's gross rental income is due for renewal. 3.8% are leases of single-tenant buildings and 14.3% are leases of multi-tenant buildings. The Manager is proactively working on the renewal of these leases.

OCCUPANCY

As at 31 March 2015, the occupancy rate for A-REIT's overall portfolio and multi-tenant buildings stood at 87.7% and 83.0% respectively (from 89.6% and 83.6% as at 31 March 2014). The weaker YoY occupancy rate was mainly due to the transitional downtime arising from the conversion of several single-tenant buildings into multi-tenant buildings as their leases expired. However, multi-tenant building occupancy on a same store basis improved from 83.6% to 85.6%. We will continue to exploit our leasing capabilities to improve occupancy within the portfolio to achieve organic growth for the portfolio.

Occupancy Trend

As at	31 March 2015	31 March 2014	Percentage Change
Total portfolio GFA (sqm)	2,992,186[1]	2,881,879	+3.8%
Total portfolio NLA (sqm)	2,463,677[1]	2,376,561	+3.7%
Portfolio occupancy (same-store)[2]	87.7%	89.4%	-1.7%
Multi-tenant building occupancy (same-store)[2]	85.6%	83.6%	+2.0%
Portfolio occupancy	87.7%	89.6%	-1.9%
Multi-tenant building occupancy	83.0%	83.6%	-0.6%

Notes:
(1) Excludes 2 Senoko South Road which has been decommissioned for asset enhancement works.
(2) Same-store occupancy rates for 31 March 2015 and for 31 March 2014 are computed with the same list of properties as at 31 March 2015, excluding new investments completed in the last 12 months and changes in classification of certain buildings from single-tenant to multi-tenant buildings.

ANNUAL REVALUATION

It is a mandatory requirement to revalue the portfolio once a year. On 31 March 2015, the portfolio recorded a net appreciation of S$47.0 million over the latest book value on revaluation of its investment properties. The weighted average capitalisation rate remained stable at 6.46% for A-REIT's Singapore portfolio.

Weighted average land lease to expiry for the portfolio of properties (excluding freehold properties) is 46.3 years. As at 31 March 2015, 64 properties worth about S$3.7 billion are on a land rent basis. These properties on land rent will only have a nominal land value component in their book values.

Land Lease Expiry Profile

Land Tenure Expiry as at 31 Mar 2015	Business & Science Park Properties		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m	No. of properties	S$m
< 30 years left (2015 to 2045)	1	58	2	152	–	–	4	125	1	119	8	454
< 40 years left (2046 to 2055)	3	525	–	–	5	501	13	562	9	617	30	2,205
< 50 years left (2056 to 2065)	13	1,060	–	–	10	601	15	319	10	467	48	2,447
< 60 years left (2066 to 2075)	8	1,055	1	507	2	222	–	–	3	120	14	1,904
>60 years left (Beyond 2076)	3	332	–	–	3	535	–	–	–	–	6	867
FreeHold	–	–	–	–	1	77	–	–	–	–	1	77
Total	**28**	**3,030**	**3**	**659**	**21**	**1,936**	**32**	**1,006**	**23**	**1,323**	**107**	**7,954**

SUSTAINABILITY REPORT

As the Manager of A-REIT, we are pleased to publish A-REIT's third sustainability report this year. Guided by our core values, we are committed to providing high quality and environmentally-friendly business and industrial spaces for our tenants, delivering sustainable value for our Unitholders, and supporting the local communities we operate in.

Along our sustainability journey, we have actively engaged our stakeholders through various channels to understand their concerns and expectations. We will continue to do so to build a sustainable business model that will positively serve our large and diverse groups of stakeholders over the long term.

Our on-going asset enhancement initiatives in the Singapore Science Park for instance, will not only enhance specifications in our properties for our tenants but will also benefit the wider community by creating more public amenities space, covered link ways and spaces for tenant engagement activities.

Another key focus for the Manager has been to uphold best practices in corporate transparency and disclosures. Surveys with the investment community are conducted yearly to assess our performance and we strive to make improvements whenever possible.

We will continue to improve our sustainability reporting disclosures and look forward to sharing our progress with you.

For further details, please refer to our sustainability report from page 78 to 92.

OUTLOOK

With 12.3% vacant space in A-REIT's portfolio, there could be potential upside when some of the space is leased, the speed of which will largely depend on prevailing market conditions. In addition, the average passing rental rates of most of the leases in our portfolio due for renewal in FY15/16 are still below market spot rental rates; hence, moderate positive rental reversion can be expected when such leases are renewed.

However, the changing industrial property landscape in Singapore poses challenges. Stringent government policies, as well as the conversion of single-tenant to multi-tenant buildings, may still cause short term volatility in occupancy rates. The Manager will continue to improve and reposition A-REIT's assets to serve the needs of current and prospective tenants. Simultaneously, A-REIT will continue to evaluate and seek growth opportunities as and when they arise. With the opportunities offered by the extended umbrella of the Sponsor, we will explore selectively more developed and mature markets for opportunities to help us realise our strategic mission.

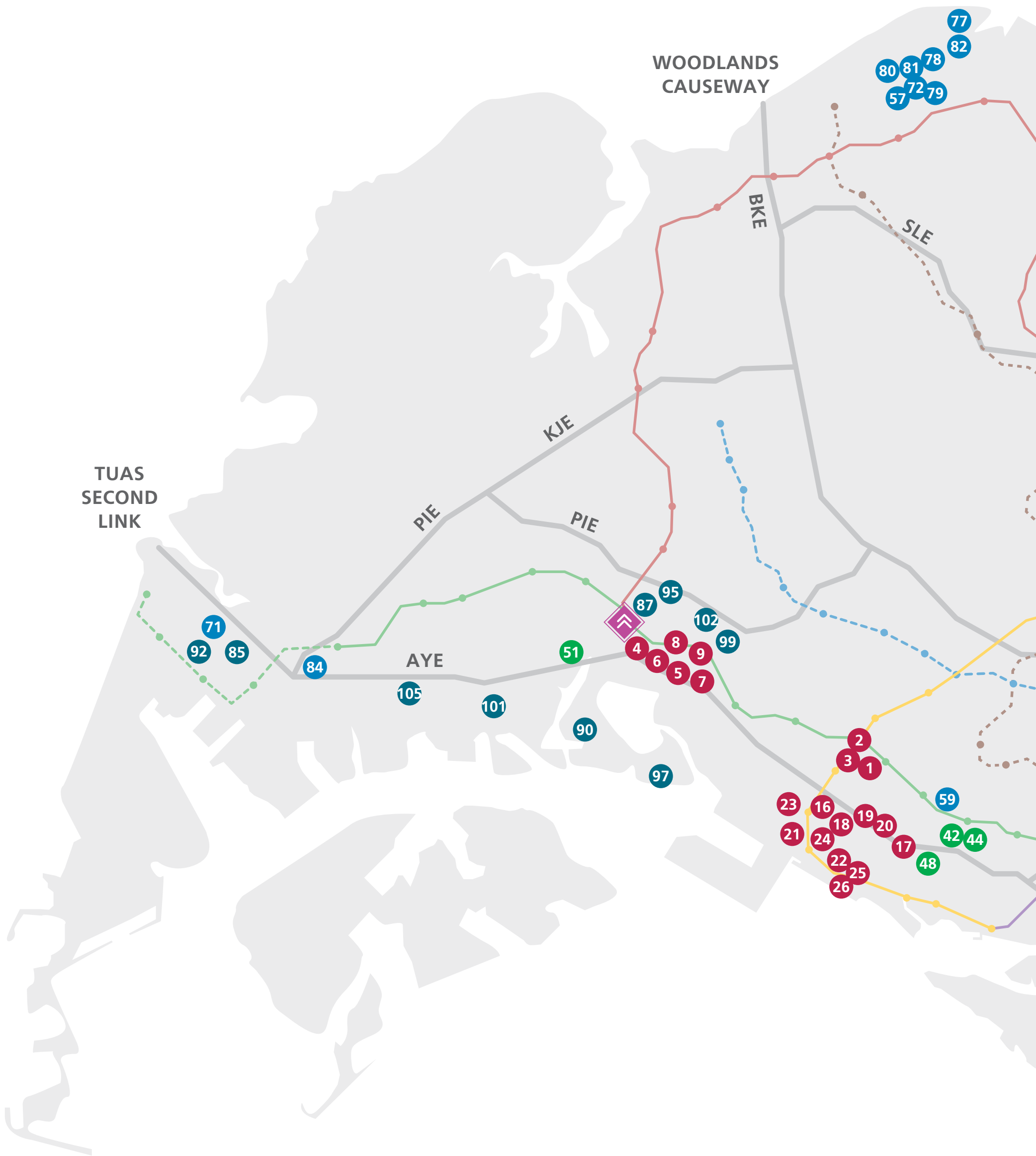
In China, the Manager will adopt a cautious approach while seeking opportunities in the business park and logistics property segments. Over the longer term, demand for high quality business and logistics space should be strong as the Chinese Government reforms the economy towards a more sustainable growth driven by domestic consumption and private demand.

Barring any unforeseen events and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the balance of the financial year ending 31 March 2016.

A-REIT'S PORTFOLIO

VARIED SPACE PROPOSITIONS

A-REIT's Portfolio (as at 31 March 2015)



BUSINESS & SCIENCE PARK PROPERTIES

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

China

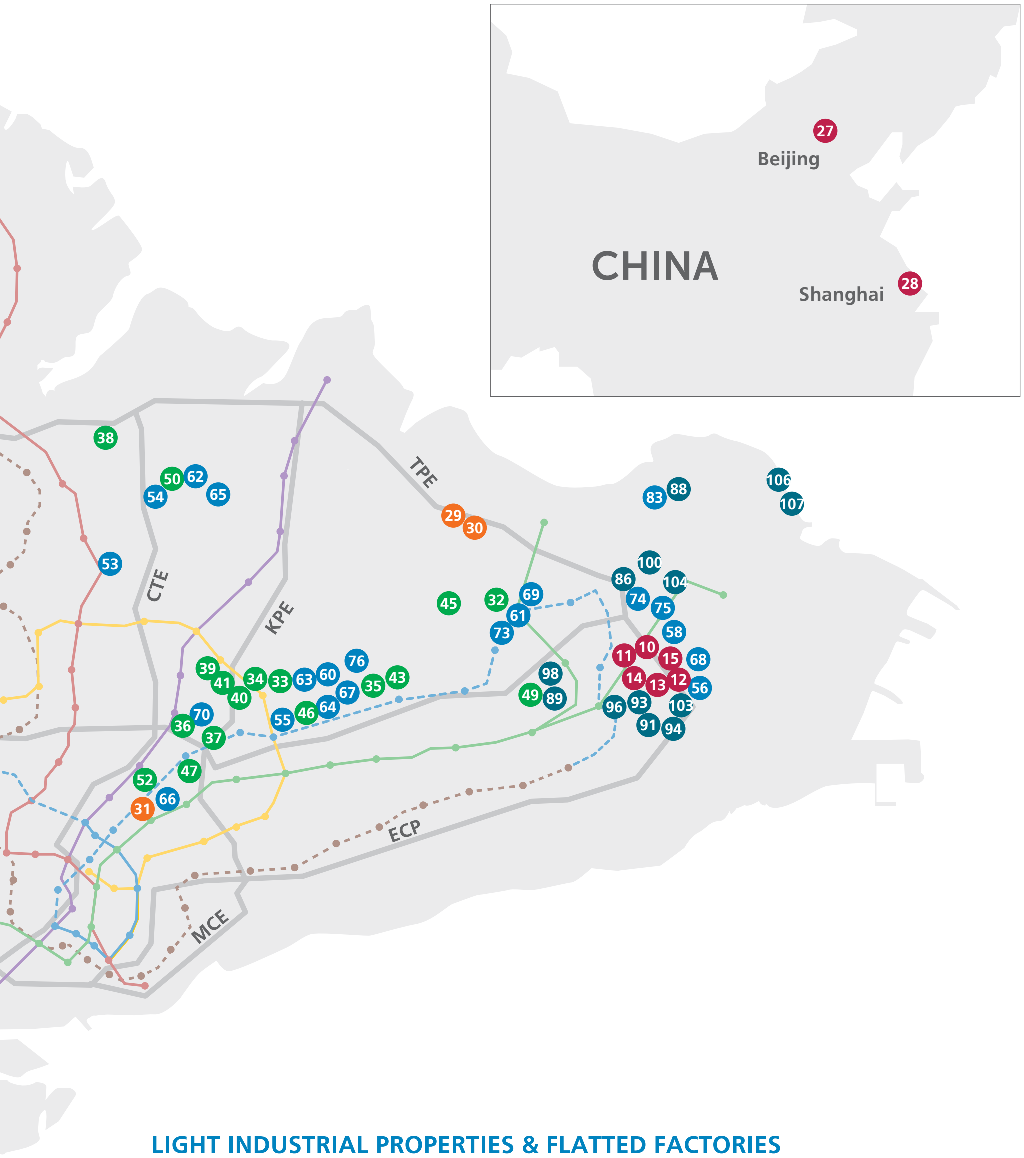
27. Ascendas Z-Link
28. A-REIT City @Jinqiao

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

29. Courts Megastore
30. Giant Hypermart
31. Aperia

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

32. Telepark
33. Kim Chuan Telecommunications Complex
34. 38A Kim Chuan Road
35. Techlink
36. Siemens Centre
37. Infineon Building
38. Techpoint
39. Wisma Gulab
40. KA Centre
41. KA Place
42. Pacific Tech Centre
43. Techview
44. 1 Jalan Kilang
45. 30 Tampines Industrial Avenue 3
46. 31 Ubi Road 1
47. 50 Kallang Avenue
48. 138 Depot Road
49. 2 Changi South Lane
50. CGG Veritas Hub
51. Corporation Place
52. Hyflux Innovation Centre



- Business & Science Park Properties
- Integrated Development, Amenities & Retail Properties
- High-Specifications Industrial Properties & Data Centres
- Light Industrial Properties & Flatted Factories
- Logistics & Distribution Centres

- North South MRT Line
- North South MRT Line (Under Construction)
- East West MRT Line
- East West MRT Line (Under Construction)
- North East MRT Line
- Circle MRT Line
- Downtown Line
- Downtown Line Stage 2 & 3 (Under Construction)
- Thomson East Coast Line (Under Construction)
- Proposed Singapore – Kuala Lumpur high-speed rail terminus

SLE	Seletar Expressway
PIE	Pan Island Expressway
CTE	Central Expressway
KPE	Kallang-Paya Lebar Expressway
AYE	Ayer Rajah Expressway
BKE	Bukit Timah Expressway
TPE	Tampines Expressway
KJE	Kranji Expressway
ECP	East Coat Parkway
MCE	Marina Coastal Expressway

LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

53. Techplace I
54. Techplace II
55. Osim Headquarters
56. 41 Changi South Avenue 2
57. 12 Woodlands Loop
58. SB Building
59. 247 Alexandra Road
60. 5 Tai Seng Drive
61. Volex Building
62. 53 Serangoon North Avenue 4
63. 3 Tai Seng Drive
64. 27 Ubi Road 4
65. 52 Serangoon North Avenue 4
66. Hyflux Building
67. 25 Ubi Road 4
68. BBR Building
69. Tampines Biz-Hub
70. 84 Genting Lane
71. Hoya Building
72. NNB Industrial Building
73. 37A Tampines Street 92
74. Hamilton Sundstrand Building
75. Thales Building (I & II)
76. Ubi Biz-Hub
77. 26 Senoko Way (divested on 7 April 2015)
78. 2 Senoko South Road
79. 18 Woodlands Loop
80. 9 Woodlands Terrace
81. 11 Woodlands Terrace
82. FoodAxis @ Senoko
83. 8 Loyang Way 1
84. 31 Joo Koon Circle

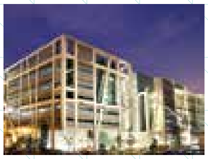
LOGISTICS & DISTRIBUTION CENTRES

85. IDS Logistics Corporate HQ
86. LogisTech
87. 10 Toh Guan Road
88. Changi Logistics Centre
89. Nan Wah Building
90. 40 Penjuru Lane
91. Xilin Districentre Building A&B
92. MacDermid Building
93. Xilin Districentre Building D
94. 9 Changi South Street 3
95. 5 Toh Guan Road East
96. Xilin Districentre Building C
97. Senkee Logistics Hub (Phase I & II)
98. 1 Changi South Lane
99. Logis Hub @ Clementi
100. GSH Centre
101. 21 Jalan Buroh
102. 30 Old Toh Tuck Road
103. Sim Siang Choon Building
104. 15 Changi North Way
105. Pioneer Hub
106. 71 Alps Avenue
107. 90 Alps Avenue

A-REIT'S PORTFOLIO

BUSINESS & SCIENCE PARK PROPERTIES

Suburban office, corporate HQ buildings and R&D space


1. Neuros & Immunos


2. Four Acres Singapore


3. Nexus @one-north


4. Techquest


5. 13 International Business Park


6. iQuest@IBP


7. Acer Building


8. 31 International Business Park


9. Nordic European Centre


10. Honeywell Building


11. 1 Changi Business Park Avenue 1

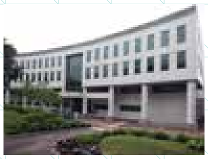

12. Hansapoint@CBP


13. 1, 3 & 5 Changi Business Park Crescent


14. DBS Asia Hub


15. AkzoNobel House


16. PSB Science Park Building


17. The Rutherford & Oasis


18. Cintech I


19. Cintech II


20. Cintech III & IV


21. The Alpha


22. The Aries


23. The Capricorn


24. The Gemini


25. The Galen

26. The Kendall


27. Acendas Z-Link


28. A-REIT City @Jinqiao

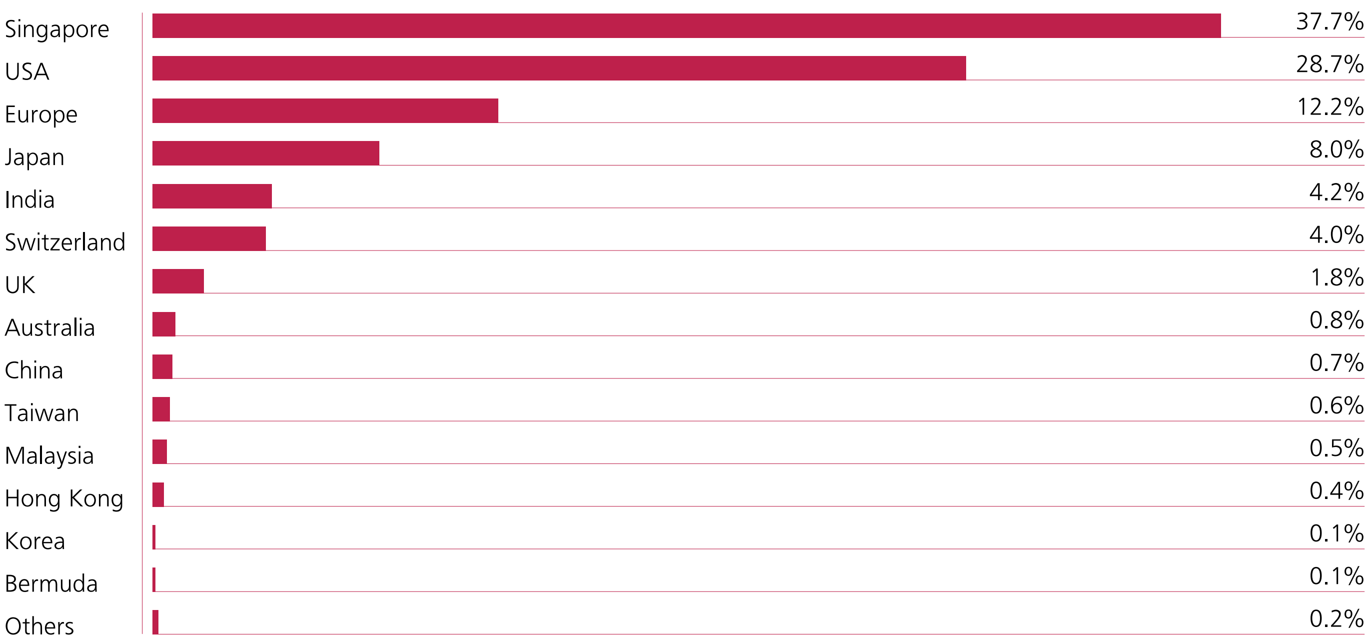
Business & Science Park Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	25	3	28
No. of Customers	453	3	456
GFA (sqm)	702,278	79,957	782,235
Gross Income (S$m)	222.0	18.6	240.6*
Valuation as at 31 March 2015 (S$m)	2,737.4^	292.6	3,030.0

* Gross Income for Business & Science Park properties excludes incentive payments for Ascendas Z-Link and A-REIT City @Jinqiao, amounting to S$7.1 million.
^ A-REIT has recorded The Kendall at S$113.7 million based on cost incurred upon acquisition.

Tenants' Industry Mix as at 31 March 2015 (by Gross Rental Income)

Life Science	16.7%	Hotels and restaurants	1.4%
Financial	16.4%	Printing & Reproduction of Recorded Media	1.3%
Information Technology	11.3%	Construction	1.3%
M&E and Machinery and Equipment	9.0%	Medical, Precision & Optical Instruments, Clocks	0.7%
Distributors, trading company	7.7%	3rd Party Logistics, Freight Forwarding, Shipping	0.7%
Electronics	4.9%	Textiles and Wearing Apparels	0.6%
Chemical	4.5%	Fabricated Metal Products	0.2%
Healthcare Products	2.5%	Rubber and Plastic Products	0.1%
Telecommunication and Datacentre	2.0%	Others	17.1%
Food Products and Beverages	1.6%		

Tenant's Country of Origin as at 31 March 2015 (by Gross Rental Income)



A-REIT'S PORTFOLIO

BUSINESS & SCIENCE PARK PROPERTIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2015 (S$m)
	one-north			
1	Neuros & Immunos#	31 Mar 11	125.6	131.0
2	Four Acres Singapore	23 Apr 13	30.7	58.3
3	Nexus @one-north	04 Sep 13	181.3	189.4
	Total (one-north Properties)		**337.6**	**378.7**
	International Business Park			
4	Techquest#	05 Oct 05	7.5	24.8
5	13 International Business Park	10 Oct 06	20.0	25.5
6	iQuest@IBP	12 Jan 07	18.6	35.0
7	Acer Building	19 Mar 08	75.0	83.9
8	31 International Business Park	26 Jun 08	246.8	216.1
9	Nordic European Centre	08 Jul 11	121.6	116.1
	Total (International Business Park Properties)		**489.5**	**501.4**
	Changi Business Park			
10	Honeywell Building#	19 Nov 02	32.8	70.5
11	1 Changi Business Park Avenue 1	30 Oct 03	18.0	48.6
12	Hansapoint@CBP	22 Jan 08	26.1	86.9
13	1, 3 & 5 Changi Business Park Crescent	16 Feb 09 25 Sep 09 31 Dec 10	200.9	333.0
14	DBS Asia Hub#	31 Mar 10	116.0	152.3
15	AkzoNobel House	08 Dec 11	80.0	68.1
	Total (Changi Business Park Properties)		**473.8**	**759.4**
	Singapore Science Park I			
16	PSB Science Park Building	18 Nov 05	35.0	82.0
17	The Rutherford & Oasis#	26 Mar 08	51.5	82.2
18	Cintech I#	29 Mar 12	47.1	48.6
19	Cintech II#	29 Mar 12	35.3	43.9
20	Cintech III & IV#	29 Mar 12	100.7	118.2
	Total (Singapore Science Park I Properties)		**269.6**	**374.9**
	Singapore Science Park II			
21	The Alpha#	19 Nov 02	52.3	117.9
22	The Aries#	19 Nov 02	39.4	69.5
23	The Capricorn#	19 Nov 02	71.8	129.0
24	The Gemini#	19 Nov 02	72.9	139.7
25	The Galen#	25 Mar 13	126.0	133.9
26	The Kendall#	30 Mar 15	112.0	116.4^
	Total (Singapore Science Park II Properties)		**474.4**	**706.4**
	Business Park (China)			
27	Ascendas Z-link#	03 Oct 11	61.8	108.0
28	A-REIT City @Jinqiao	12 Jul 13	122.3	201.2
	Total (Business Park China)		**184.1**	**309.2**
	Total (Business & Science Parks Properties)		**2,229.0**	**3,030.0**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
Acquired from Ascendas Group.
* Purchase price excludes transaction costs.
^ A-REIT has recorded The Kendall at S$113.7 million based on cost incurred upon acquisition.
** The total Gross Income of Business & Science Park Properties exclude the incentive payments for Ascendas Z-link and A-REIT City @Jinqiao, amounting to S$7.1 million.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY14/15 (S$m)	Occupancy Rate as at 31 March 2015
36,931	26,035	8/8A Biomedical Grove	19.3	100.0%
9,170	9,170	6 & 9 to 18 Nepal Park	4.2	100.0%
25,511	20,669	1 & 3 Fusionopolis Link	12.8	93.5%
71,612	**55,874**		**36.3**	**97.6%**
9,079	6,723	7 International Business Park	2.3	75.5%
10,116	6,986	13 International Business Park	1.4	52.0%
12,143	9,123	27 International Business Park	2.6	60.7%
29,185	21,193	29 International Business Park	7.3	76.8%
61,720	49,002	31 International Business Park	20.8	81.8%
28,378	21,669	3 International Business Park	11.3	92.3%
150,621	**114,696**		**45.7**	**79.0%**
18,123	14,488	17 Changi Business Park Central 1	7.2	97.7%
11,555	8,922	1 Changi Business Park Avenue 1	1.3	54.9%
19,448	16,418	10 Changi Business Park Central 2	6.4	97.6%
74,660	62,974	1, 3 & 5 Changi Business Park Crescent	27.7	95.0%
38,774	32,104	2 Changi Business Park Crescent	10.5	100.0%
18,388	15,288	3 Changi Business Park Vista	5.7	63.6%
180,948	**150,194**		**58.8**	**91.0%**
32,013	21,689	1 Science Park Drive	3.9	100.0%
26,283	18,812	87 & 89 Science Park Drive	6.4	78.0%
14,943	10,531	73 Science Park Drive	5.3	90.3%
13,552	7,915	75 Science Park Drive	4.2	94.4%
25,622	18,593	77 & 79 Science Park Drive	11.4	97.4%
112,413	**77,540**		**31.2**	**92.2%**
28,533	21,062	10 Science Park Road	9.7	75.3%
14,695	11,681	51 Science Park Road	4.9	86.2%
28,602	20,560	1 Science Park Road	11.0	82.2%
32,629	22,853	41 Science Park Road	12.2	97.3%
30,685	21,826	61 Science Park Road	14.2	96.7%
20,190	16,824	50 Science Park Road	0.1	93.2%
155,334	**114,806**		**52.1**	**88.7%**
31,427	27,606	17 Zhongguancun Software Park No. 8 West Dongbeiwang Road, Haidian District, Beijing, China	9.2	100.0%
79,880	82,009	No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District, Shanghai, China	7.3	56.4%
111,307	**109,615**		**16.5**	**67.4%**
782,235	**622,725**		**240.6****	**85.0%**

A-REIT'S PORTFOLIO

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

Multiple types of spaces within one integrated development

29. Courts Megastore

30. Giant Hypermart

31. Aperia

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2015 (S$m)	GFA (sqm)	NLA (sqm)	Address	Gross Income for FY14/15 (S$m)	Occupancy Rate as at 31 March 2015
29	Courts Megastore	30 Nov 06	46.0	65.5	28,410	28,410	50 Tampines North Drive 2	6.9	100.0%
30	Giant Hypermart	06 Feb 07	65.4	86.0	42,193	42,178	21 Tampines North Drive 2	8.1	100.0%
31	Aperia	08 Aug 14	458.0	507.2	86,696	68,735	8, 10, 12 Kallang Avenue	14.7	79.7%
	Total (Integrated Development, Amenities & Retail Properties)		**569.4**	**658.7**	**157,299**	**139,323**		**29.7**	**90.0%**

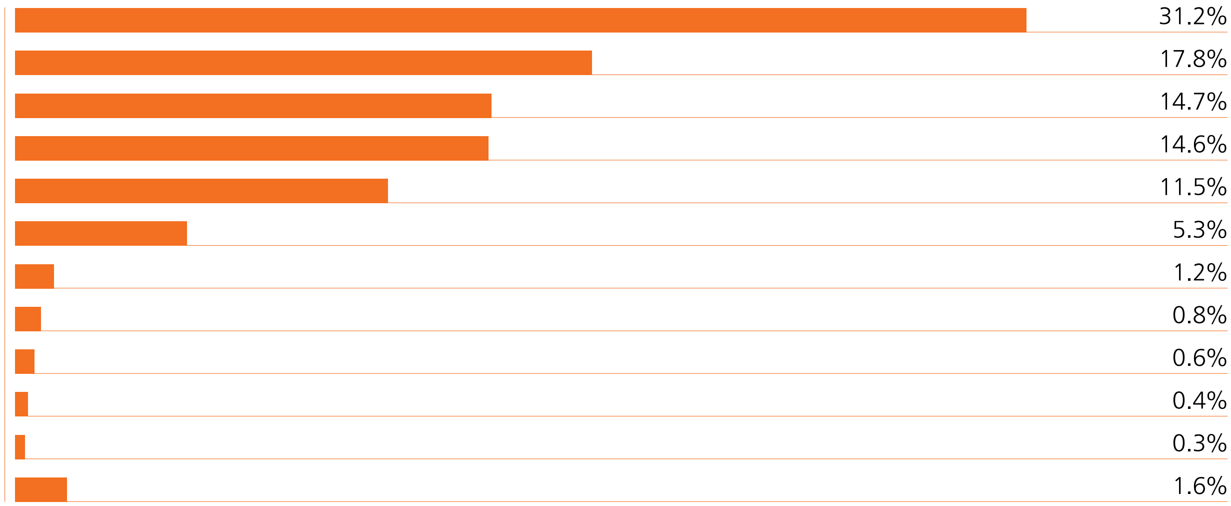
Note:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.

Integrated Development, Amenities & Retail Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	1	2	3
No. of Customers	80	2	82
GFA (sqm)	86,696	70,603	157,299
Gross Income (S$m)	14.7	15.0	29.7
Valuation as at 31 March 2015 (S$m)	507.2	151.5	658.7

Tenants' Industry Mix as at 31 March 2015 (by Gross Rental Income)

Distributors, trading company	17.3%	Financial	1.1%
Information Technology	17.3%	Telecommunication & Datacentre	1.0%
Hotels and restaurants	8.0%	Food Products & Beverages	0.7%
Construction	4.7%	Chemical	0.4%
M&E and Machinery & Equipment	3.3%	Others	46.2%

Tenant's Country of Origin as at 31 March 2015 (by Gross Rental Income)



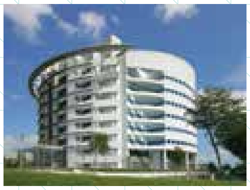
Singapore	31.2%
Bermuda	17.8%
Europe	14.7%
UK	14.6%
USA	11.5%
Japan	5.3%
China	1.2%
Malaysia	0.8%
Korea	0.6%
India	0.4%
Switzerland	0.3%
Others	1.6%

A-REIT'S PORTFOLIO

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

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

32. Telepark



33. Kim Chuan Telecommunications Complex

34. 38A Kim Chuan Road

35. Techlink

36. Siemens Centre

37. Infineon Building

38. Techpoint

39. Wisma Gulab

40. KA Centre

41. KA Place

42. Pacific Tech Centre

43. Techview

44. 1 Jalan Kilang

45. 30 Tampines Industrial Avenue 3

46. 31 Ubi Road 1

47. 50 Kallang Avenue

48. 138 Depot Road

49. 2 Changi South Lane

50. CGG Veritas Hub

51. Corporation Place

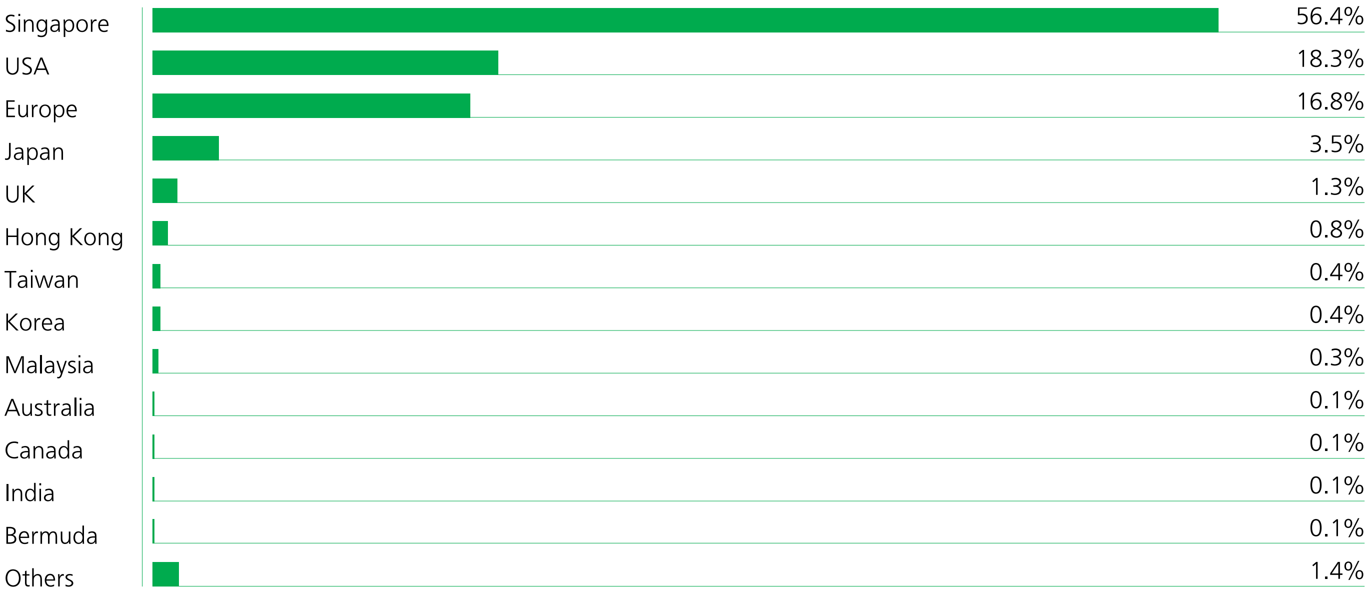
52. Hyflux Innovation Centre

High-Specifications Industrial Properties & Data Centres	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	13	8	21
No. of Customers	255	8	263
GFA (sqm)	448,998	187,337	636,335
Gross Income (S$m)	124.3	48.7	173.0
Valuation as at 31 March 2015 (S$m)	1,350.1	585.6	1,935.7

Tenants' Industry Mix as at 31 March 2015 (by Gross Rental Income)

Telecommunication & Datacentre	28.9%	Fabricated Metal Products	0.9%
Electronics	20.5%	Construction	0.7%
M&E and Machinery & Equipment	18.4%	Hotels and restaurants	0.6%
Information Technology	6.0%	Printing & Reproduction of Recorded Media	0.5%
Textiles & Wearing Apparels	3.3%	3rd Party Logistics, Freight Forwarding	0.4%
Medical, Precision & Optical Instruments, Clocks	3.0%	Food Products & Beverages	0.3%
Distributors, trading company	2.2%	Healthcare Products	0.1%
Financial	1.5%	Rubber and Plastic Products	0.1%
Life Science	1.1%	Others	10.6%
Chemical	0.9%		

Tenant's Country of Origin as at 31 March 2015 (by Gross Rental Income)



A-REIT'S PORTFOLIO

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2015 (S$m)
	Data Centres			
32	Telepark	02 Mar 05	186.0	271.0
33	Kim Chuan Telecommunications Complex	02 Mar 05	100.0	141.0
34	38A Kim Chuan Road^	11 Dec 09	100.0	123.0
	Total (Data Centres)		**386.0**	**535.0**
	High-Specifications Industrial Properties			
35	Techlink#	19 Nov 02	69.8	120.0
36	Siemens Centre	12 Mar 04	65.8	102.4
37	Infineon Building#	01 Dec 04	50.9	81.0
38	Techpoint#	01 Dec 04	75.0	150.0
39	Wisma Gulab	01 Dec 04	55.7	77.0
40	KA Centre	02 Mar 05	19.2	44.0
41	KA Place	02 Mar 05	11.1	19.5
42	Pacific Tech Centre	01 Jul 05	62.0	90.0
43	Techview#	05 Oct 05	76.0	135.0
44	1 Jalan Kilang	27 Oct 05	18.7	26.8
45	30 Tampines Industrial Avenue 3	15 Nov 05	22.0	35.1
46	31 Ubi Road 1	21 Feb 06	23.0	34.5
47	50 Kallang Avenue	27 Feb 06	28.6	42.1
48	138 Depot Road#	15 Mar 06	42.3	69.3
49	2 Changi South Lane	01 Feb 07	30.0	36.5
50	CGG Veritas Hub#	25 Mar 08	18.3	22.7
51	Corporation Place	08 Dec 11	99.0	115.0
52	Hyflux Innovation Centre	30 Jun 14	191.2	199.8
	Total (High-Specifications Industrial Properties & Data Centres)		**1,344.6**	**1,935.7**

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

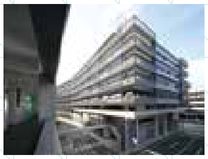
GFA (sqm)	NLA (sqm)	Address	Gross Income for FY14/15 (S$m)	Occupancy Rate as at 31 March 2015
40,555	24,596	5 Tampines Central 6	19.1	99.3%
35,456	25,129	38 Kim Chuan Road	10.5	100.0%
33,745	32,885	38A Kim Chuan Road	11.5	100.0%
109,756	**82,610**		**41.1**	**99.8%**
48,007	30,972	31 Kaki Bukit Road 3	13.8	94.0%
36,529	27,781	60 MacPherson Road	10.4	96.1%
27,278	27,278	8 Kallang Sector	7.2	100.0%
56,107	41,232	10 Ang Mo Kio Street 65	16.1	88.2%
15,557	11,821	190 MacPherson Road	4.8	100.0%
19,638	13,555	150 Kampong Ampat	5.4	88.8%
10,163	6,652	159 Kampong Ampat	2.5	98.3%
25,718	19,620	1 Jalan Kilang Timor	7.1	79.2%
50,985	37,640	1 Kaki Bukit View	13.3	70.4%
7,158	6,026	1 Jalan Kilang	1.9	65.1%
9,593	9,593	30 Tampines Industrial Avenue 3	2.5	100.0%
15,934	12,925	31 Ubi Road 1	2.9	54.8%
18,584	14,208	50 Kallang Avenue	3.5	59.2%
29,626	26,485	138 Depot Road	7.2	100.0%
26,300	20,939	2 Changi South Lane	2.3	100.0%
9,782	8,671	9 Serangoon North Avenue 5	2.7	100.0%
76,185	56,364	2 Corporation Road	13.8	68.6%
43,435	35,071	80 Bendemeer Road	14.5	100.0%
636,335	**489,443**		**173.0**	**88.5%**

A-REIT'S PORTFOLIO

LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

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


53. Techplace I


54. Techplace II


55. Osim Headquarters


56. 41 Changi South Avenue 2


57. 12 Woodlands Loop


58. SB Building


59. 247 Alexandra Road


60. 5 Tai Seng Drive


61. Volex Building


62. 53 Serangoon North Avenue 4


63. 3 Tai Seng Drive

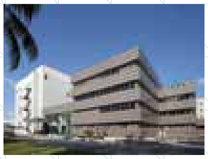

64. 27 Ubi Road 4


65. 52 Serangoon North Avenue 4


66. Hyflux Building


67. 25 Ubi Road 4


68. BBR Building


69. Tampines Biz-Hub


70. 84 Genting Lane


71. Hoya Building


72. NNB Industrial Building


73. 37A Tampines Street 92


74. Hamilton Sundstrand Building


75. Thales Building (I & II)


76. Ubi Biz-Hub


77. 26 Senoko Way (divested on 7 April 2015)


78. 2 Senoko South Road


79. 18 Woodlands Loop


80. 9 Woodlands Terrace


81. 11 Woodlands Terrace


82. FoodAxis @ Senoko


83. 8 Loyang Way 1


84. 31 Joo Koon Circle

Light Industrial Properties & Flatted Factories	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	17	15	32
No. of Customers	446	15	461
GFA (sqm)	410,000^	176,542	586,542
Gross Income (S$m)	64.2	31.9	96.1
Valuation as at 31 March 2015 (S$m)	656.4^^	349.5	1,005.9

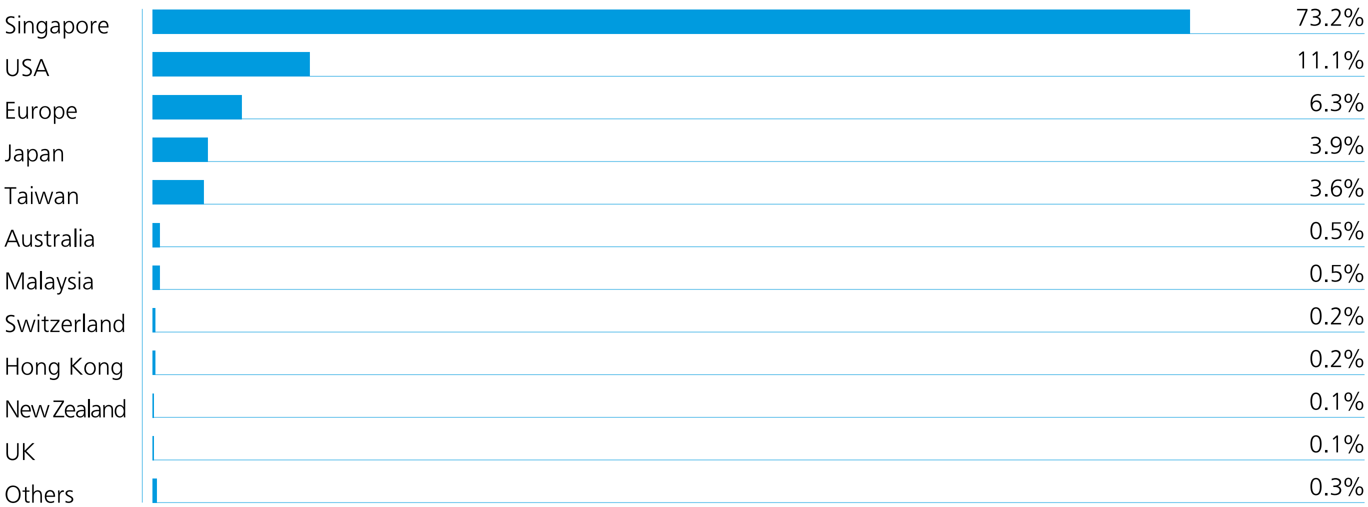
^ Excludes 2 Senoko South Road, which has been decommissioned for asset enhancement works.

^^ 26 Senoko Way was transferred to property held for sale as at 31 March 2015 and was divested on 7 April 2015. A-REIT has recorded 26 Senoko Way at S$24.8 million based on agreed selling price of S$24.8 million.

Tenants' Industry Mix as at 31 March 2015 (by Gross Rental Income)

M&E and Machinery & Equipment	16.3%	Medical, Precision & Optical Instruments, Clocks	2.7%
Electronics	9.6%	Hotels and restaurants	2.2%
Food Products & Beverages	9.2%	Printing & Reproduction of Recorded Media	1.4%
Construction	5.9%	Financial	1.2%
Healthcare Products	5.7%	Textiles & Wearing Apparels	1.2%
Repair and Servicing of vehicles	5.2%	Life Science	1.1%
Information Technology	4.5%	3rd Party Logistics, Freight Forwarding	0.8%
Fabricated Metal Products	4.1%	Telecommunication & Datacentre	0.7%
Distributors, trading company	3.9%	Others	21.0%
Rubber and Plastic Products	3.3%		

Tenant's Country of Origin as at 31 March 2015 (by Gross Rental Income)



A-REIT'S PORTFOLIO

LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2015 (S$m)
	Flatted Factories			
53	Techplace I#	19 Nov 02	105.3	141.7
54	Techplace II#	19 Nov 02	128.9	191.8
	Total (Flatted Factories)		**234.2**	**333.5**
	Light Industrial Properties			
55	Osim Headquarters	20 Jun 03	35.0	39.5
56	41 Changi South Avenue 2	13 Oct 03	13.5	12.2
57	12 Woodlands Loop	29 Jul 04	24.8	28.2
58	SB Building	26 Nov 04	17.8	22.6
59	247 Alexandra Road	01 Dec 04	44.8	64.8
60	5 Tai Seng Drive	01 Dec 04	15.3	19.3
61	Volex Building	01 Dec 04	9.4	13.0
62	53 Serangoon North Avenue 4	27 Dec 04	14.0	13.3
63	3 Tai Seng Drive	01 Apr 05	19.5	19.9
64	27 Ubi Road 4	01 Apr 05	12.6	12.8
65	52 Serangoon North Avenue 4	04 Apr 05	14.0	20.7
66	Hyflux Building	04 Apr 05	19.0	21.7
67	25 Ubi Road 4	16 May 05	9.0	12.0
68	BBR Building	21 Jun 05	6.8	9.3
69	Tampines Biz-Hub	05 Oct 05	16.8	21.3
70	84 Genting Lane	05 Oct 05	10.0	14.7
71	Hoya Building#	05 Oct 05	5.3	7.8
72	NNB Industrial Building	05 Oct 05	12.0	16.7
73	37A Tampines Street 92	01 Dec 05	12.3	17.2
74	Hamilton Sundstrand Building#	09 Dec 05	31.0	38.5
75	Thales Building (I & II)#	03 Jan 06 & 20 Mar 08	5.8	9.5
76	Ubi Biz-Hub	27 Mar 06	13.2	18.4
77	26 Senoko Way^	08 Jan 07	15.5	24.6^
78	2 Senoko South Road^^	08 Jan 07	33.5	36.5
79	18 Woodlands Loop	01 Feb 07	17.2	28.2
80	9 Woodlands Terrace	01 Feb 07	1.9	3.1
81	11 Woodlands Terrace	01 Feb 07	1.9	3.9
82	FoodAxis @ Senoko^^^	15 May 07 16 Feb 12	57.8	80.8
83	8 Loyang Way 1	05 May 08	25.0	23.6
84	31 Joo Koon Circle	30 Mar 10	15.0	18.3
	Total (Light Industrial Properties & Flatted Factories)		**763.9**	**1,005.9**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
Acquired from Ascendas Group.
* Purchase price excludes transaction costs.
^ 26 Senoko Way was transferred to property held for sale as at 31 March 2015 and was divested on 7 April 2015. A-REIT has recorded 26 Senoko Way at S$24.8 million based on agreed selling price of S$24.8 million.
^^ 2 Senoko South Road's NLA has been decommissioned as it is undergoing asset enhancement works to convert the property from a single-tenant building to a multi-tenant food factory.
^^^ 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.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY14/15 (S$m)	Occupancy Rate as at 31 March 2015
81,981	59,552	Blk 4008 - 4012 Ang Mo Kio Avenue 10	13.7	98.0%
115,162	83,669	Blk 5000 - 5004, 5008 - 5014 Ang Mo Kio Avenue 5	15.2	80.9%
197,143	**143,221**		**28.9**	**88.0%**
17,683	15,068	65 Ubi Avenue 1	3.3	100.0%
8,046	6,101	41 Changi South Avenue 2	1.4	100.0%
19,887	16,077	12 Woodlands Loop	2.6	100.0%
13,998	11,895	25 Changi South Street 1	2.6	100.0%
13,699	12,803	247 Alexandra Road	5.1	100.0%
12,930	11,273	5 Tai Seng Drive	2.2	82.9%
8,931	8,000	35 Tampines Street 92	1.4	100.0%
10,589	7,809	53 Serangoon North Avenue 4	1.7	97.3%
14,929	11,845	3 Tai Seng Drive	2.5	100.0%
9,087	7,227	27 Ubi Road 4	1.5	97.2%
14,767	11,799	52 Serangoon North Avenue 4	2.6	100.0%
20,465	16,980	202 Kallang Bahru	1.8	100.0%
7,998	6,266	25 Ubi Road 4	1.2	78.9%
6,501	5,421	50 Changi South Street 1	1.1	100.0%
18,086	14,465	11 Tampines Street 92	3.2	94.8%
11,917	9,762	84 Genting Lane	2.0	79.7%
6,505	6,282	455A Jalan Ahmad Ibrahim	1.0	100.0%
11,537	9,794	10 Woodlands Link	1.9	100.0%
12,011	9,716	37A Tampines Street 92	2.1	100.0%
17,737	16,744	11 Changi North Rise	3.3	100.0%
7,772	7,772	21 Changi North Rise	1.4	100.0%
12,978	10,725	150 Ubi Avenue 4	2.3	100.0%
12,615	10,725	26 Senoko Way	–	0.0%
–	–	2 Senoko South Road	2.0	0.0%
18,422	16,056	18 Woodlands Loop	3.0	87.9%
2,774	2,341	9 Woodlands Terrace	0.5	100.0%
2,810	2,219	11 Woodlands Terrace	0.6	100.0%
43,362	44,439	1 Senoko Avenue	9.6	100.0%
13,725	13,725	8 Loyang Way 1	1.9	100.0%
17,638	15,421	31 Joo Koon Circle	1.4	100.0%
586,542	**481,971**		**96.1**	**92.5%**

A-REIT'S PORTFOLIO

LOGISTICS & DISTRIBUTION CENTRES

Warehousing and distribution centres


85. IDS Logistics Corporate HQ


86. LogisTech


87. 10 Toh Guan Road


88. Changi Logistics Centre


89. Nan Wah Building


90. 40 Penjuru Lane


91. Xilin Districentre Building A&B


92. MacDermid Building


93. Xilin Districentre Building D


94. 9 Changi South Street 3


95. 5 Toh Guan Road East


96. Xilin Districentre Building C


97. Senkee Logistics Hub (Phase I & II)


98. 1 Changi South Lane


99. Logis Hub @ Clementi


100. GSH Centre


101. 21 Jalan Buroh


102. 30 Old Toh Tuck Road


103. Sim Siang Choon Building


104. 15 Changi North Way

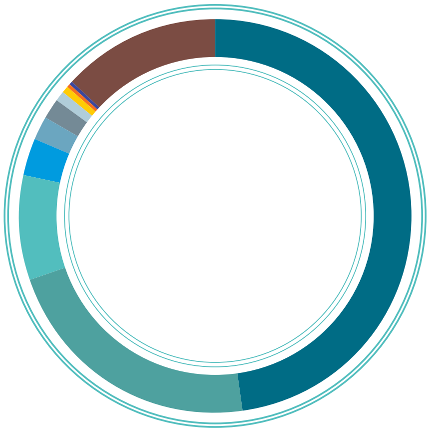

105. Pioneer Hub


106. 71 Alps Avenue


107. 90 Alps Avenue

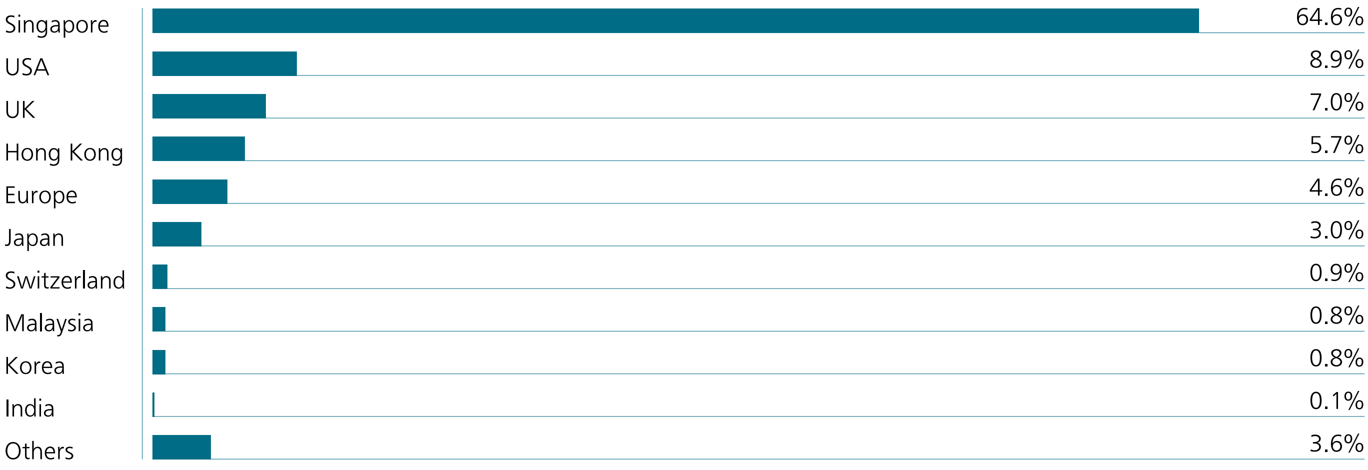
Logistics and Distribution Centres	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	15	8	23
No. of Customers	185	8	193
GFA (sqm)	583,633	246,142	829,775
Gross Income (S$m)	97.0	30.0	127.0
Valuation as at 31 March 2015 (S$m)	929.1	394.1	1,323.2

Tenants' Industry Mix as at 31 March 2015 (by Gross Rental Income)



3rd Party Logistics, Freight Forwarding	47.8%
Distributors, trading company	22.1%
Information Technology	8.7%
Financial	2.9%
Electronics	2.0%
Healthcare Products	1.5%
M&E and Machinery and Equipment	1.0%
Medical, Precision & Optical Instruments, Clocks	0.4%
Hotels and restaurants	0.2%
Construction	0.2%
Food Products & Beverages	0.1%
Printing & Reproduction of Recorded Media	0.1%
Rubber and Plastic Products	0.1%
Others	12.9%

Tenant's Country of Origin as at 31 March 2015 (by Gross Rental Income)



A-REIT'S PORTFOLIO

LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2015 (S$m)
	Logistics & Distribution Centres			
85	IDS Logistics Corporate HQ	19 Feb 04	50.0	39.5
86	LogisTech	04 Mar 04	32.0	49.1
87	10 Toh Guan Road	05 Mar 04	92.0	124.4
88	Changi Logistics Centre	09 Mar 04	45.6	86.8
89	Nan Wah Building	31 May 04	23.3	29.9
90	40 Penjuru Lane	21 Jul 04	225.0	243.4
91	Xilin Districentre Building A&B	02 Dec 04	31.1	33.9
92	MacDermid Building	02 Dec 04	5.5	7.4
93	Xilin Districentre Building D	09 Dec 04	33.5	25.7
94	9 Changi South Street 3	28 Dec 04	32.0	38.3
95	5 Toh Guan Road East	28 Dec 04	36.4	33.0
96	Xilin Districentre Building C	05 May 05	30.6	26.0
97	Senkee Logistics Hub (Phase I & II)	23 Sep 05 & 01 Feb 08	105.2	124.8
98	1 Changi South Lane	05 Oct 05	34.8	43.5
99	Logis Hub @ Clementi#	05 Oct 05	18.1	33.0
100	GSH Centre	18 Nov 05	11.0	16.6
101	21 Jalan Buroh	14 Jun 06	58.4	78.7
102	30 Old Toh Tuck Road	14 Jun 06	19.6	21.2
103	Sim Siang Choon Building	19 Mar 08	31.9	29.0
104	15 Changi North Way	29 Jul 08	36.2	48.4
105	Pioneer Hub	12 Aug 08	79.3	119.1
106	71 Alps Avenue	02 Sep 09	25.6	21.8
107	90 Alps Avenue	20 Jan 12	37.9	49.7
	Total (Logistics & Distribution Centres)		**1,095.0**	**1,323.2**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.
\# Acquired from Ascendas Group.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY14/15 (S$m)	Occupancy Rate as at 31 March 2015
23,751	21,883	279 Jalan Ahmad Ibrahim	4.2	100.0%
30,332	30,333	3 Changi North Street 2	6.7	86.2%
52,147	39,740	10 Toh Guan Road	13.5	69.4%
51,742	39,370	19 Loyang Way	11.1	94.0%
18,794	15,323	4 Changi South Lane	2.8	88.0%
138,359	130,641	40 Penjuru Lane	17.0	56.1%
24,113	20,788	3 Changi South Street 2	4.4	100.0%
5,085	5,085	20 Tuas Ave 6	1.0	100.0%
18,619	15,610	6 Changi South Street 2	3.1	96.1%
28,648	24,316	9 Changi South Street 3	4.5	61.6%
29,741	23,599	5 Toh Guan Road East	4.2	95.8%
18,708	13,035	7 Changi South Street 2	2.8	91.7%
87,842	71,749	19 & 21 Pandan Avenue	8.7	100.0%
25,768	23,528	1 Changi South Lane	4.4	100.0%
26,505	23,071	2 Clementi Loop	4.2	98.4%
10,107	9,494	11 Changi North Way	1.1	100.0%
48,139	48,167	21 Jalan Buroh	3.0	100.0%
16,353	14,158	30 Old Toh Tuck Road	1.6	67.9%
12,981	12,981	21 Changi South Avenue 2	2.4	100.0%
31,961	28,974	15 Changi North Way	4.3	100.0%
91,048	81,040	15 Pioneer Walk	14.9	100.0%
12,755	11,053	71 Alps Avenue	1.8	19.1%
26,277	26,277	90 Alps Avenue	5.3	100.0%
829,775	**730,215**		**127.0**	**85.8%**

INDEPENDENT MARKET STUDY (SINGAPORE)

By DTZ Debenham Tie Leung (SEA) Pte Ltd

1.0 ECONOMIC OVERVIEW

Economic Review

Singapore's economy grew more moderately in 2014 (2.9%) compared with 2013 (4.4%), amid the uneven pace of recovery across the global economies. Although the US economy improved steadily in 2014, growth in the Eurozone was lacklustre. Singapore's growth was also impacted by the ongoing labour market pressures and weak productivity. Growth in the services producing industries eased to 3.2% YoY compared with 6.1% in 2013, due to weaker growth in the wholesale & retail trade, finance & insurance and business services sectors. On the other hand, growth in the manufacturing sector improved from 1.7% in 2013 to 2.6% in 2014, supported by the biomedical manufacturing and chemical clusters. Meanwhile, inflation eased from 2.4% in 2013 to 1.0% in 2014, below the average annual inflation rate over the past decade (2.8%).

Outlook

The global economic outlook for 2015 is uncertain and externally-oriented sectors such as manufacturing and wholesale trade are likely to be impacted. Along with expectations that labour-intensive sectors will continue to be weighed down by labour constraints, the Ministry of Trade and Industry ("MTI") projected modest economic growth of 2.0% to 4.0% in 2015 for Singapore. Meanwhile, the Monetary Authority of Singapore ("MAS") projected inflation to be at -0.5% to 0.5% in 2015.

2.0 INDUSTRIAL PROPERTY MARKET HIGHLIGHTS

Budget 2015

Budget 2015 focused on building Singapore as an economy with firms driven by innovation and higher incomes coming from deep skills and expertise in every job. Five growth clusters of the future were identified, namely: Advanced Manufacturing, Applied Health Sciences, Smart and Sustainable Urban Solutions, Logistics and Aerospace and Asian and Global Financial Services.

Key measures for businesses focused on giving businesses more time to adjust to rising costs e.g., recalibrating the pace of tightening measures for foreign worker levies to allow companies to adapt to the tighter labour market. In addition, income tax concessions for Real Estate Investment Trusts ("REITs") were extended for five more years till March 2020 to promote the listing of REITs in Singapore and strengthen its position as a REIT hub in Asia. Meanwhile, stamp duty concessions for REITs were allowed to lapse after 31 March 2015. These stamp duty concessions were intended to better enable the REIT industry to acquire a critical mass of local assets, as a base from which REITs can expand overseas.

Government Measures and Policies

Following the policies and measures implemented in the industrial property market in 2013, the government continued to be active in ensuring Singapore's manufacturing competitiveness and managing industrialists' real estate needs in 2014 (Table 2.1).

Table 2.1: Major Government Measures and Policies

Measure/Policy	Highlights
Adequate supply of industrial land through the IGLS Programme	• 14.08 ha of industrial land (14 sites) were made available in the H1 2015 Industrial Government Land Sales ("IGLS") programme. However, this was lower than the 20.42 ha and 18.87 ha in the H1 and H2 2014 programmes respectively • Sites offered mainly have tenures of 20 to 30 years and majority were small parcels (0.5 to 0.8 ha) for end-users to build their own facilities
Revisions to JTC's Subletting Policy	• JTC Corporation ("JTC") adjusted the maximum allowable sublet quantum for end-user lessees[1] and third-party facility providers[2] from 50% to 30% of Gross Floor Area ("GFA") with effect from 1 October 2014. Meanwhile, JTC tenants are no longer allowed to sublet their spaces. A grace period until 31 December 2017 is provided to existing lessees and tenants for compliance • The revised subletting policy allows end-user lessees and third-party facility providers to sublet 50% of GFA to non-related companies and non-anchor subtenants respectively within five years after obtaining Temporary Occupation Permit ("TOP"), and up to 30% thereafter. This is to allow new lessees time to ramp up their production at their newly developed facilities • For third-party facility providers, there is a minimum occupation period of three years for subsequent anchor subtenants to ensure the subtenants make meaningful and sustained productive use of their spaces

1 Applies to the subletting to non-related companies.
2 Applies to the subletting to non-anchor subtenants. An anchor subtenant is defined by JTC as a company that satisfies JTC's assessment on value-added, remuneration per worker and employee profile and occupies at least 1,500 sq m (16,146 sq ft) of GFA and non-anchor subtenants are not required to fulfil these requirements.

Measure/Policy	Highlights
URA revised guidelines for supporting uses in industrial developments	• The Urban Redevelopment Authority ("URA") reviewed the allowable supporting uses in industrial developments, which are kept within a 40% quantum, so as to better meet industrialists' needs • The revisions, which are effective from 24 November 2014, give industrial developers more flexibility. For instance, staff canteen in industrial developments (now termed as "industrial canteens") are now allowed to serve external customers and commercial uses e.g., clinic, banking hall/ATM, minimart and fitness centre/gym are now allowed in selected outlying industrial estates
URA revised guidelines for e-business and media uses in industrial developments	• URA revised the guidelines for e-business and media uses in industrial developments, which were introduced in 2000 and 2001 respectively, which will take effect from 24 November 2014 • Businesses that provide telecommunications infrastructure and/ or develop software as well as core media activities[3], will be allowed in industrial developments, as part of the 60% predominant component for core industrial uses. All call centres will also be allowed to be located in Business Park and Business 1 developments, as part of the 60% predominant component • However, businesses that use software to conduct business electronically e.g., for marketing and consultancy and non-core media activities[4] will be regarded as commercial uses, as part of the 40% ancillary component for supporting uses

Measure/Policy	Highlights
Proposed changes to regulatory framework for REITs	• The MAS published a consultation paper in October 2014 for public feedback on proposed enhancements to the regulatory framework for REITs and REIT Managers • The proposed changes were focused on enhancing the transparency and corporate governance of the REITs and creating stronger disclosure standards

Source: JTC, MTI, MAS, DTZ Consulting & Research, March 2015

Impact of the JTC's Revised Subletting Policy

The revision of JTC's subletting policy is not expected to have a major impact on most industrial REITs, especially those whose portfolios are already compliant with the revised anchor tenant requirements. In addition, the three-year grace period for end-user lessees and third-party facility providers to comply is likely to help mitigate the impact of the policy revision. However, competition among third party facility providers is expected to intensify given the more stringent subletting requirements, especially for anchor subtenants.

Industrial Prices and Investment Market

Following the implementation of policies and measures to ensure a stable and sustainable industrial property market in recent years, industrial price growth has been moderate. According to JTC, industrial property prices rose by 3.2% in 2013 and 3.5% in 2014, a more sustainable level compared with the 24% to 27% annual price growth from 2009 to 2012. Overall industrial sales transaction activity also fell sharply by 48% from 2,631 transactions (with a transaction value of about $6.0 billion[5]) in 2013 to 1,356 transactions ($3.1 billion) in 2014.

Despite concerns over an increase in interest rates and tightening regulations in the industrial property sector and the REIT industry, REITs continued to lead the industrial property investment market. While the investment market continued to stay fairly healthy in 2014, most of the transactions were for investment lots below $50 million. There were also fewer sales-and-leaseback transactions, as a result of the revision in JTC's subletting policy. In view of an anticipated decline in rentals in some industrial property segments, expectations of a rise in overall interest rates in H2 2015 and the Total Debt Servicing Ratio ("TDSR") framework continuing to impact retail investors, industrial property prices and investment activity are expected to continue to moderate in 2015.

3 Core media activities are production services which require technical facilities e.g., studios and high-tech production equipment.
4 Non-core media activities include the marketing, distribution and aggregation of digital content.
5 All currencies in this report are in SGD, unless stated otherwise.

INDEPENDENT MARKET STUDY (SINGAPORE)

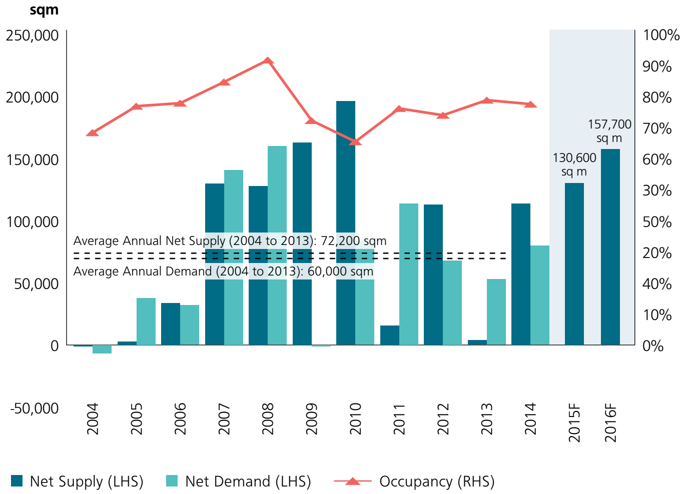
By DTZ Debenham Tie Leung (SEA) Pte Ltd

3.0 BUSINESS AND SCIENCE PARKS[6]

Existing Supply[7]

Five business park properties were completed in 2014, with majority in one-north e.g., Nucleos (32,100 sqm), Galaxis (47,800 sqm) and The Shugart (33,500 sqm). This led to private[8] business park stock rising by 8.9% (114,000 sqm) in 2014, the highest since 2011 (Figure 3.1). About 58% (80,000 sqm) of the new supply were multi-tenanted business park developments catering to biomedical, media, Infocommunication ("ICT"), science and engineering research companies, while the remaining were Build-to-Suit ("BTS") facilities.

Figure 3.1: Net Supply, Net Demand and Occupancy (Private Business Park)



Source: JTC, DTZ Consulting & Research, March 2015

As at Q4 2014, there was 1.4 million sqm of private business park space, constituting only about 4% of private industrial stock in Singapore (37.6 million sqm). Majority is located in the Central Region (686,000 sqm, 49%[9]), while the remaining is distributed evenly across the East Region (362,000 sqm, 26%) and West Region (341,000 sqm, 25%).

Potential Supply

Significant business park space (288,300 sqm) is expected to complete in 2015 (130,600 sqm) and 2016 (157,700 sqm). Majority (258,700 sqm, 90%) of the new supply is in the Central Region. The larger business park developments in the pipeline include Mediacorp Broadcast Centre (63,900 sqm) and Mapletree Business City Phase 2 (102,400 sqm), completing in 2015 and 2016 respectively. Nonetheless, about 39% (111,100 sqm) of this are single-user BTS facilities and this is expected to help relieve some of the supply pressure in the business park segment over the next two years.

Demand and Occupancy

The business park market remained healthy, despite the slowdown in the overall industrial market. Notably, the demand situation for business parks improved in 2014, after experiencing relatively soft leasing activity in 2013. In particular, there was a marked increase in islandwide business park demand (80,000 sqm) in 2014, higher compared with the 53,000 sqm in 2013 and annual average net demand over the past decade (60,000 sqm). The relatively healthy commitments of newly completed multi-tenanted developments, such as Galaxis, partly contributed to the pick-up in demand. There was also support from an increased number of prospective occupiers seeking more affordable options in business park spaces, amid the considerable increase in office rents.

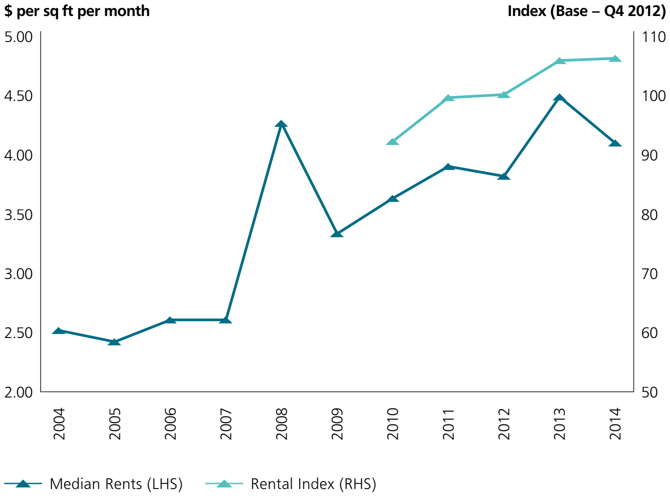
Despite the improved demand, islandwide occupancy for business parks fell by 1.0%-points from 82.1% in Q4 2013 to 81.1% in Q4 2014. The decline was primarily due to the significant new supply, especially in one-north. On the other hand, some properties at Changi Business Park such as Hansapoint, Honeywell Building and 1 Changi Business Park Avenue 1 experienced a rise in occupancy[10] in the recent quarter. As a result, occupancy in the Central Region fell by 6.8%-points in 2014, while the East and West Regions saw increases of 8.0%-points and 1.0% points respectively.

Rents

According to JTC's business park rental index[11], private business park rentals continued to increase by 0.4% in 2014, on the back of rising office rents. Nonetheless, the increase was more moderate compared with that in 2013 (5.8%), amid the fall in occupancy. Median monthly rents[12] for private business parks stood at $4.09 per sq ft ($44 per sqm) as at Q4 2014.

6 According to JTC, science parks where the primary activity is R&D are included in the Business Park category from Q3 2002.
7 All supply and demand figures are in terms of Net Lettable Area, unless stated otherwise.
8 This report focuses on private industrial space.
9 Some figures in this report may not add up due to rounding off.
10 December 2014 versus September 2014: Hansapoint (97.6% vs 71.0%), Honeywell Building (97.7% vs 90.0%) and 1 Changi Business Park Avenue 1 (44.3% vs 19.8%).
11 The rental index is computed using fixed weights based on 2009 transaction values before Q1 2013. From Q1 2013, the weights used are fixed using 2012 transaction values. Data is only available from 2012 onwards.
12 Median rentals in this report are from the REALIS database and refer to gross rent including service charge and GST. They have not been subjected to computation e.g., moving average. Rental information is dependent on the number of rental transactions in the quarter and is obtained from returns filed with the Inland Revenue Authority of Singapore ("IRAS"). When a property is let out, the property owner has to inform IRAS the details of the tenancy agreement.

Figure 3.2: Rental Trend (Private Business Parks)



Source: URA, JTC, DTZ Consulting & Research, March 2015

Outlook

The government's continued focus on knowledge-intensive and higher-value industries is expected to support growth of companies engaged in activities such as advanced manufacturing and applied health sciences. This will help support the demand for business park space.

While there is significant new supply expected in 2015, majority (72%) are accounted by BTS developments, which are already fully or mostly committed by a single anchor tenant/ end-user. As such, rental growth in the segment is expected to stay relatively firm. Furthermore, as median business park rents were around 60% and 35% lower than those for Category 1 and 2[13] office buildings respectively, business parks are still expected to benefit from the office spill-over phenomenon as office rents continue to rise.

With office rents expected to continue to increase in 2015, the impetus for qualifying occupiers to relocate to more affordable options such as business parks is likely to stay strong. Notwithstanding the moderate economic prospects, private islandwide business park rentals are projected to grow by about 3% to 5% in 2015.

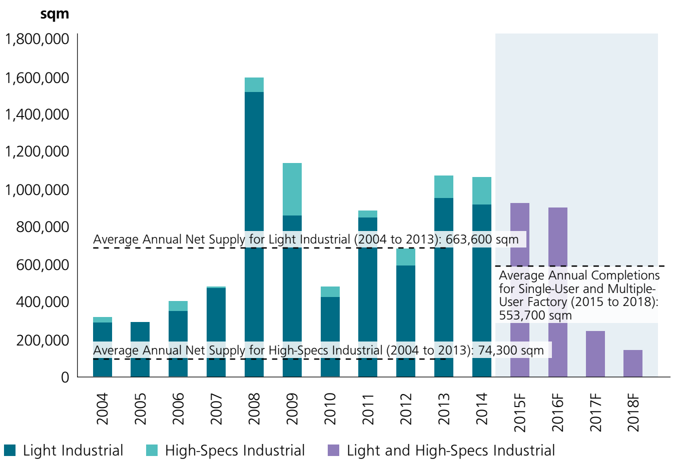
4.0 LIGHT[14] AND HIGH-SPECS[15] INDUSTRIAL

Existing Stock

Light industrial stock (single-user and multiple-user factory, excluding high-specs industrial) grew at a steady pace (4%) in 2014, from 25.3 million sqm in 2013 to 26.3 million sqm. In particular, about 83% of the multiple-user factory space completed in 2014 was strata-titled for sale. These developments usually had unit sizes below 250 sqm. The larger strata-titled multiple-user factories completed in 2014 include Premier@Kaki Bukit (61,500 sqm) and Link @AMK (47,700 sqm). There were also several major single-user factories catering to high-tech companies that were completed in 2014.

Meanwhile, DTZ estimates that high-specs industrial stock in Singapore rose by about 10% (146,800 sqm) from about 1.5 million sqm in 2013 to 1.6 million sqm[16] in 2014 (Figure 4.1). Similar to 2013, 2014 saw the completion of some major high-specs industrial developments, notably by REITs, including Aperia (62,300 sqm), a Green Mark Platinum integrated retail and Business 1 development designed for hi-specs industries such as ICT, engineering services, electronics and industrial training. This also reflects the growing high-specs industrial cluster locations such as Paya Lebar iPark. Another significant completion was Equinix's SG3 IBX Data Centre (29,300 sqm) at one-north, which will be Equinix's third data centre in Singapore and its largest in Asia Pacific.

Figure 4.1: Net Supply (Private Light and High-Specs Industrial)



Source: JTC, DTZ Consulting & Research, March 2015

13 Category 1 office buildings are defined as those located in core business areas in Downtown Core and Orchard Planning Area which are relatively modern or recently refurbished, command relatively high rentals and have large floor plate size and gross floor area, while Category 2 offices are the remaining office buildings in Singapore that are not included in Category 1.

14 Light industrial refers to all single-user and multiple-user factory space, excluding high-specs industrial, as defined by DTZ.

15 There is currently no official definition for high-specs industrial space. According to A-REIT, they are typically vertical corporate campuses with high office content combined with high specifications mixed-use industrial space. These type of properties house largely MNCs which wish to co-locate their manufacturing activities with their HQ operations functions. These also include data centres.

16 DTZ's basket of high-specs industrial properties is reviewed on an annual basis.

INDEPENDENT MARKET STUDY (SINGAPORE)

By DTZ Debenham Tie Leung (SEA) Pte Ltd

Potential Supply

DTZ estimates that there is approximately 2.2 million sqm of private factory space in the pipeline from 2015 to 2018. This is about 8% of the existing stock in 2014. About 83% will complete in 2015 (0.9 million sqm) and 2016 (0.9 million sqm). Following the trend over the past two years, most (97%) of the multiple-user factories completing in 2015 are strata-titled for sale. These strata-titled industrial properties, upon completion, are expected to pose more competition to multiple-user factories that cater to small end-users. On the other hand, potential supply in the high-specs industrial segment is expected to be relatively tight, as it accounts for about 6% to 10% of the overall pipeline supply of private single-user and multiple factories.

Demand and Occupancy[17]

Notwithstanding the moderate economic performance in 2014, annual net demand for private multiple-user factories reached 332,000 sqm in 2014, a significant pick-up from the 126,000 sqm in 2013 (Figure 4.2). Leasing activity was mainly from high-tech companies, particularly those in the biotechnology, biomedical and med-tech industries. These clusters, earmarked by the government as future growth industries, have been expanding significantly in Singapore, reflecting the country's strong position as a global-Asia tech hub and its comprehensive end-to-end innovation eco-system.

Similar to the business park sector, demand for high-specs industrial space was supported by cost-conscious tenants relocating from more costly office space. For instance, Roche Diagnostics and Intel relocated from their previous premises at Central Plaza and Haw Par Centre respectively to Aperia. Aperia has also attracted many other established MNCs such as Audi, Cardinal Health and McDonald's.

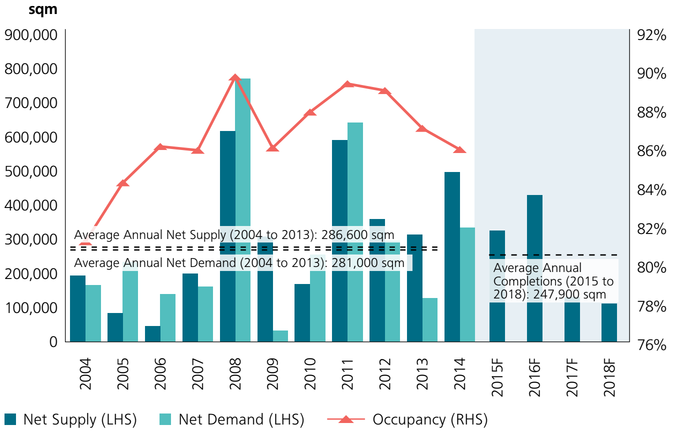
Although demand was significant (332,000 sqm) in 2014, net supply (496,000 sqm) was substantial and exceeded net demand. Due to the ample new supply, occupancy for private multiple-user factory space fell by 1.2%-points from 87.1% in 2013 to 86.0% in 2014, the third consecutive decline since 2012. In view of the curtailed demand from large end-users, especially in labour-intensive industries, some industrial landlords, particularly REITs, have been converting their single-user assets to multi-tenanted buildings. This also impacted on multiple-user factory occupancy in 2014.

A large proportion of net supply was accounted by strata-titled factory space. While many of these developments incorporate modern features such as office-like facades, arrival lobbies and landscaping, their units are small and lack specifications for industrial use. These units mostly are not suited for large industrial MNCs, which typically require large contiguous floor plates and high specifications. Coupled with the strict user-eligibility criteria, leasing demand for strata-titled factory units was lacklustre. As a result, this affected overall multiple-user factory occupancy as many of the strata-titled factory units remained vacant despite being sold.

Rents[18]

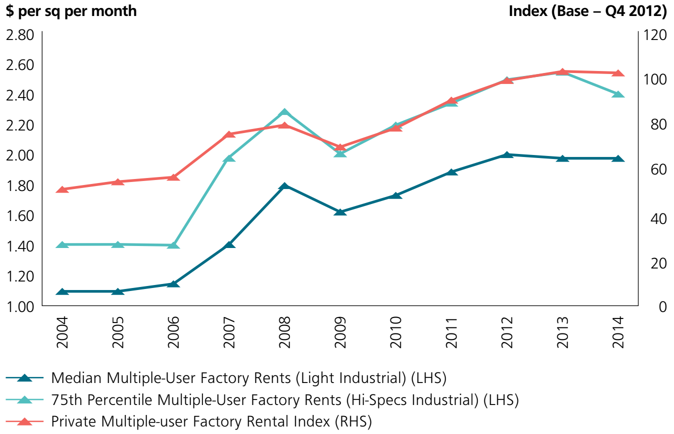
The declining occupancy for multiple-user factories resulting from the excess supply in 2014 weighed on light industrial rentals. Many of the strata-titled factories remained vacant despite being sold. With industrialists continuing to face challenging operating conditions, many remained cost-sensitive. Coupled with the increased competition for tenants among landlords, private multiple-user factory rents fell by 0.7% in 2014 after its 3.5% increase in 2013, according to JTC's multiple-user factory rental index. Meanwhile, light industrial monthly rents remained stagnant at $1.98 per sq ft ($21 per sqm) in 2014 (Figure 4.3).

Figure 4.2: Net Supply, Net Demand and Occupancy (Private Multiple-user Factory)



Source: JTC, DTZ Consulting & Research, March 2015

Figure 4.3: Rental Trend (Private Light and High-Specs Industrial)



Source: URA, JTC, DTZ Consulting & Research, March 2015

17 Demand and occupancy data for the high-spec and light industrial segments is unavailable. The demand and occupancy trends for private multiple-user factory are used as a proxy.

18 The 75th percentile monthly rentals for multiple-user factory space were used as a proxy for high-specs industrial rental trends, while the median rentals for multiple-user factory space were used as a proxy for light industrial rental trends.

High-specs industrial monthly rents also experienced a 5.9% decline in 2014, falling from $2.55 per sq ft ($27 per sqm) in 2013 to $2.40 per sq ft ($26 per sqm). While demand in the high-specs industrial segment was relatively healthy, it is likely that landlords of these properties kept their rentals at attractive levels to entice tenants, particularly those relocating from office premises in the fringe and decentralised areas. Nonetheless, rentals of better quality high-specs industrial developments remained stable in 2014.

Outlook

The prospects for manufacturing sector is relatively subdued, with a net weighted balance of 3% of manufacturers expecting a more challenging business situation in H1 2015 due to the mixed global economic outlook. While the Purchasing Managers' Index picked up by 0.3 points from 49.6 in December 2014 to 49.9 in January 2015, it is below the 50-point mark that separates contraction and expansion. Meanwhile, the Economic Development Board ("EDB") expects the level of investment commitments to moderate in line with Singapore's restructuring and increased global economic uncertainty. Coupled with the supply pressure in the multiple-user factory market, light industrial rentals are expected to be under pressure and are forecast to decline by 3% to 5% in 2015.

On the other hand, the outlook for high-specs industrial space is more positive, given the limited new supply of such space over the next few years. In addition, high-specs industrial are traditionally correlated with office rents, given their value proposition as a more affordable alternative for qualifying tenants. High-specs industrial rentals are expected to grow by about 3% to 5% in 2015, on the back of an expected rise in office rents.

5.0 LOGISTICS AND DISTRIBUTION CENTRES[19]

Existing Stock

Similar to light industrial, private warehouse stock rose by 8.8% from 7.6 million sqm in 2013 to 8.3 million sqm in 2014, which translated to a net supply of 674,000 sqm. This was more than double of that in 2013 (315,000 sqm) and the highest in the past decade. Many of the warehouses completed in 2014 were BTS logistics facilities by third-party logistics companies as well as industrialists in specialised logistics sectors e.g., chemicals and perishables. The completions in 2014 were generally better specified than conventional warehouses. These include Cogent 1.Logistics Hub (130,100 sqm) and Fairprice Hub (91,300 sqm). A notable completion in 2014 was BIGBOX, the last warehouse retail development under the EDB's Warehouse Retail Scheme introduced in 2004.

Potential Supply

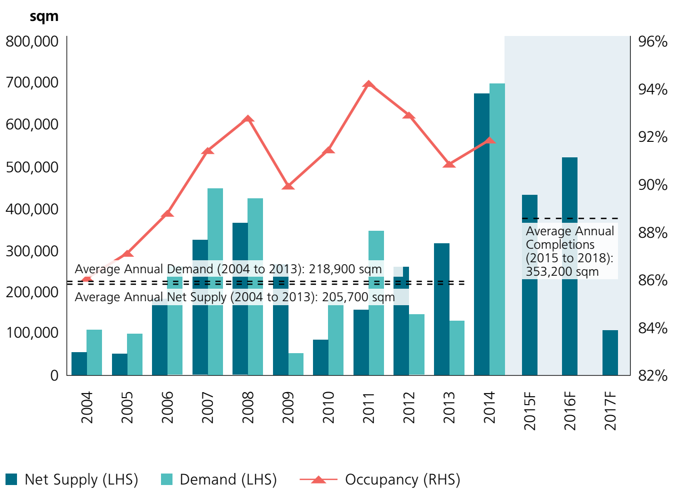
About 1.1 million sqm of private warehouse space is in the pipeline from 2015 to 2017. Although lower than that in 2014, new supply in 2015 (0.4 million sqm, 41%) and 2016 (0.5 million sqm, 49%) is well above the average annual new supply from 2005 to 2014 (0.3 million sqm).

Many of the warehouses in the pipeline are BTS facilities, predominantly occupied by a single-user e.g., DHL Supply Chain Regional Center (86,200 sqm) at Greenwich Drive and the warehouse development by Warehouse Logistics Net Asia at Jalan Buroh (49,200 sqm). As such, the ample pipeline supply is not expected to impact the warehousing market significantly.

Demand and Occupancy

Net demand for private warehouse space was 698,000 sqm in 2014, the highest over the past decade and even exceeded the significant net supply in the year (Figure 5.1). This was in line with a study[20] of top 1,000 companies in Singapore, which indicated that the transport & storage sector, a key demand driver of the logistics and distribution segment, was the top performing industry in Singapore in 2014. Due to net demand exceeding supply in 2014, occupancy for private warehouse space rose by 1.0%-points from 90.8% in Q4 2013 to 91.8% in Q4 2014.

Figure 5.1: Net Supply, Net Demand and Occupancy (Private Warehouse Space)



Source: JTC, DTZ Consulting & Research, March 2015

19 There are no official statistics on logistics and distribution centres in Singapore. The report primarily uses private warehouse data from JTC.
20 Source: DP Information Group and Ernst & Young.

INDEPENDENT MARKET STUDY (SINGAPORE)

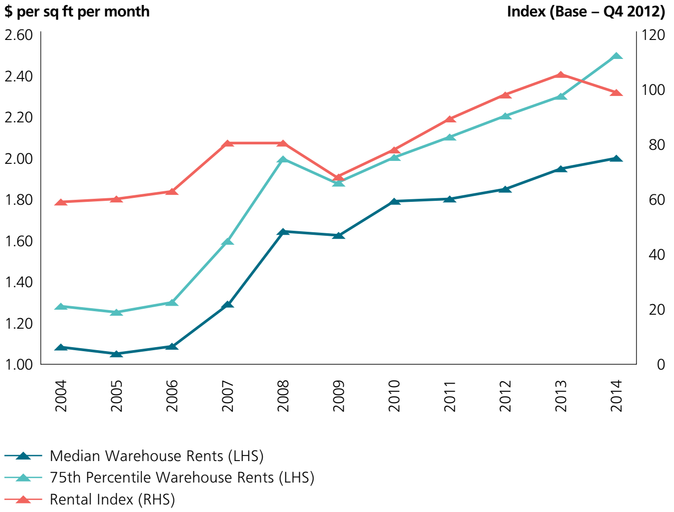
By DTZ Debenham Tie Leung (SEA) Pte Ltd

Rents

According to JTC's warehouse rental index, warehouse rentals fell by 6.3% in 2014, which was more extensive compared with the multiple-user factory segment (-0.7%) (Figure 5.2). This was despite the robust demand and pick-up in occupancy in the warehouse segment in 2014. While the decline was partly due to the high rental base achieved in 2013, the tighter restrictions on industrial space usage in the recent years, e.g., JTC's subletting policy revision, also weighed down on the warehouse market.

In addition, many older warehouses, which are not suited for modern logistics and distribution operations, are captured in the rental index and may have put a drag on warehouse rentals. Meanwhile, median warehouse monthly rents were $2.00 per sq ft ($22 per sqm) in 2014, while 75th percentile warehouse monthly rents, a proxy for logistics and distribution facilities, were $2.51 per sq ft ($27 per sqm).

Figure 5.2: Rental Trend (Private Warehouse Space)



Source: JTC, DTZ Consulting & Research, March 2015

Outlook

Similar with light industrial, the rental outlook for private warehouse space is expected to be cautious. Private warehouse rents are expected to decline by about 3% to 5% in 2015. Nonetheless, the prospects for facilities geared for logistics and distribution functions are expected to be more positive, given the rapid growth of e-commerce, particularly in Asia Pacific. According to Rakuten, global e-commerce sales are expected to reach USD1.5 (SGD2.1) trillion by the end of 2015, and Asia Pacific will become the largest market (sales of USD525.2 (SGD726.3) billion), surpassing that for North America (USD482.6 (SGD667.4) billion).

In particular, Singapore continues to position itself as a strategic logistics hub in Asia Pacific for regional distribution services and has cultured a conducive environment for high-value logistics and distribution activities. Moreover, as most of the expected warehouse completions in the next two years are BTS warehousing/ logistics facilities, supply pressure on rentals is expected to be relatively moderate.

Taking the abovementioned factors into consideration, rentals for logistics and distribution facilities are expected to perform better than those for conventional warehouses in 2015.

INDEPENDENT MARKET STUDY (SHANGHAI & BEIJING)

By Colliers International Property Consultants (Shanghai) Co. Ltd.

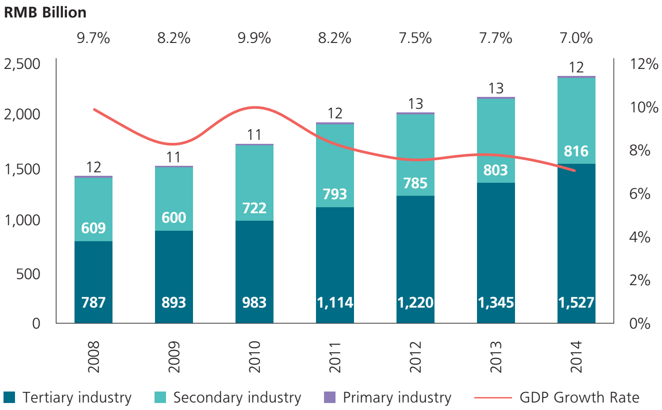
SHANGHAI BUSINESS PARK

1. Macroeconomic Highlights

Shanghai's economy maintained steady growth in 2014, albeit at a lower growth rate than recorded in previous years. The output of gross domestic product ("GDP") reached RMB 2.35 trillion by the end of the year, an increase of 7 percent over the previous year, compared to the 7.7 percent growth seen in 2013. GDP per capita at the end of 2014 reached RMB 94,768 based on 2013's population statistics.

The total output value of tertiary industry reached RMB 1.53 trillion, an increase of 8.8 percent over the previous year, 4.5 percentage points more than the growth of secondary industry, and becoming a major factor in stimulating economic growth in Shanghai.

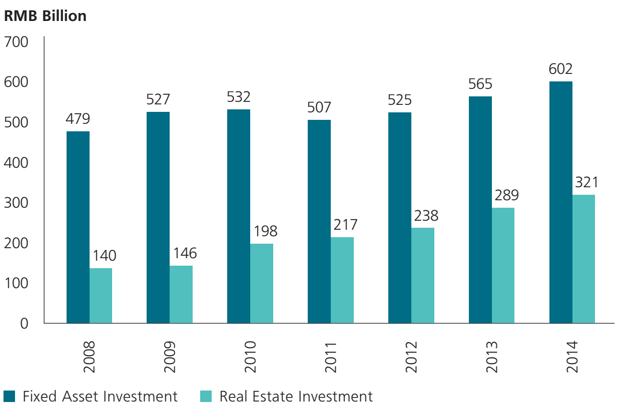
Figure 1: Shanghai GDP and GDP Growth (2008 to 2014)



Source: Shanghai Statistics Bureau

In 2014, Shanghai's total fixed asset investment rose 6.5 percent over the previous year to RMB 602 billion. Of this, investment in real estate reached RMB 321 billion, an increase of 13.7 percent year on year, representing over half of total fixed asset investment.

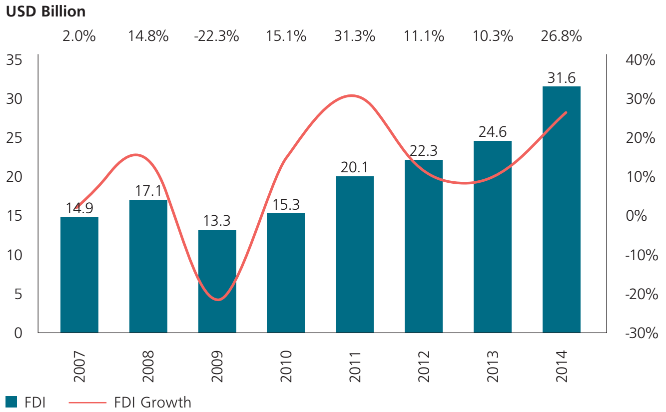
Figure 2: Shanghai Fixed Asset Investment and Real Estate Investment (2008 to 2014)



Source: Shanghai Statistics Bureau

Shanghai's Foreign Direct Investment ("FDI") witnessed stable growth after the drop in year 2009, reaching USD 31.6 billion at the end of 2014. Shanghai's FDI grew 26.8 percent year on year as of the end of 2014. The city has 4,697 FDI contracts, with a total investment volume contracted at USD 31.6 billion. The proportion of FDI attributed to secondary industry increased 5.2 percent year on year, in which industrial sector dropped 4.8 percent year on year, as a result of manufacturing industries moving out of Shanghai. Tertiary industry increased 25.4 percent year on year as Shanghai's pilot Free Trade Zone attracted more FDI in to the service industry since its inception in September 2013.

Figure 3: Shanghai Foreign Direct Investment and its Growth (2007 to 2014)

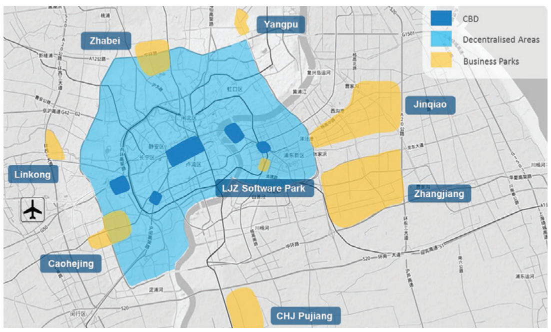


Source: Shanghai Municipal Bureau of Statistics

2. Supply

Shanghai has eight core business parks, comprising in excess of approximately 6,927,589 square metres of high-quality stock as at the end of 2014. Zhangjiang (张江) and Caohejing (漕河泾) are both state level high-tech zones and generally considered to be Shanghai's prime business park areas, with established markets, good connectivity to the Central Business District ("CBD") and good quality office product. Linkong (临空) and Jinqiao (金桥) are considered to be the primary emerging markets in the Shanghai business parks market

Map 1: Shanghai Business Park Districts



Source: Colliers International Shanghai Research

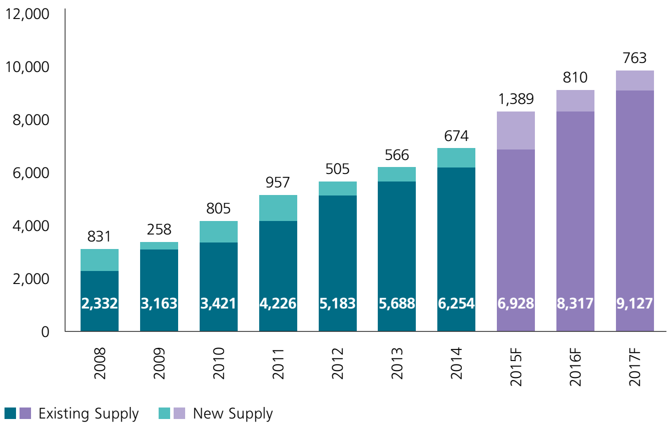
INDEPENDENT MARKET STUDY (SHANGHAI & BEIJING)

By Colliers International Property Consultants (Shanghai) Co. Ltd.

New supply in Shanghai's business park market reached a three year high in 2011 when approximately 957,000 square metres of total gross floor area was launched. This represented a 19 percent increase over 2010. New supply in 2012 brought the total stock of Shanghai's business park market to approximately 5,687,000 square metres. In 2013, total stock reached approximately 6,253,000 square metres. A total of 674,000 square metres of new supply entered the market during 2014, with the total stock reaching approximately 6,927,589 square metres at the end of the year.

Figure 4: Shanghai Business Parks Existing Stock and New Supply (Q1 2011 to 2014)

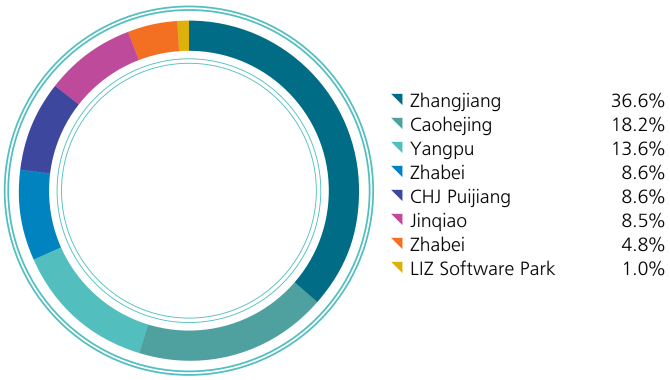
Thousand square metres



Source: Colliers International

Shanghai's new supply of business park premises is expected to increase significantly over the next three years, to total almost 3 million square metres of new space in the major business parks by 2017. Supply will spike in 2015, as a total of 1,389,273 square metres is scheduled to launch.

Figure 5: Shanghai Business Parks Future Supply by Submarket (2015 to 2017)



Source: Colliers International

3. Demand

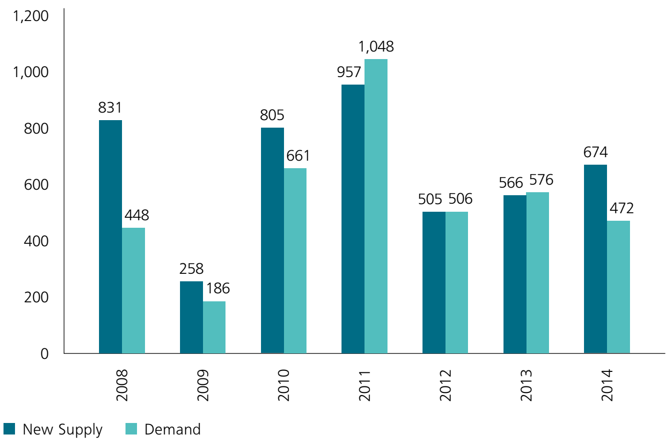
Demand in the last quarter of 2014 was particularly strong, with approximately 262,843 square metres being absorbed by the market. Occupiers from medical, financial, IT and high-tech manufacturing sectors were particularly active during the second part of the year. Caohejing registered the largest net absorption among all submarkets at 77,286 square metres, but large scale deals were also seen in Jinqiao and Zhangjiang.

Demand for business parks premises has consistently been significantly higher than that seen in the CBD, supported by large scale deals, potentially with Build to Suit transactions that quickly drive up the occupancy rates, example being Nike in Yangpu (55,000 square metres). Even with a number of large, high quality new properties coming on line, demand appears to have grown.

The overall demand for 2014 was 472,264 square metres, a decrease of approximately 18 percent from 2013.

Figure 6: Shanghai Business Parks Supply and Demand (2008 to 2014)

Thousand square metres

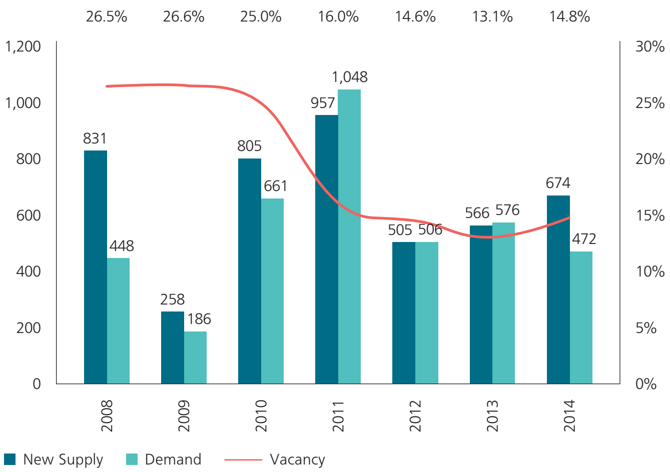


Source: Colliers International

4. Vacancy Rate

Vacancy rates in Shanghai's business parks typically range from 10 to 20 percent, averaging approximately 15 percent. As a result of reduced new supply, Shanghai's business park average vacancy rate hit a low in the second half of 2014, but over 600,000 square metres of supply in the second half of the year caused vacancy to edge up. At the end of the year the average vacancy rate stood at 14.8 percent.

Figure 7: Shanghai Business Parks Vacancy Rate (2008 to 2014)

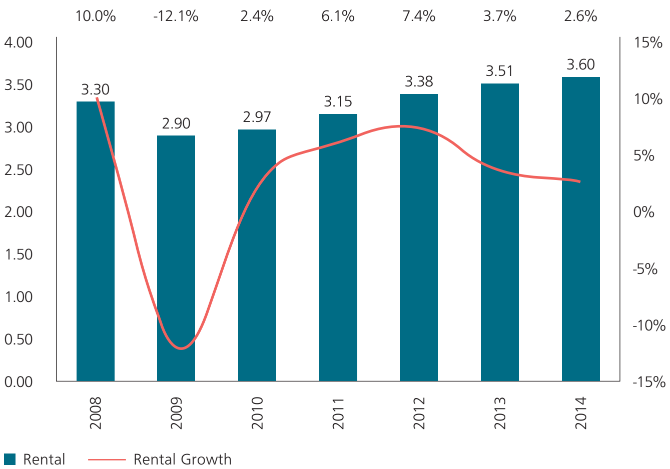


Source: Colliers International

5. Rental

Currently, new supply of higher than average quality premises is supporting general market rental increases with average leasing rates for space in Shanghai's business parks reaching approximately RMB 3.6 per square metre per day by the end of 2014. Rental growth has decelerated since 2012 given the increasing amount of new supply and correspondingly stronger competition; the compound annual rental growth rate over the past three years (2011 to 2014) is around 5 percent.

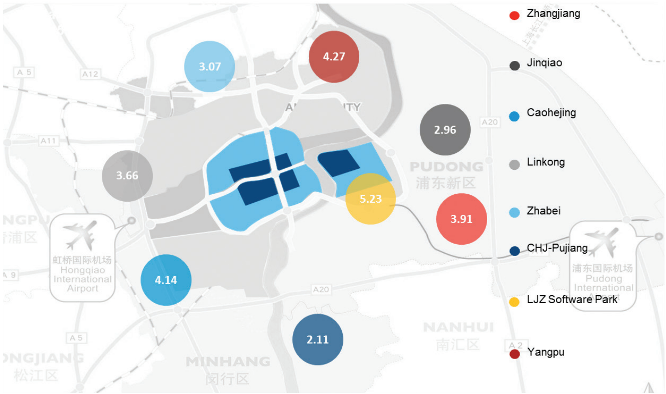
Figure 8: Shanghai Business Parks Average Rental and Rental Growth (2008 to 2014)



Source: Colliers International

In terms of submarket, LJZ Software Park records the highest rentals, followed by Yangpu and Caohejing areas. Currently the lowest rental levels are seen in Caohejing Pujiang.

Map 2: Shanghai Business Parks Average Rental by Area (2H2014)

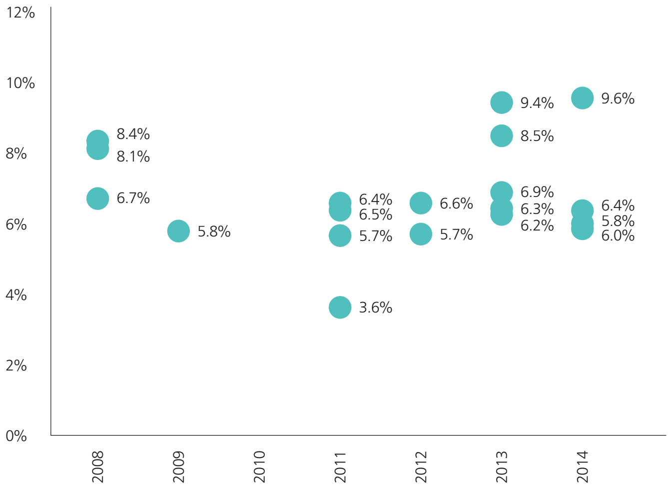


Unit: RMB per sqm per day rental of last quarter/RMB psm per day rental of this quarter (%) refers to vacancy rate

Source: Colliers International Shanghai Research

6. Gross Yield

Figure 9: Shanghai Business Parks Gross Yield (2008 to 2014)



Source: Colliers International

The gross yields in business parks generally ranged between 6 percent and 9 percent as of the end of 2014, approximately 1 to 2 percentage points higher than downtown in some cases; however yields vary dramatically on a location and project basis.

INDEPENDENT MARKET STUDY (SHANGHAI & BEIJING)

By Colliers International Property Consultants (Shanghai) Co. Ltd.

7. Business Parks Market Outlook

Shanghai continued to host the largest concentration of foreign investment-type companies, regional headquarters, and R&D centres in mainland China. Official data shows that contracted FDI reached USD 29.4 billion in the first eleven months of 2014, with 44.4 percent of the total inflow directed to tertiary industry.

Supply is expected to spike in 2015, with nearly 1.4 million square metres of new supply scheduled, including Chamtime in Zhangjiang, Headquarters Park Phase II and Shanghai Business Park Phase III-1/2/3 in Caohejing, and the 11-3 NCN Office Building in Linkong. Though the volume of new supply will be a record high and will cause the vacancy rate to increase in the short-term, the nature of the supply (nearly 60 percent will be located in Caohejing and Zhangjiang, where demand is historically strong) and the ongoing development of Shanghai's modern service sector will drive the absorption of much of this new supply.

Improved transportation accessibility as well as higher building specifications will support average rental growth despite the spike in supply, though this will vary substantially by submarket. In the investment market, capital values and yields are expected to be largely stable in the near term. However, the outlook for the business park market is forecast to be positive.

Looking forward, it is likely that Shanghai business parks will remain a popular choice for local and international companies alike. Local governments are likely to continue to invest in high quality infrastructure to support the development of such areas, and, as momentum continues to grow, companies in search of large contiguous spaces and competitive rental levels may well have little alternative if they wish to remain in the Shanghai area.

Likewise, smaller start-up firms are likely to be established in these areas. Low rentals in business parks used to be a large attraction to companies to set up entities. Until now it remains a strong incentive, however, the main incentives now are government's preferential and economic stimulation policies in business park areas and the locational advantages of being an industrial cluster.

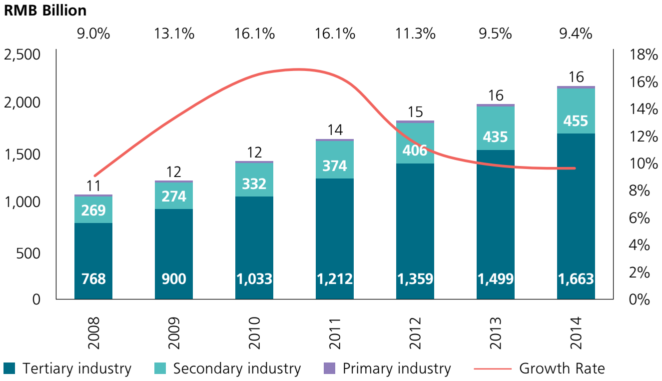
Large Chinese companies are likely to continue the trend of purchasing buildings or sites for their headquarters or research and development buildings but it is also likely that leasing activity from such companies will continue to grow.

BEIJING BUSINESS PARK

1. Macroeconomic Highlights

Beijing's economy maintained stable growth in 2014. The total output of gross domestic product ("GDP") reached RMB 2,133 billion by the end of the year, an increase of 9 percent over the previous year. GDP per capita grew 6 percent to RMB 99,121. The output of tertiary industry increased to RMB 1,663 billion, a 10.9 percent rise year on year, while the total value of secondary industry rose 4.4 percent to RMB 455 billion.

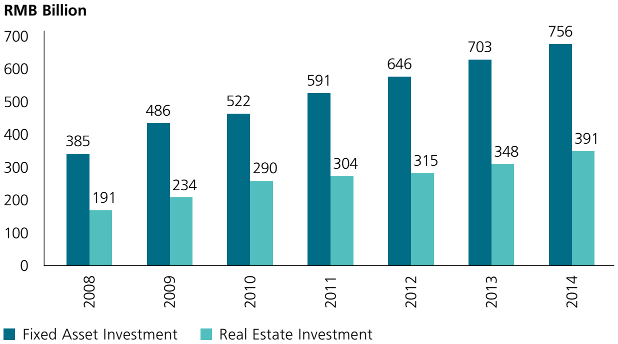
Figure 1: Beijing GDP and GDP Growth (2008 to 2014)



Source: Beijing Statistics Bureau

In 2014, Beijing's fixed asset investment grew to RMB 756 billion, an increase of 7.5 percent over the previous year. Real estate investment climbed 12.3 percent to RMB 391 billion, accounting for 51.7 percent of total fixed asset investment.

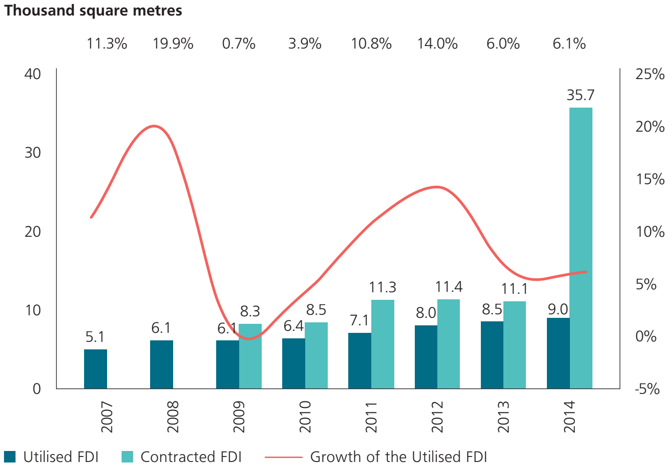
Figure 2: Beijing Fixed Asset Investment and Real Estate Investment (2008 to 2014)



Source: Beijing Statistics Bureau

Beijing's total import-export value decreased 3.3 percent year on year to USD 416 billion in 2014. The total value of exports decreased 1.2 percent over the previous year to USD 62 billion. Utilised foreign direct investment ("FDI") in Beijing reached USD 9.0 billion in 2014, an increase of 6.1 percent over the previous year. Meanwhile, contracted FDI rose to USD 35.7 billion due to the increasing equity mergers and acquisitions of enterprises by foreign investors.

Figure 3: Beijing Contracted and Utilised FDI (2009 to 2014)

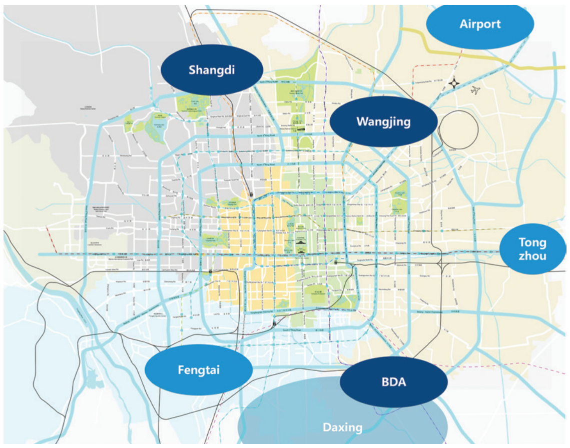


Source: Beijing Statistics Bureau

2. Supply

Beijing's current business park sector is generally considered to be divided into three major submarkets, and three secondary areas. The key business park areas are Shangdi (上地) Area, Wangjing Area (望京), and Beijing Economic and Development Area (BDA, 北京经济技术开发区). The other submarkets are Tongzhou Area (通州), Airport Zone (天竺空港工业区) and Fengtai Area (丰台). Shangdi (an extension of the Zhongguancun area) and Wangjing are considered the prime business park locations in Beijing. BDA is the most established, however some of the business park stock is now quite aged. Airport and Tongzhou areas are emerging business park locations.

Map 1: Beijing Business Park Areas



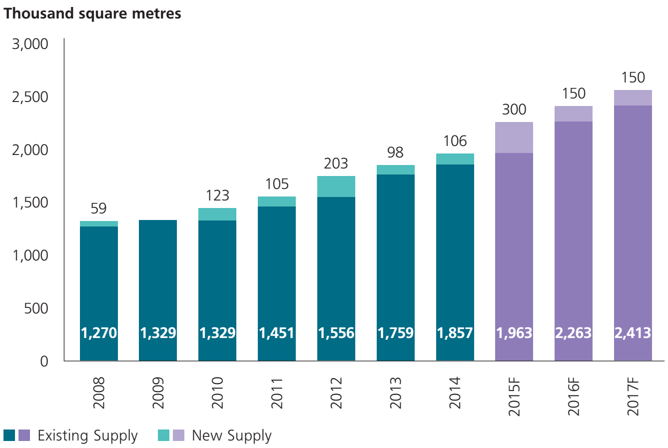
Source: Colliers International

By Gross Floor Area ("GFA"), Beijing's business park market supply has expanded by approximately 47.8 percent from 1.3 million square metres in 2008 to approximately 2.0 million square metres by the end of 2014. The figure of total supply does not include self-occupied properties.

The supply of business park space in Beijing is expected to expand 31% over the next three years. About 300,000 square metres of new business park GFA is scheduled for completion in 2015, 150,000 square metres in 2016 and a further 150,000 square metres in 2017. They are mainly located in the Shangdi and Daxing district.

To satisfy expected future demand, the pace of supply is expected to pick up as well. Most of the new supply will be located in Shangdi and Daxing district due to university and R&D technology cluster and sufficient supply of available land respectively. In Wangjing, this will be limited by land availability. In addition, the Airport, Fengtai and Tongzhou area have emerged as future business park markets.

Figure 4: Beijing Business Parks Existing Stock and New Supply (2008 to 2017F)



Source: Colliers International

Table 1: Beijing Business Parks Future Supply (2015 to 2017)

Year	Projects	District	Current Status	Leasing GFA (sq m)
2015	Beijing Innovation Base of Dynamic Economy Phase I	Daxing	for Lease	150,000
	Dongsheng Technology Park	Shangdi	for Lease	150,000
	Sub-Total			**300,000**
2016	Dongsheng Technology Park	Shangdi	for Lease	150,000
	Sub-Total			**150,000**
2017	Dongsheng Technology Park	Shangdi	for Lease	150,000
	Sub-Total			**150,000**
	Total			**600,000**

Source: Colliers International

**The future supply is outlined according to known developers' schedules. These however are subject to change and projects often slip from year to year.*

INDEPENDENT MARKET STUDY (SHANGHAI & BEIJING)

By Colliers International Property Consultants (Shanghai) Co. Ltd.

To our knowledge, areas such as Tongzhou and Olympic Park (north of Beijing) have a large scale of planned GFA, but such GFA is planned for sale by developers.

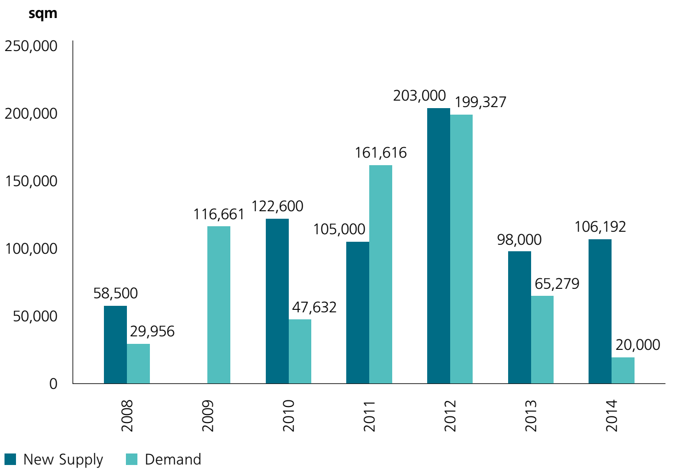
3. Demand

Demand for Beijing's business parks was strong during the past five years despite the impact of the 2008 global financial crisis. There were new setups and companies relocating from other areas. Relocation started following the 2008 global financial crisis, as many foreign companies sought cost savings, sparking activity in the business park property market.

Demand comes primarily from sectors such as IT, finance, insurance, telecommunications, pharmaceuticals, cultural and creative, machinery manufacturing and chemicals industries. The function of premises set up by companies in these industries are predominantly national or regional headquarters and R&D centres, along with back office supporting facilities for central operations.

In terms of leasing demand, the annual demand of business park space has averaged approximately 103,000 square metres between 2008 and 2013. In 2013, demand totalled approximately 65,279 square metres. In 2014, the demand for business park remained strong with low vacancy rate in Wangjing and Shangdi area. However, secondary less developed business parks such as BDA and Tongzhou still have difficulties in attracting tenants. Thus, the overall average demand for business park space has decreased.

Figure 5: Beijing Business Parks Supply and Demand (2008 to 2014)

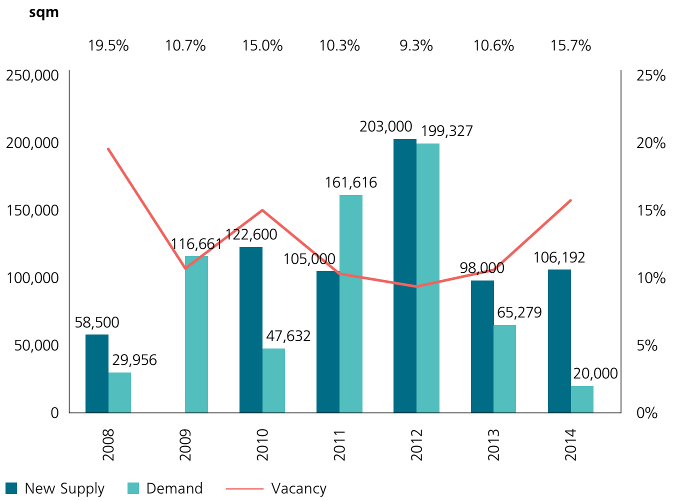


Source: Colliers International

4. Vacancy Rate

At the end of 2014, the average vacancy rate rose to about 15.7 percent, an increase from 2013's 10.6 percent, as supply outpaced demand.

Figure 6: Beijing Business Parks Vacancy Rate (2008 to 2014)

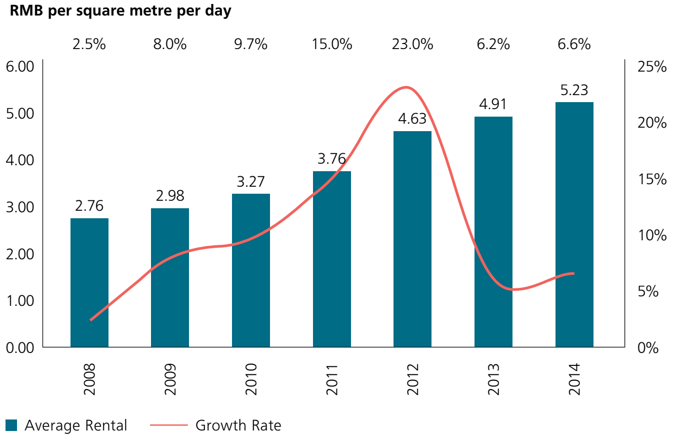


Source: Colliers International

5. Rental

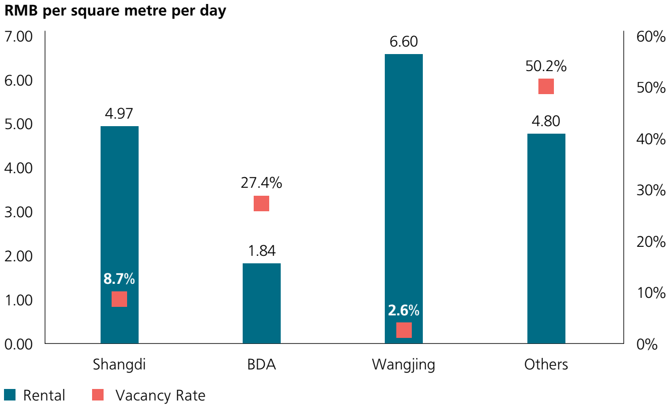
The average rental across Beijing's business park market experienced robust growth from 2008 to 2014, with a compound annual growth rate of 11 percent. By the end of 2014, average effective rental levels stood at approximately RMB 5.2 per square metre per day.

Figure 7: Beijing Business Parks Average Rental and Growth Rate (2008 to 2014)



Source: Colliers International

Figure 8: Beijing Business Parks Average Rental and Vacancy Rate by Submarket (2014)



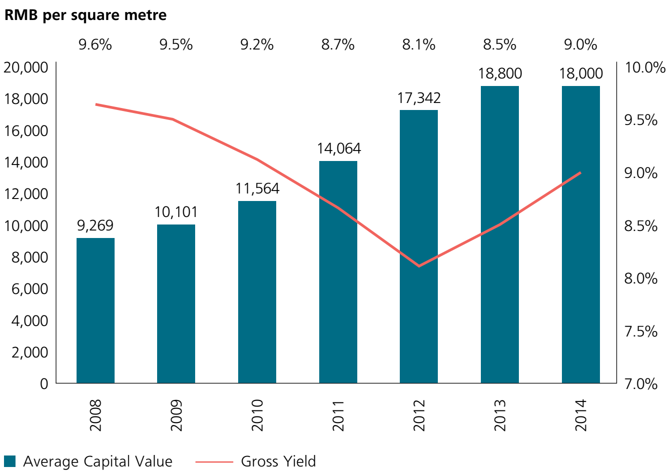
Source: Colliers International

By main submarkets, the most expensive business park accommodation in Beijing at the end of 2014 was found in the Wangjing Area, with an average rental of around RMB 6.6 per square metre per day, followed by Shangdi, with an average rental of approximately RMB 5.0 per square metre per day.

The BDA, as one of the oldest industrial areas, recorded the lowest rental in comparison with the other two submarkets, averaging around RMB 1.8 per square metre per day. The newly established business park areas such as Tongzhou and Airport Areas demonstrated average rentals that were approximately RMB 4.8 per square metre per day.

6. Capital Values and Gross Yields

Figure 9: Beijing Business Parks Average Capital Values and Gross Yield (2008 to 2014)



Source: Colliers International

The average capital value of Beijing's business parks has increased by approximately 103 percent between 2008 and 2014, from around RMB 9,269 per square metre in 2008 to approximately RMB 18,800 per square metre in 2014. The six year compound annual growth rate in capital values has been approximately 12.5 percent.

The average gross yields of Beijing's business park saw a downtrend between 2008 and 2012, from 9.64 percent in 2008 to the record low of 8.11 percent in 2012, before climbing back to 9.0 percent in 2014.

7. Beijing Business Parks Market Outlook

The contrast between China's relatively stable economic growth and the comparative volatility of global markets should continue to attract multinationals to seek returns in China. Business park properties are often attractive due to their design and specifications that meet the demands of companies requiring R&D or other specialist facilities. They also often offer lower occupational costs, a major attraction for many cost-sensitive large space occupiers who are becoming increasingly detached from Beijing's traditional office property market. As such, demand for business parks in Beijing is expected to maintain an upward growth trajectory over the next few years.

However, due to a large volume of new supply over the next few years, the vacancy rate may increase to around 16 to 20 percent.

Nevertheless, rentals are expected to grow by around 3 to 5 percent per annum in the next three years particularly in the Wanjing areas. Limited investment demand and insufficient supply of en-bloc sales should cause capital values to remain stable.

SUSTAINABILITY REPORT

ABOUT THE REPORT

A-REIT's third annual sustainability report has been prepared in accordance with the Global Reporting Initiative ("GRI") G4 guidelines – core option, and the GRI Construction and Real Estate Sector Supplement ("CRESS"). In this report, the Manager continues to track and develop A-REIT's social and environmental accountability.

The report focuses on A-REIT's core activity as a business space and industrial REIT, covering performance from 1 April 2014 to 31 March 2015. This includes the property segments of Business & Science Park Properties, High-Specifications Industrial Properties, Light Industrial Properties & Flatted Factories, and Logistics & Distribution Centres. Except for Aperia, which was acquired in August 2014, the Manager has excluded the two other properties under the Integrated Development, Amenities & Retail ("IDAR") Properties segment from the scope of the report, as these properties are single-tenant and outside of A-REIT's operational control. The Manager has also excluded The Kendall from the scope of the report, as it was acquired on 30 March 2015. As at 31 March 2015, A-REIT has 105 properties in Singapore and 2 in China.

The Manager has not sought external assurance for this reporting period. Please refer to page 44–45 of the annual report for a full list of A-REIT's portfolio.

Significant Changes during the Reporting Period

In FY14/15, the Manager has reclassified its two Warehouse Retail Facilities under a new segment referred to as IDAR Properties. The newly acquired property, Aperia, is also included in this segment. There were several acquisitions and divestments during the year. Please refer to pages 31 to 33 of the Annual Report for details.

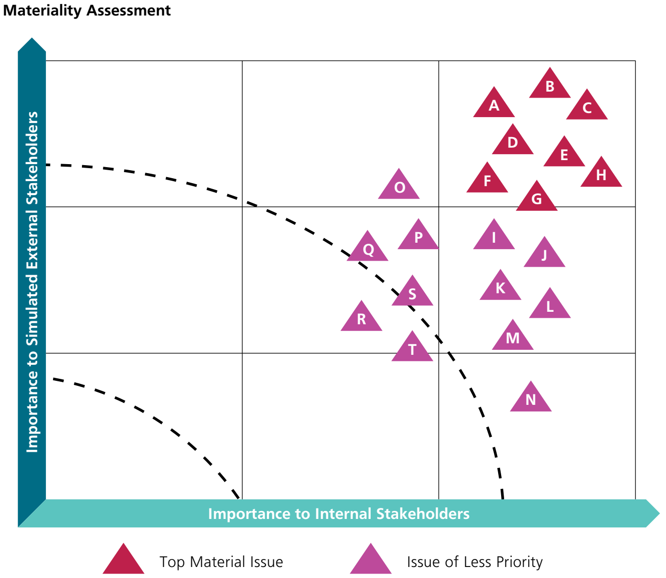
The Manager has broadened its expertise with the appointment of Mr. Ang Boon Peng as Head of Development Services and Mr. Sasidharan Nair as Head of Property Services. Their extensive experience will add value to A-REIT's operational performance.

MATERIALITY ASSESSMENT

Identification of Material Issues

In February 2013, A-REIT conducted its first formal materiality assessment with key representatives from the Manager and the Property Manager. The process to identify and prioritise issues according to their significance to the business and external stakeholders was guided by the AA1000APS (2008) standard for stakeholder engagement. Figure 1 reflects the Materiality Matrix for the issues identified, as being material to A-REIT.

Figure 1: Materiality Matrix in FY12/13



Issues Determined to be Material from First Formal Assessment in FY12/13	
A	Energy conservation
B	Water conservation
C	Corruption and Bribery
D	Fair competition and Interested Party Transactions
E	Tenant satisfaction
F	Health and safety protection of general public and adjacent communities
G	Compliance to mandatory building regulations
H	Corporate governance compliance
I	Non-discrimination against race and gender
J	Contractor health and safety protection
K	Security of properties
L	Business continuity
M	Succession planning
N	Staff well-being
O	Greenhouse gas ("GHG") emissions
P	Use of refrigerants
Q	New developments in need of remediation before intended use
R	Existing properties that are in need of remediation
S	Inclusion of sustainability-themed criteria in staff performance reviews
T	Compliance to voluntary standards relating to building regulations

The Manager has reviewed the issues, and together with the results of a customer satisfaction survey conducted in FY13/14, identified a list of top 5 priorities that are most material to A-REIT. Please refer to Table 1.

Table 1: Materiality Review in FY13/14

	Top 5 Issues Surfacing from Subsequent Materiality Review in FY13/14
1	Security of properties
2	Security of information
3	Corruption and bribery
4	Compliance to mandatory building regulations
5	Health and safety protection of general public and adjacent communities

Mapping Material Sustainability Issues to GRI Aspects for Reporting

Building on the results of both assessments, the list of material issues are mapped against the GRI G4 aspects in Table 2. There are no significant changes to the business environment and the Manager expects the results of the materiality review to remain valid for FY14/15. Another formal materiality assessment will be conducted in the next reporting period.

Table 2: Materiality Reassessment

Material Sustainability Issues	GRI aspects
Security of properties	Customer health and safety
Security of information	Customer privacy
Corruption and bribery	Anti-corruption
Compliance to mandatory building regulations	Compliance
Health & safety protection of general public and adjacent communities	Customer health and safety, Occupational health and safety
Energy consumption	Energy
Water conservation	Water
Fair competition and Interested Party Transactions	Anti-competitive behavior
Tenant satisfaction	Product and service labeling
Corporate governance compliance	Compliance

STAKEHOLDERS' ENGAGEMENT

The Manager recognises the importance of engaging actively and regularly with its key stakeholders, to ensure they understand and be kept informed of A-REIT's approach in improving building performance, enhancing transparency, and demonstrating legal compliance. Over the past year, the Manager continued to supplement its efforts in stakeholder engagement through an emphasis on sustainability issues material to its business. The Manager's approach toward stakeholder engagement is summarised in Table 3 below.

Table 3: Mode of Engagement with Key Stakeholders

Stakeholder	Purpose and Goal	Means of Engagement	Frequency of Engagement
Tenants	Proactively engage existing and potential tenants through networking events and loyalty and tenant programmes	CEO night	Yearly
		Social networking events – e.g. Musical nights, movie nights, Wine & Cheese event	Ad-hoc
		Loyalty Recognition programmes	Throughout the year
		Healthy Lifestyle Programmes	Throughout the year
		Festive gifts	Throughout the year
Investment community (Including institutional and retail investors, analysts and the media)	Proactively engage the investment community through multiple channels of communication to ensure timely and transparent disclosures	One-on-one meetings and site visits	As and when requested
		Local and overseas investor conferences	Refer to "Investor Relations" on page 93 to 94 for more details
		Post results luncheon	Quarterly
		Results briefing	Twice a year
		Annual General Meeting	Once a year
		Perception Study	Once a year
Employees	Provide equal opportunities for employees to take ownership to develop their fullest potential, invest in enhancing employees' skills and knowledge and create a friendly workplace environment that promotes teamwork	Employee forum	Twice a year
		Team bonding session	Once a year
		Induction and orientation programme	Upon joining the Manager
		Training	Throughout the year
		Staff appraisal	Half yearly
		Surveys	Ad-hoc
		Communications via intranet portal	Throughout the year
Local communities	Build strong partnerships with the communities to fulfill the role of a good corporate citizen	Social and community activities	Ad-hoc
		Healthy lifestyle programmes	Throughout the year

SUSTAINABILITY REPORT

GOVERNANCE AND ACCOUNTABILITY

The Manager believes that effective corporate governance is critical to its performance as a manager of A-REIT. Its business conduct and practices across all A-REIT's operations are guided by a robust and comprehensive corporate governance framework. The Manager's core values of discipline and integrity form an integral part of this framework, as set out in the Ascendas Group's suite of "Discipline & Conduct" policies. These policies that encompass areas such as conflict of interest, corruption and bribery, are published on the company's intranet. They are also communicated to all staff at induction and through an annual refresher e-learning course. At least twice a year, training sessions on anti-money laundering are conducted for management and operational staff. Concerns of non-compliance, if any, may be raised through an independently managed whistleblowing hotline or online reporting channels (please refer to www.a-reit.com for further information). There were no conclusive cases of corruption or anti-competitive behaviour, and no reported cases of non-compliance with laws and regulations during the year.

Further details on corporate governance may be found on page 97 to 117.

HEALTH, SAFETY AND SECURITY

The Property Manager is committed to minimising risks, securing the safety, and protecting the health of all those impacted by A-REIT's operations. This includes employees as well as A-REIT's contractors, tenants and visitors. The Property Manager's health and safety management system is certified to the international OHSAS 18001 Occupational Health and Safety System, the locally recognised BizSAFE Star, and the Bureau of Work Safety in China.

Workplace and Tenant Safety

Table 4: Workplace Safety Key Performance Indicators

Targets	Performance
Zero reportable workplace-related incidents for employees	● 2 incidents, resulting in a total of 70 lost days, for reasons explained on page 81
Zero cases of work-related back injuries and strains in employees caused by lifting operations	● Achieved

The Property Manager promotes a safety culture that has zero tolerance towards workplace injuries. A safety committee assumes responsibility for monitoring and improving the safety performance of A-REIT's properties. 6 key activities are undertaken to ensure the prevention of ill health and injury, as well as compliance with prevailing laws and regulations:

Figure 2: 6 Key Safety Activities

1. Carry out risk assessment and check all control measures are implemented prior to initiation of any work activity	**2.** Conduct regular safety awareness training to employees
3. Conduct Safety Induction for new joiners through E-learning Module	**4.** Ensure 100% contractor awareness on safety management systems through declaration and performance evaluation
5. Ensure all contractors have at least bizSAFE level 3	**6.** Promotional posters, emails and campaign programmes for workplace safety

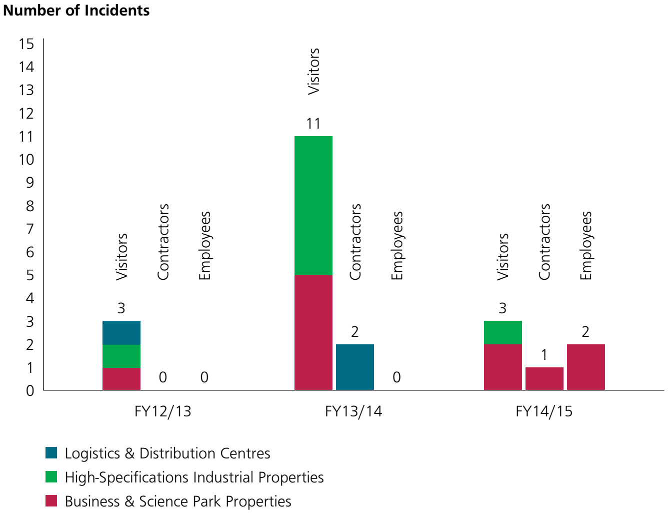
Standard operating procedures are also in place to respond to emergencies such as fire, explosion, and collapse of structure.

All employees, tenants and visitors can report any incidents at the properties to the building's officers-in-charge. An objective investigation of the incident will be conducted to determine the cause of the accidents, which would be followed up with timely preventive and corrective actions. The Manager takes up public liability insurance to cover any accidents and mishaps to employees or visitors to A-REIT's properties.

Regular internal audits are conducted at the properties, while external audits are conducted annually by a third party accredited certification body. Safety lapses, progress on performance, and improvement plans are discussed for further action in monthly meetings.

Safety Performance

Figure 3: Number of Incidents in A-REIT's Properties



In FY14/15, there was an overall improvement in the safety performance of A-REIT's properties. The total number of reported incidents across the Manager's employees, Property Manager's contractors, property tenants and visitors had fallen by half from 13 in FY13/14 to 6 in FY14/15. Two incidents concerned the slip and fall of employees. One accident involved a worker from the Property Manager's main contractors falling from height. The remaining three incidents were slip and fall cases of tenants' employees and a member of the public in the common areas. The most common cause of slip and fall was from obstruction and wet surfaces. The Property Manager has implemented measures to address the root cause by working with the contractors to put up proper signage and demarcate work areas through the use of barricades.

Employee and Tenant Health and Well-being

The Property Manager is equipped and prepared to deal with public health situations posed by dengue mosquitoes, the seasonal haze and flu pandemics. Standard operating procedures include, among others, carrying out pest control activities regularly in all premises to prevent mosquito breeding, conducting flu pandemic preparedness exercises, and fitting air handling units with air filters and cleaning them more frequently during escalated haze levels. Should the public situation reach a hazardous level, the Property Manager has to adhere to the instructions and advisory from the local authorities.

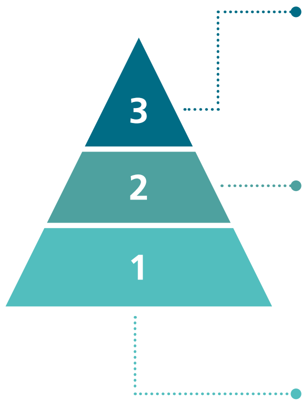
Apart from managing occupational health issues, the Property Manager also promotes healthy lifestyles among its tenants and employees. In collaboration with the Health Promotion Board, the Property Manager has launched the Healthy Workplace Ecosystem in A-REIT's Business & Science Parks, which will integrate fitness amenities and activities within the work environments, while progressively introducing healthier food choices in the parks' food and beverage operators.

A-REIT recently launched the OASIS Club Membership, an exclusive membership programme for tenants. The Oasis, located in Singapore Science Park I, is home to the OASIS Clubhouse and features spaces for business and social interaction including food and beverage destinations, an auditorium, meeting rooms, and a fitness club spanning 12,000 square feet. The fitness club includes a gym facility, swimming pool, dance studios and a spin studio, among other facilities. Oasis Club members can enjoy complimentary use of selected facilities, discounts at selected F&B outlets in Oasis and privileges at events.

Security of Physical Properties

The Property Manager has implemented three levels of security in all of A-REIT's buildings to safeguard both properties and people. This is listed in Figure 4 below:

Figure 4: A-REIT's 3 Levels of Property Security



Level 3:
Security of tenant premises
Individual tenants install their own security access systems at their units to detect breaches.

Level 2:
Security of common areas within buildings
CCTVs, Security Access System and regular guard patrolling are in place within the buildings.

Level 1:
Security of compound / external areas
CCTVs and frequent guard patrolling ensure the space is secured.

All security officers at A-REIT's properties are outsourced to certified vendors who conduct training for the guards before they are deployed to the buildings. To-date, there have been no reports of trespassing violations and incidences of theft.

SUSTAINABILITY REPORT

Data Security for Tenant Privacy

The Property Manager strives to be a trustworthy partner committed to A-REIT's tenants. It ensures the responsible use and protection of tenant data through its comprehensive information security system which complies with prevailing laws and regulations. These policies and procedures undergo regular review to keep pace with evolving threats and vulnerabilities. In FY14/15, the Personal Data Protection Act ("PDPA") came into effect in Singapore. Under the new legislation, all telephone numbers in Singapore will have to be checked against the Do Not Call ("DNC") Registry before any marketing communications may be made. With that, the Property Manager appointed a Data Protection Officer to implement the DNC Registry Checking system.

During the same year, the Property Manager adopted the Ascendas Integrated Technology Risk Framework ("ITRF") and Bring Your Own Device ("BYOD") Directive. The ITRF facilitates the structured assessments of technology risks in areas such as change management, and network and application security. The BYOD Directive sets out the rules for usage of personally owned smartphones, tablets and portable storage drives by employees to access corporate resources. This includes registering such devices with the Ascendas Group IT prior to connecting to the corporate network. If sensitive or confidential data is stored in these devices, the devices will have to be encrypted. Figure 5 provides an overview of the current information security system, policies and procedures.

Figure 5: Overview of Information Security System, Policies and Procedures

Policies	
1. Ascendas Information Security Policy 2. Ascendas Integrated Technology Risk Framework 3. Bring Your Own Device Directive	
Systems	**Specific Actions**
1. Microsoft Active Directory – Provides strong authentication and security functionalities 2. Websense Data Loss Prevention – Secures personal data and protects intellectual property 3. Citrix Mobile Device Management – Secures and support mobile devices use 4. PDPA System of DNC Registry Check 5. Regular System Maintenance 6. Incident Response Plan	1. Regular communication to employees on the corporate standard use of encryption and PDPA 2. Annual Information Security Training & Awareness programme for employees in China 3. Regular Information Security reports and meetings to track and raise any security related issues

As a result of these measures, there have been no cases of security breaches in relation to customer privacy in this reporting year.

ENVIRONMENT

Table 5: Targets and Results in Environmental Performance

Targets	Performance
Reduction in energy intensity of 5% in Singapore for FY14/15	● Achieved
Minimum BCA Green Mark Gold^{Plus} for new properties in Singapore	● Achieved

The Sustainable Singapore Blueprint 2015 sets out the national goal of attaining an improvement of 35% energy intensity in 2030, as compared to 2005 levels. The Manager is committed to support this cause. By setting a target of achieving a reduction in energy intensity by 5% for FY14/15 and 3% for FY15/16, the Manager continuously seeks out opportunities for optimising energy use, while reaping economic benefits.

Each A-REIT property, starting from the design to the operating performance stage, undergoes deliberate planning and evaluation to assess environmental impacts. For all new projects in Singapore, A-REIT has set a goal of achieving at least the BCA's Green Mark[1] Gold^{Plus} Rating, or equivalent. For existing buildings, the Manager will aim to achieve a minimum Green Mark Certification with appropriate asset enhancement works. Green Mark certified buildings add value by maximising both the economic and environmental performance. Table 6 lists out the Green Mark certifications attained by A-REIT's properties in 2014.

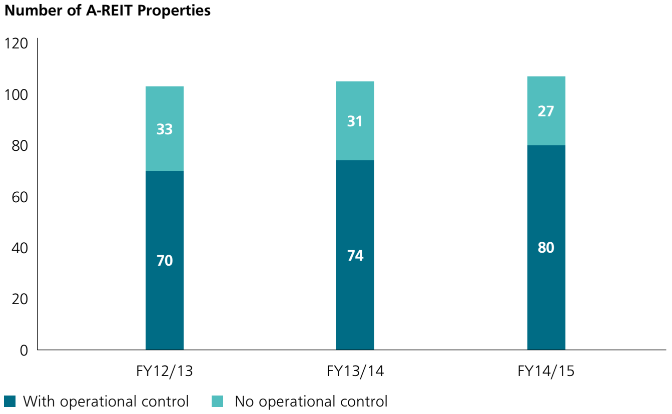
Table 6: BCA Green Mark Awards (2014)

Year	Green Mark Platinum	Green Mark Gold
2014	• Aperia • DBS Asia Hub	• 138 Depot Road[2]

A-REIT's portfolio comprises 78.1% multi-tenant properties, with the remaining 21.9% being single tenant properties as at 31 March 2015. Environmental performances are reported for properties that are under A-REIT's operational control. This includes on-site offices and common areas in multi-tenant properties such as corridors, perimeter lighting and centralised building facilities. For single-tenant arrangements, the tenant typically assumes full operational and building management of the property, including its environmental performance. Sub-meters are used to separately account for the energy and water consumed by the landlord and the tenants.

1 This link to BCA provides details of the various BCA building certifications: http://www.greenmark.sg/
2 Improved from Green Mark Certified following recertification in 2014.

Figure 6: Total Number of A-REIT's Properties with Reported Environmental Performance



Energy Consumption

The operation and maintenance of buildings require a considerable amount of energy and related costs. With any increase in energy consumption, carbon emission also rises in tandem. Therefore, the Manager constantly looks into implementing various initiatives and measures to lower energy consumption, carbon footprint as well as operating costs. A summary of the energy savings, achieved as a result of such initiatives, is detailed below in comparison to total energy consumption.

Table 7: Summary of A-REIT's Energy Efficiency Initiatives

A-REIT's Energy Efficiency Initiatives		Unit of Measure	FY12/13	FY13/14	FY14/15
Number of reported A-REIT properties (with operational control)		number	70	74	80
Gross Floor Area ("GFA") of reported A-REIT properties		m^2	1,793,205	2,022,771	2,421,181
Aggregate consumption		kWh	86,539,882	98,294,162	104,827,865
Energy efficiency initiatives	Air conditioning/ chiller plant improvements	kWh	1,200,000	5,500,000	2,300,000
	Lighting systems upgrading and motion sensors installation	kWh	–	3,785	–
Aggregate energy savings		kWh	1,200,000	5,503,785	2,300,000
Aggregate energy intensity		kWh/m^2	48.3	48.6	43.3

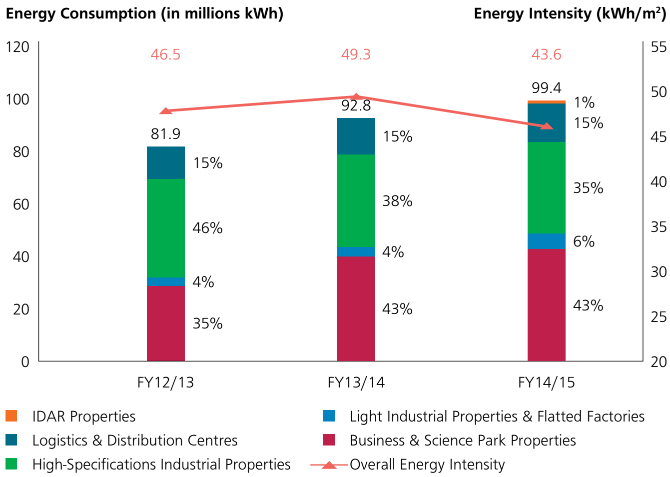
Indirect energy arising from grid electricity accounts for most of A-REIT's energy consumption.

Singapore

In FY14/15, the aggregated energy consumption at A-REIT's properties in Singapore increased by 7.1% to 99.4 million kWh. This was mainly due to the increase in the number of reported properties from 74 to 80. However, energy intensity achieved an impressive reduction of 11.6% to 43.6 kWh/m^2. This was well above the reduction target of 5%, and was largely attributed to the upgrading of the chiller plant, which led to improved energy efficiency at Techlink, Techpoint, The Alpha and Cintech III. A remarkable 2.3 million kWh of energy savings, equivalent to the amount of electricity needed to power 501 four-room public housing flats for one year[3], was saved directly as a result.

Figure 7 charts the aggregate energy consumption, intensity, as well as relative contribution by the various segments of A-REIT's Singapore portfolio. Consistent with the previous year, Business & Science Park Properties was the most significant user of energy, followed by High-Specifications Industrial Properties.

Figure 7: Aggregated Energy Consumption and Intensity in Singapore



China

Compared to Singapore, the aggregated energy consumption at A-REIT's properties in China represents a fraction of the entire portfolio at 5.2% (5.4 million kWh) of total energy consumption. Over a three-year period, the operations in Beijing achieved a consistent decline of approximately 10.5% YoY in its energy consumption and intensity of usage, owing largely to the optimisation of operating strategies for air-conditioning. This included close monitoring of room temperatures, adjustments of temperature setting upwards, and reducing the operation hours of the air-conditioning during off-peak hours. There was no change in the occupancy rate for A-REIT's property in Beijing during the three years.

FY14/15 was the second year of operation for the Business & Science Park property in Shanghai. As a result of the increase in average occupancy rate from 19.9% in FY13/14 to 44.3% in FY14/15, the energy consumption and intensity of usage rose by 24.9% to 1.7 million kWh and 15.7 kWh/m^2 respectively.

3 According to Singapore Power Ltd, the national average consumption was 4,590 kWh per 4-room household yearly consumption in 2014.

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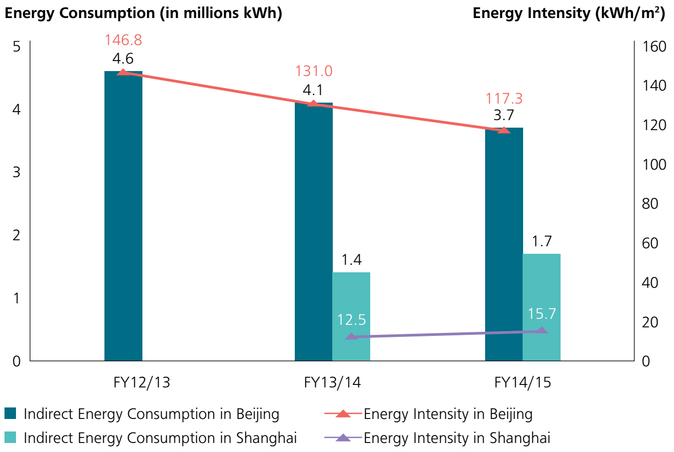
Figure 8: Energy Consumption and Intensity in China



Emissions

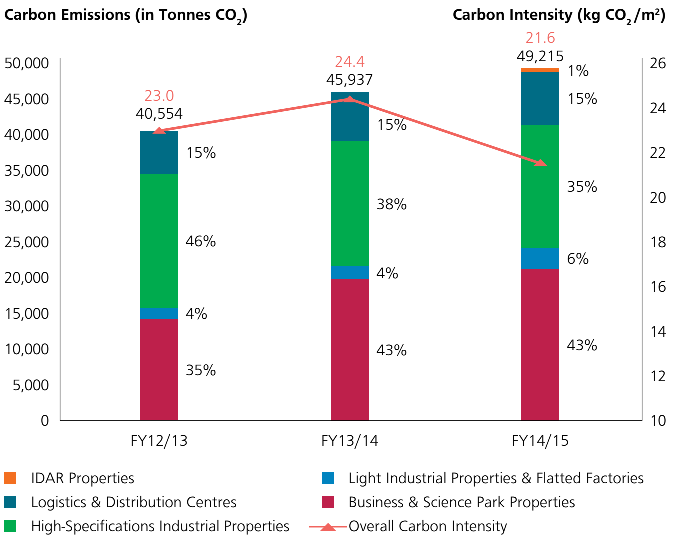
Majority of emissions of greenhouse gas contributions is indirect emissions, being attributable to the generation of purchased electricity used to run the properties. The Manager is committed to limit emissions of greenhouse gases into the atmosphere to combat climate change.

In support of Singapore's 2020 national carbon target to reduce its greenhouse gas emissions by 16% below Business-As-Usual levels, the Manager has undertaken practical efforts to quantify Scope 2 emissions over the last three reporting years.

Singapore

The fall in the carbon emissions intensity for FY14/15 is consistent with the decrease in energy intensity in Singapore.

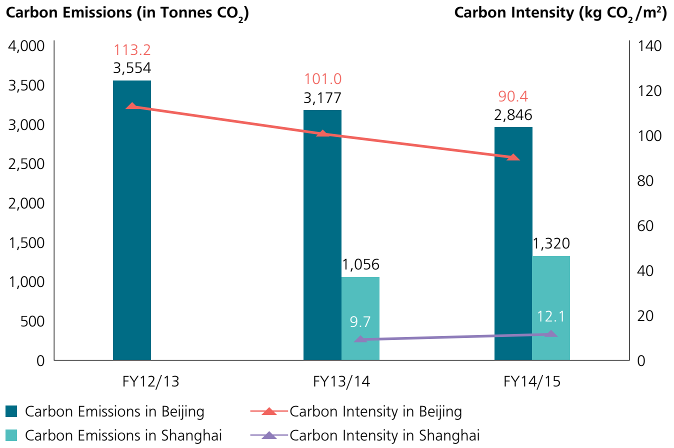
Figure 9: Aggregated Carbon Emissions[4] in Singapore



China

Similarly, the trend of carbon emissions intensity tracks the energy intensity usage in Beijing and Shanghai.

Figure 10: Carbon Emissions[4] and Intensity in China



Water Consumption

The Manager advocates the conservation of water resources. With limited natural water resources, water availability and conservation are especially important in Singapore. In today's context the issue has become even more prominent, given the changes in the hydrologic regime brought about by climate change. A-REIT's initiatives in this regard are even more relevant as Singapore experienced a period of dry spell in FY14/15.

All water consumed is derived from local water utility firms.

Singapore

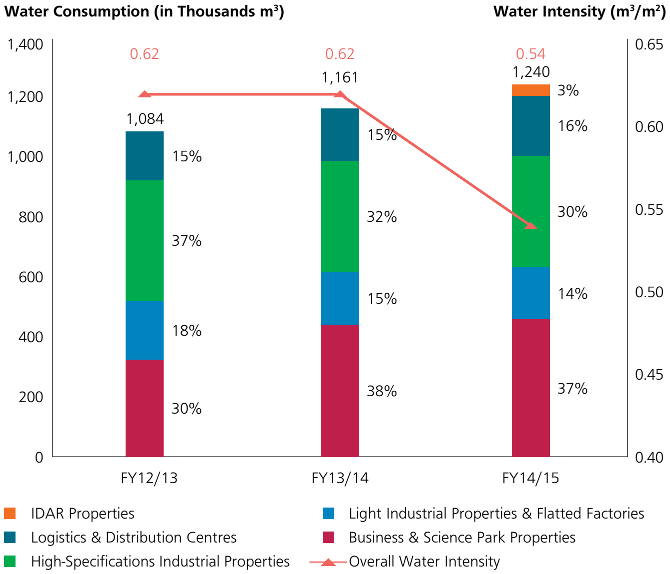
In FY14/15, there was an increase in aggregate water consumption to 1,240 thousand m^3, attributed to the increase in the number of reported properties.

In spite of the increase in total consumption, intensity of water usage fell by 12.3%, due to the implementation of several water efficiency initiatives during the year. This included the adjustment of water flow rates in certain A-REIT properties.

Figure 11 summarises the total water consumption, intensity as well as relative contribution by the various segments of A-REIT's Singapore portfolio. The relative contribution by each segment has remained fairly consistent as compared to the previous reporting year.

4 Emission factors used are the national averages for CO_2 Emissions per kWh from the "International Energy Agency: CO_2 Emissions from Fuel Combustion Highlights: 2013".

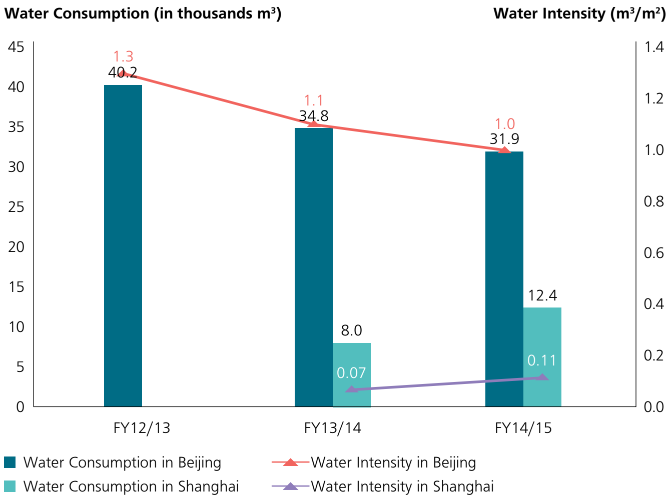
Figure 11: Aggregated Water Consumption and Intensity in Singapore



China

Beijing recorded a steady decrease in the water consumption and intensity of usage over a three-year period from FY12/13 to FY14/15. This was mainly attributed to the installation of motion sensors on water taps. In contrast, the water consumption and intensity of usage increased in Shanghai, which was consistent with the growth in occupancy rate over the same period.

Figure 12: Aggregate Water Consumption and Intensity in China



TENANTS, PEOPLE AND COMMUNITY

Tenant Satisfaction

High quality standards of building management and operations often translate to tenant satisfaction and retention. In FY14/15, the Property Manager and the Customer Relationship management team embarked on the 3-year Ascendas Group-wide Integrated Real Estate Management System ("iREMS") project. The iREMS is an IT platform incorporating systems and processes supporting lease management, facilities management, asset management, property services and customer relationship management. In addition to back-office integration and improvements to operational efficiency and productivity, several job scopes were redefined, including creating a roving technician team to improve response rate to tenant feedback.

A key driver of building management performance is the delivery of services to fulfil tenant expectations. In one-north and the Science Parks, a pilot project was implemented to understand brand perceptions and challenges in service delivery, through a focus group session with selected tenants from a wide spread of businesses. If successful, the project would be rolled out to other business parks in the following years. Recognising that exceptional service delivery comes from an embedded service culture, the Customer Relationship management team has also launched the Service Culture project, which sets new service standards, creates guides on positive or recommended behaviours, and builds the capabilities of employees to understand and respond to tenant needs through the Service DNA training programme.

To better serve the needs of A-REIT's tenants, the Property Manager also plans for asset enhancements to the properties from time to time. For example, in FY14/15, the toilet and lift lobbies in several properties underwent a major upgrading and modernisation programme. The Property Manager also embarked on a campaign to improve the facades of several properties by repainting them in corporate colours to strengthen corporate branding. More details are available on page 31.

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Tenant Satisfaction Ratings

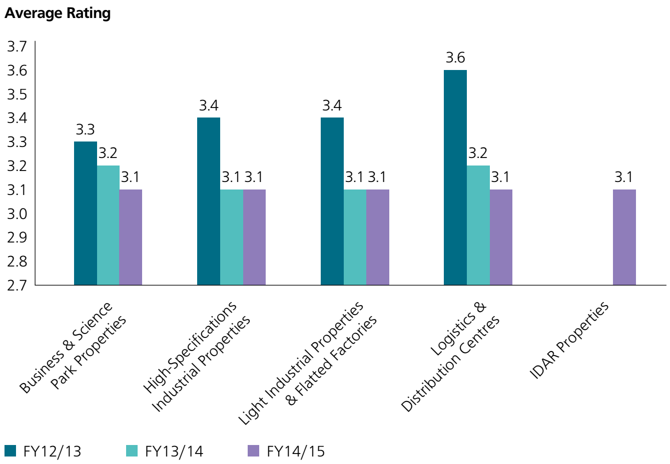
Table 8: Targets and Results for Tenant Satisfaction

Targets	Performance
Call centre tenant satisfaction score of a minimum 3 "Average"	Achieved
Transaction survey satisfaction score of 75%	Achieved
Customer eQ™ index at or above the industry norm (75)	Achieved for Light Industrial Properties & Flatted Factories and Logistics & Distribution Centres sectors, on track for other sectors

Tenant feedback is a valuable way of identifying opportunities for improvement in the quality of A-REIT's properties and services. There are four main channels in which tenants may provide their feedback:

1. A 24-hour call centre, which serves as a convenient and accessible point of contact for any matters.
2. Face to face meetings and networking sessions, for relationship building with tenants.
3. Transactional surveys, to monitor the specific performance of relationship managers upon the renewal or expansion of tenant leases.
4. The annual eQ™ Benchmarking External Customer Delight survey conducted by AC Nielsen, which covers five important pillars: Property Management, Lease, Finance, Corporate Image and Marketing. The third party survey benchmarks A-REIT's performance against its peers.

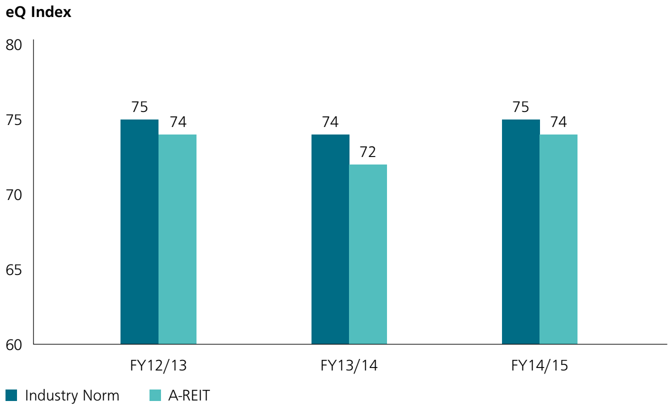
Figure 13: Call Centre Customer Satisfaction Rating by Cluster



In FY14/15, feedback gathered through the call centre from a total of 778 tenants revealed that all four of A-REIT's existing property segments continued to report above average customer satisfaction (3.0). Aperia, the new property under the rebranded Integrated Development & Retail segment, likewise managed to achieve the target satisfaction score of above 3.0.

FY14/15 was the first year in which the response rate from transactional surveys was significant enough to be reported. From a total of 83 surveys completed, tenant satisfaction with their relationship managers rated an average of 88%, well above the target score at 75%.

Figure 14: Customer eQ™ Index Score, Singapore



The FY14/15 eQ™ Benchmarking External Customer Delight survey rated A-REIT's properties at a marginally lower value of 74, as compared to its competitors in Singapore. This was nonetheless a slight improvement in results from the previous year, as the Property Manager and the Customer Relationship management team set its Service Culture project into motion. The response rate for the eQ™ index survey was 30%.

Improvement plans

The Property Manager and the Customer Relationship management team are committed to continuously improve and meet tenants' needs. In the coming years, the iREMS and Service Culture Building Project will be progressively implemented in all of A-REIT properties. The appropriateness of the staff mix would be reviewed as the Property Manager transits from a manual system to a more automated and technology-supported operations.

Supply Chain Responsibility

The Property Manager understands the value of good supply chain management. Conscientious steps are taken towards proper management and improvement of the performance of A-REIT's 115 active suppliers, most of whom (99%) are based in the country of A-REIT's operations, Singapore and China.

These suppliers are maintenance contractors, cleaning crew, security providers, fire protection team and other types of property services.

A stringent procurement system and prequalification process ensures proper supplier selection by thorough evaluation of suppliers' financial, health and safety records as well as preferred certifications such as Biz Safe Level 3. All engaged suppliers are required to comply with government regulations such as the Employment Act and Workplace Safety and Health Act, the Progressive Wage Model ("PWM") (for cleaners) and Enhanced Clean Mark Accreditation Scheme ("EAS") (for cleaners). The supplier performance is closely monitored via site inspections and tracked in the enhanced Ascendas Information Management System ("eAIMS") to ensure full compliance. In the event of compliance breaches, the Property Manager will issue warning letters to the suppliers and work with them to rectify the problems. During the reporting year, there were no confirmed cases of negative supplier impacts on labour. In FY15/16, the Property Manager will launch a Mobile Inspection System which will allow the operations team to track and record supplier performance on-site, using mobile phones or tablets, for timely action.

The Property Manager supports the WorkRight initiative by the Ministry of Manpower and the Central Provident Fund ("CPF") Board to raise national compliance with the Employment Act and CPF Act. Beyond the legal compliance, the Property Manager has jointly implemented a performance reward scheme with its cleaning service providers to recognise the efforts of better performing cleaning personnel.

Human Capital[5]

A-REIT's sustained value growth is dependent on the quality of the Manager's workforce. To attract and retain its talent pool, the Manager continuously invests in the skills and competencies development of its people.

Profile of the Workforce

In FY14/15, the total staff strength under the Manager had slightly increased from 65 to 67. The two new positions focused on property services in ensuring the Property Manager provides consistent quality services and customer satisfaction. All 67 employees are working full-time and on permanent contract with the Manager, with women making up two-thirds of the workforce. More than 90% of the Manager's staff is based in Singapore, with the rest based in China. Please refer to Figures 15 – 17 for more details.

During the year, 15 new hires came on-board. While there was zero turnover in the China operations, the Manager experienced a turnover rate of 19.4% for Singapore which is close to the national industry average of 20.4%[6]. Moving forward, the Manager will continue to step up its employee engagement and adopt best practices in talent management.

Figure 15: Staff Strength, Recruitment and Turnover

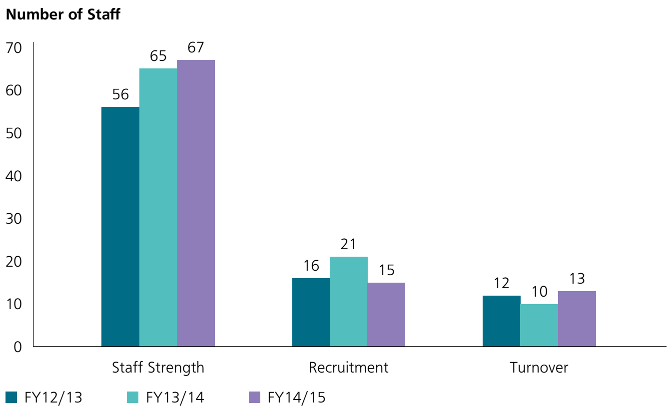


Figure 16: Percent Composition of Total Employees By Gender

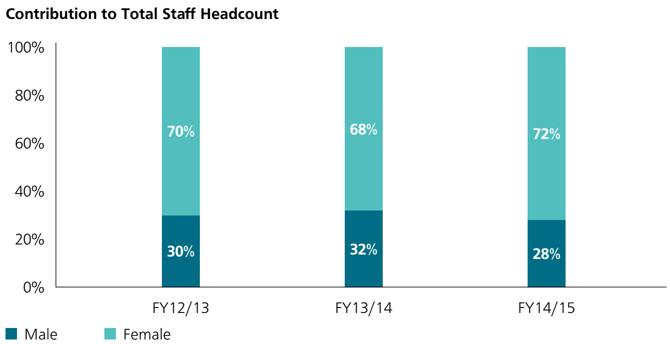
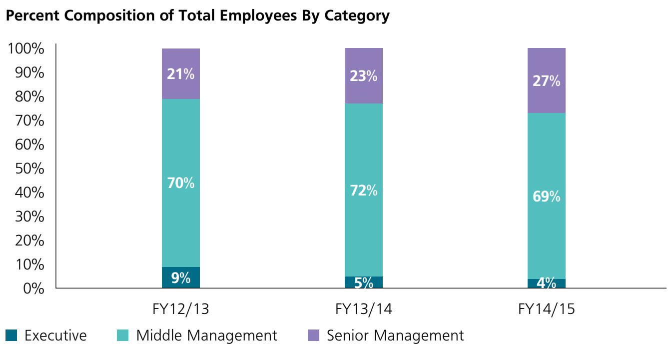


Figure 17: Percent Composition of Total Employees By Category



5 The scope of this section is limited to information relating to the Manager's staff as they are recruited specifically for A-REIT's operations. Employees under the Property Manager are not included as they are separately reported under Ascendas Group.

6 The 2014 national industry turnover rate is obtained from the Ministry of Manpower and annualised for a like-for-like comparison.

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Figure 18: Percent Composition of the Recruitment and Turnover By Age Band and Gender in FY14/15

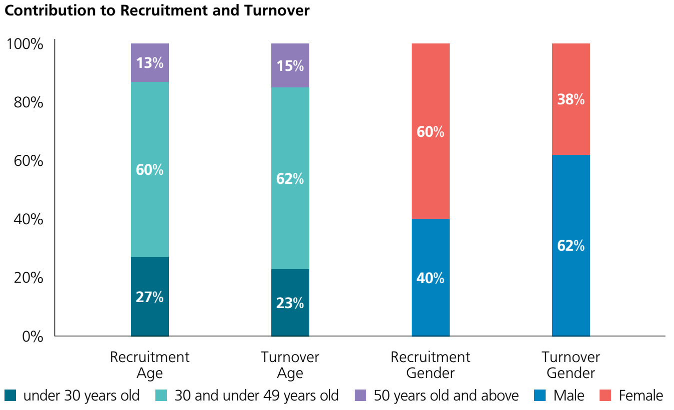
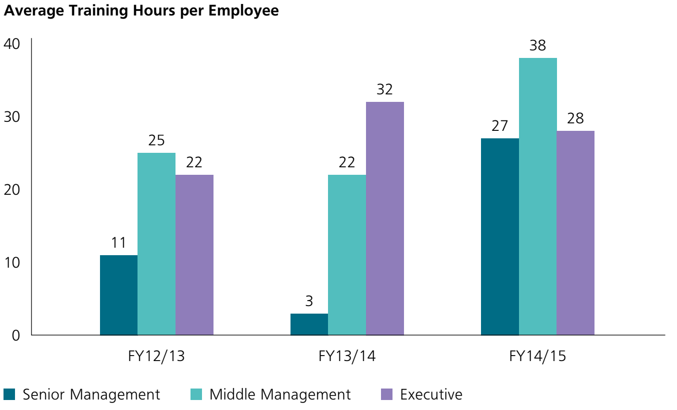


Figure 19: Average Training Hours Per Employee By Employee Category



Staff Training

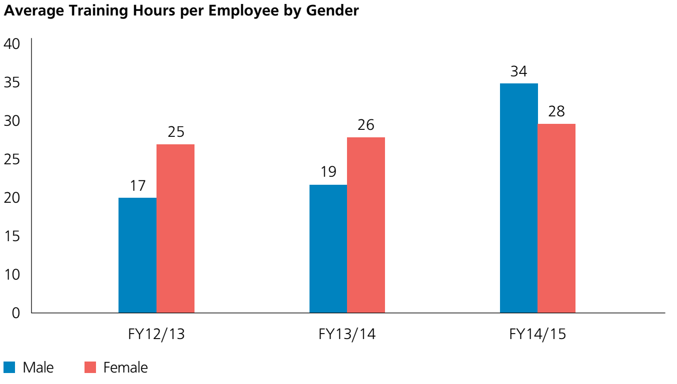
The Manager is required to regularly train and upkeep the competencies of its staff as a holder of the Capital Market Services ("CMS") License. Beyond the legal compliance, the Manager understands it is vital to invest in staff learning, for a strong and talented workforce in the face of a competitive landscape.

Every year, as part of the career development plan, supervisors are tasked to identify learning interventions to address staff development needs. The learning focus for the year is then defined in a learning and development plan. In FY14/15, training programmes centred on improving customer service and compliance. This included the Service DNA programme, a rigorous exercise to refine and enhance employees' service orientation and capacities for providing positive tenant experiences.

Where employees decide to pursue higher education qualifications, the Manager also has an annual Education Assistance budget, which grants sponsorships to deserving employees for this purpose.

In FY14/15, the average training hours per employee stood at 27 hours, which was above the Singapore national average of 21 hours[7]. As compared to FY13/14, there was a significant rise in the average hours of training attended by senior and middle management, mainly due to intensive workshops from the Service DNA programme, as well as selling skills training for those involved in relationship management and business development work. Conversely, FY14/15 saw a reduction in the average hours of training attended by executives. This was largely due to an unusually high level of training activity in FY13/14, arising from a considerable recruitment of numerous executives from other industry backgrounds in that year. To quicken their familiarisation with the industry, the executives had completed multiple internal training programmes. Figures 19 and 20 reflect the average training hours clocked per employee by category and gender.

Figure 20: Average Training Hours Per Employee By Gender



Community Connectivity and Involvement

The Property Manager believes in creating a liveable community for its tenants. Apart from introducing the Healthy Workplace Ecosystem in its Business & Science Parks, ongoing asset enhancements include providing more covered link ways and public amenities space for increased community connectivity (please refer to page 34 to 36 for further details).

The Manager has also taken an initiative to drive community development through its support of various industry programmes and social causes. This included the continual provision of the A-REIT study award to needy students at Singapore Management University. During the year, the Manager was also the Gold Sponsor of the Future China Global Forum, organised by Business China. By establishing a better understanding of the Chinese social, economic and political culture, the Manager believes the event will nurture deeper links between Singapore and China, thereby creating more opportunities for future collaboration to the benefit of the Singapore community. In FY14/15, charitable contributions made by the Manager totalled $303,000.

7 The national median training hours committed for staff in Singapore is extracted from a biennial survey undertaken by the Ministry of Manpower. The most recent survey was conducted in 2012 with the associated report, "Employer Supported Training", released in October 2013.

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE OPTION

GENERAL STANDARD DISCLOSURES		SECTION
Strategy and analysis		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Manager's report (page 43)
Organisational profile		
G4-3	Report the name of the organisation.	Overview of A-REIT (page 2)
G4-4	Report the primary brands, products, and services.	Overview of A-REIT (page 2)
G4-5	Report the location of the organisation's headquarters.	Overview of A-REIT (page 2)
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About the report (page 78)
G4-7	Report the nature of ownership and legal form.	A-REIT's structure (page 6)
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	What we invest in (page 4), A-REIT's portfolio (page 44 – 63)
G4-9	Report the scale of the organisation, including: • Total number of employees • Total number of operations • Net sales (for private sector organisations) or net revenues (for public sector organisations) • Total capitalisation broken down in terms of debt and equity (for private sector organisations) • Quantity of products or services provided	A-REIT's competitive edge (page 3), What we invest in (page 4), Highlights of FY14/15 (page 30), Profile of the workforce (page 87), Figures 15 – 17
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Profile of the workforce (page 87), Figure 15
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	None of our employees are covered by collective bargaining agreements.
G4-12	Describe the organisation's supply chain.	Supply chain responsibility (pages 86 – 87)
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Significant changes during the reporting period (page 78)
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Risk management and internal controls (pages 105 – 106)
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Tripartite Alliance for Fair and Progressive Employment Practices

SUSTAINABILITY REPORT

G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	Agri-Food & Veterinary Authority, ASEAN Infrastructure Fund Limited, Association of Small and Medium Enterprises, Council for Private Education, Pro-Enterprise Panel, SGX Catalist Advisory Panel, Singapore Cooperation Enterprise, The REIT Association of Singapore
Identified material aspects and boundaries		
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	About the report (page 78)
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	Materiality assessment (pages 78 – 79)
G4-19	List all the material Aspects identified in the process for defining report content.	Materiality assessment (pages 78 – 79), Figure 1, Tables 1 – 2
G4-20	For each material Aspect, report the Aspect Boundary within the organisation, as follows: • Report whether the Aspect is material within the organisation • If the Aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either: ◦ The list of entities or groups of entities included in G4-17 for which the Aspect is not material or ◦ The list of entities or groups of entities included in G4-17 for which the Aspect is material • Report any specific limitation regarding the Aspect Boundary within the organisation	About the report (page 78), Environment (pages 82 – 83), Figure 6, Human Capital (page 87), Footnote 5
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation, as follows: • Report whether the Aspect is material outside of the organisation • If the Aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organisation	We did not identify any Aspect which was material outside of the organisation.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There were no restatements made.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Significant changes during the reporting period (page 78)
Stakeholder engagement		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	Stakeholders' engagement (page 79), Table 3
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholders' engagement (page 79), Table 3
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholders' engagement (page 79), Table 3, Engaging the investment community (page 93)
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Staff Training (page 88)

Report profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About the report (page 78)
G4-29	Date of most recent previous report (if any).	Annual Report FY13/14
G4-30	Reporting cycle (such as annual, biennial).	About the report (page 78)
G4-31	Provide the contact point for questions regarding the report or its contents.	Accessibility of annual report and feedback channel (page 93)
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	About the report (page 78), GRI content index (page 89 – 92)
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	About the report (page 78)
Governance		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Governance and accountability (page 80), Corporate governance (pages 98 – 99)
Ethics and integrity		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Governance and accountability (page 80)

SPECIFIC STANDARD DISCLOSURES

Indicators		Section
Category: Economic		
EC1	Direct economic value generated and distributed	Financial statements (pages 122-125) Community connectivity and involvement (page 88)
EC9	Proportion of spending on local suppliers at significant locations of operation	Supply chain responsibility (page 86)
Category: Environmental		
DMA	Disclosure of management approach	Environmental (pages 82 – 85), Table 5
EN3	Energy consumption within the organisation	Energy consumption (pages 83 – 84), Figures 7 – 8
EN5/ CRE1	Energy intensity	Energy consumption (pages 83 – 84), Figures 7 – 8
EN6	Reduction of energy consumption	Energy consumption (page 83), Table 7
EN7	Reductions in energy requirements of products and services	Environment (page 82), Table 6
EN8/ CRE2	Total water withdrawal by source	Water consumption (pages 84 – 85), Figures 11 – 12
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Emissions (page 84), Figures 9 – 10
EN18/ CRE3	Greenhouse Gas (GHG) emissions intensity	Emissions (page 84), Figures 9 – 10

SUSTAINABILITY REPORT

EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Governance and accountability (page 80) There were no significant fines during the year.
Category: Social		
Sub-category: Labour practices and decent work		
DMA	Disclosure of management approach	Health, safety and security (pages 80 – 81), Table 4, Figure 2 Human capital (pages 87 – 88)
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Profile of the workforce (pages 87 – 88), Figure 18
LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender	Safety Performance (page 81), Figure 3
LA9	Average hours of training per year per employee by gender and by employee category	Staff training (page 88), Figures 19 – 20
CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	Health, safety and security (page 80)
Sub-category: Society		
DMA	Disclosure of management approach	Governance and accountability (page 80)
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Community connectivity and involvement (page 88)
SO3	Total numbers and percentage of operations assessed for risks related to corruption and the significant risks identified	Governance and accountability (page 80), Dealing with conflicts of interest and interested person transactions (pages 109 - 111)
SO4	Communication and training on anti-corruption policies and procedures	Governance and accountability (page 80)
SO5	Confirmed incidents of corruption and actions taken	Governance and accountability (page 80)
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	Governance and accountability (page 80)
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	Governance and accountability (page 80) There were no significant fines during the year.
Sub-category: Product responsibility		
DMA	Disclosure of management approach	Health, safety and security (pages 80 – 83), Figures 2, 4 – 5 Environment (page 82), Tenant satisfaction (pages 85 – 86)
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Health, safety and security (pages 80 – 81)
PR5	Results of surveys measuring customer satisfaction	Tenant satisfaction ratings (page 86), Figures 13 – 14
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Data security for tenant privacy (page 82)
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	Governance and accountability (page 80) There were no significant fines during the year.
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Environmental (page 82), Table 6

INVESTOR RELATIONS

ENGAGING THE INVESTMENT COMMUNITY

Guided by the principles of Timeliness, Objectivity, Clarity and Consistency, the Manager takes a proactive approach in engaging the investment community. The Manager communicates key updates on A-REIT's performance, strategies and initiatives to Unitholders, prospective investors, analysts and the media on a regular basis through multiple channels including conferences and meetings, print publications and online platforms.

During the financial year, the Manager met with over 300 fund managers and analysts through its participation in local and overseas conferences, one-on-one meetings, post results investor luncheons and teleconferences. In addition, the Manager also organises site visits for investors and analysts to facilitate a better understanding of A-REIT's business and property portfolio.

In conjunction with the release of A-REIT's half and full-year results, briefings are organised for the media and analysts and these are helmed by the Chief Executive Officer, Head of Capital Markets & Corporate Development and Head of Reporting, Compliance and Corporate Services of the Manager. Recordings of the briefings are archived on the A-REIT website for transparency and accessibility.

The Annual General Meeting ("AGM"), held in June, is attended by the Board of Directors and the senior management of the Manager. During these meetings, the Manager provides participants with a review of A-REIT's recent financial and operational performance, business outlook and strategy. Participants have the opportunity to raise questions, communicate their feedback and interact with management during these meetings.

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

The Manager regularly updates A-REIT's website, www.a-reit.com, which houses all the materials relating to its quarterly financial results, investments, corporate actions and disclosures submitted to the SGX-ST. Investors may sign up for email alerts to receive latest updates on A-REIT via the "Information Request" page.

The Manager is committed to maintain a high standard of transparency and disclosure and will continue to engage investors regularly during the year.

RECOGNITION FOR INVESTOR RELATIONS AND MANAGEMENT

A-REIT has been recognised by the investment community for its good investor relations practices during the year.

A-REIT was the Winner of the "Most Transparent Company Award" in the REITs and business trusts category at the Securities Investors Association (Singapore) Investors' Choice Awards 2014. This is the tenth time that A-REIT has been recognised for its transparency since the inauguration of the award in 2004, and the fourth consecutive year it has been named the winner.

At the IR Magazine Awards & Conference – South East Asia 2014, A-REIT was awarded the Certificate of Excellence in Investor Relations. A-REIT achieved 2nd place in the Most Honoured Company (Singapore) category by Institutional Investor in their 2014 All-Asia Executive Team rankings. In addition, Executive Director and CEO of the Manager, Mr Tan Ser Ping, was awarded 3rd Place in the Best CEO (Property, Sell-side) category.

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

ACCESSIBILITY OF ANNUAL REPORT AND FEEDBACK

A-REIT continues to print limited copies of its annual report as part of its environmental conservation efforts. A PDF version is available for download from the corporate website: www.a-reit.com. The Manager strives to continuously improve its business and sustainability practices. Stakeholders are encouraged to share their views, suggestions or feedback, which may be directed to a-reit@ascendas-fms.com.

INVESTOR & MEDIA RELATIONS ACTIVITIES FY14/15

1St Quarter

- Media & Analysts' Results Briefing for Full Year FY13/14 Financial Results
- FY13/14 Full Year Results Investors' Lunch hosted by Goldman Sachs
- J.P. Morgan Asia Pacific Real Estate Conference (Singapore)
- Deutsche Bank Access Asia Conference 2014 (Singapore)
- Mizuho Pan-Asia Corporate Day (Singapore)
- Nomura Investment Forum Asia 2014 (Singapore)
- Citi Asean Investor Conference (Singapore)
- Citi Asia Pacific Property Conference (Hong Kong)

2Nd Quarter

- 1Q FY14/15 Financial Results Investors' Lunch hosted by Morgan Stanley
- Macquarie ASEAN Conference (Singapore)
- UBS Asean Conference 2014 (Singapore)
- J.P. Morgan London 1x1 Forum (London)
- Bank of America Merrill Lynch 2014 Global Real Estate Conference (New York)

INVESTOR RELATIONS

3Rd Quarter
- Media & Analysts' Results Briefing for 2Q FY14/15 Financial Results
- 2Q FY14/15 Financial Results Investors' Lunch hosted by Nomura
- Morgan Stanley Thirteenth Annual Asia Pacific Summit (Singapore)
- Nomura Investment Forum 2014 (Tokyo)

4Th Quarter
- 3Q FY14/15 Financial Results Investors' Lunch hosted by J.P. Morgan
- DBS Pulse of Asia Conference (Singapore)
- Bank of America Merrill Lynch 2015 Asean Conference (Singapore)

A-REIT is well-covered by more than 20 research houses in Singapore. As at 31 March 2015, the following brokerage houses provide research on A-REIT:

Bank of America Merrill Lynch (Singapore)
Barclays Research
BNP Paribas Equity Research
CIMB Research
Citi Research
CLSA Singapore
Credit Suisse AG
Daiwa Capital Markets
DBS Bank Research
Deutsche Bank
Goldman Sachs (Singapore)
HSBC Global Research
Jefferies Singapore
JP Morgan Securities
Macquarie Capital Securities
Maybank Kim Eng
Morgan Stanley Asia
Nomura
OCBC Investment Research
Religare Capital Markets Research
RHB Research Institute Singapore
UBS Securities
UOB Kay Hian Research

A-REIT is a member of the following indices:

- Bloomberg Asia Pacific Financial Index
- Bloomberg Asia Real Estate Investment Trust Index
- Bloomberg World Financial Index
- Bloomberg World REIT Index
- FTSE Global All Cap ex US Index
- FTSE Straits Times Index
- FTSE ST All-Share Index
- FTSE ST Real Estate Index
- iShares FTSE EPRA NAREIT Asia Index Fund Intraday Indicative Value Index
- iShares FTSE EPRA NAREIT Global Real Estate ex US Fund Intraday Indicative Index
- MSCI Singapore Free Index
- MSCI Singapore Index
- S&P Asia Pacific BMI Index
- S&P Asia Property 40 Index
- S&P Developed MidSmall Cap Index USD
- S&P Developed Property Index
- S&P Developed REIT Index
- S&P EPAC BMI Index
- S&P Global BMI Financials Index
- S&P Global Property Index USD
- S&P Global BMI Index USD
- S&P Global Large MidCap Index USD
- S&P Global REIT Index USD
- S&P International Dividend Opportunities Index
- STOXX Asia 1200 Price Index
- STOXX Asia Pacific 600 Index EUR
- STOXX Asia Pacific 600 Real Estate Index EUR
- STOXX Global 1800 Index EUR
- STOXX Global 3000 Price Index
- WisdomTree Global ex-US Real Estate Index

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

THE MANAGER
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Singapore Science Park II
Singapore 117525
Phone : (65) 6774 1033 Fax : (65) 6775 2813
Email : a-reit@ascendas-fms.com
Website : www.a-reit.com

THE UNIT REGISTRAR
Boardroom Corporate & Advisory Services Pte Ltd
(a member of Boardroom Limited)
50 Raffles Place #32-01 Singapore Land Tower
Singapore 048623
Phone : (65) 6536 5355 Fax : (65) 6438 8710

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

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

FINANCIAL CALENDAR

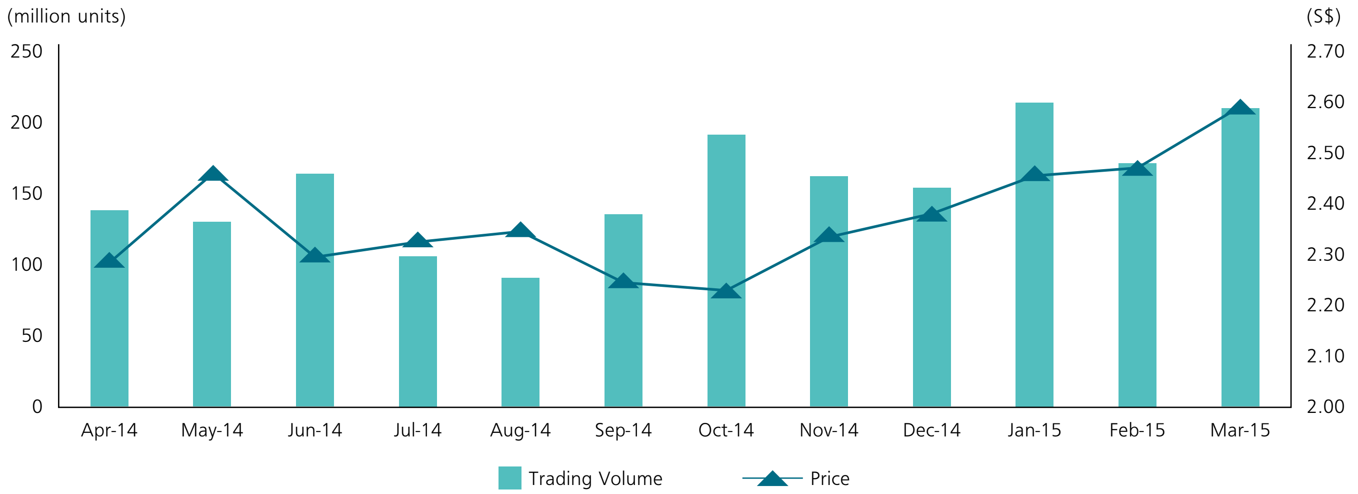
	FY14/15	FY15/16 (tentative)
1st quarter results announcement	23 July 2014	July 2015
2nd quarter and half-year results announcement	23 October 2014	October 2015
3rd quarter results announcement	22 January 2015	January 2016
Full year results announcement	23 April 2015	April 2016
Annual Unitholders' Meeting	29 June 2015	June 2016

A-REIT UNIT PRICE PERFORMANCE

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
Opening Price (S$)	2.02	2.00	2.01	2.60	2.26
Closing Price (S$)	2.04	2.02	2.60	2.26	2.59
High (S$)	2.07	2.16	2.72	2.86	2.63
Low (S$)	2.01	1.81	1.98	2.06	2.19
Trading Volume (m units)	1,486	1,429	1,486	2,045	1,862
% of S-REIT Trading Volume	9.6%	10.3%	8.1%	10.2%	9.4%
Market Capitalisation (S$'m)(1)	3,824	4,212	6,237	5,430	6,231

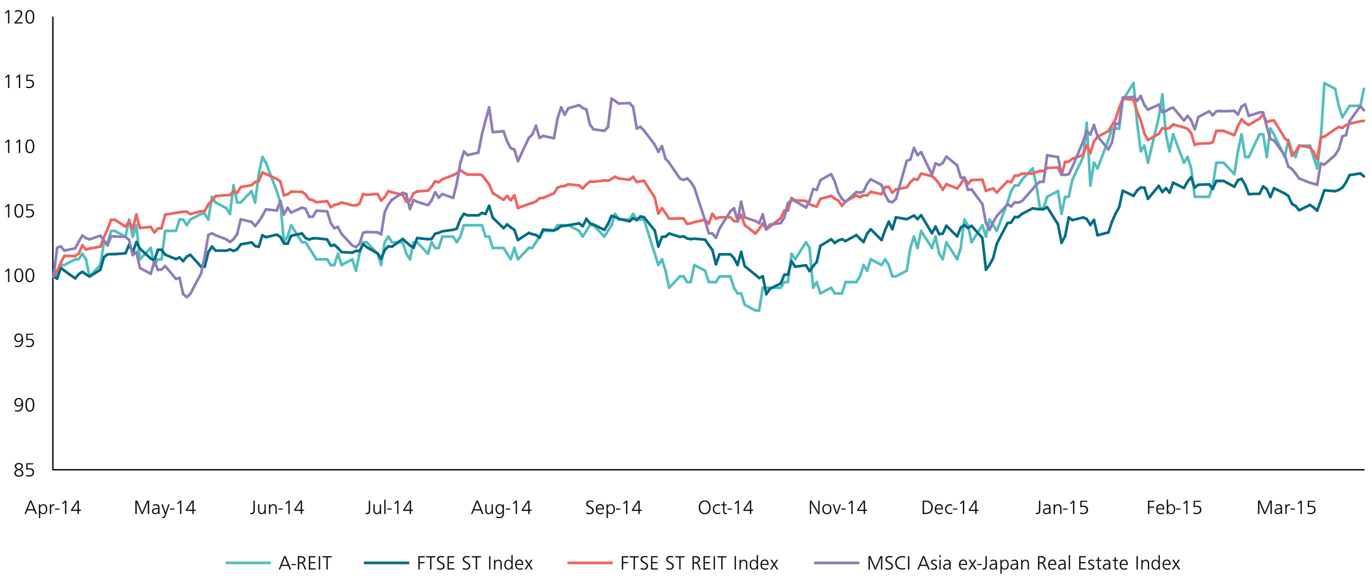
NOTE:
(1) Based on last trading date of the respective financial year.

A-REIT MONTHLY TRADING PERFORMANCE IN FY14/15

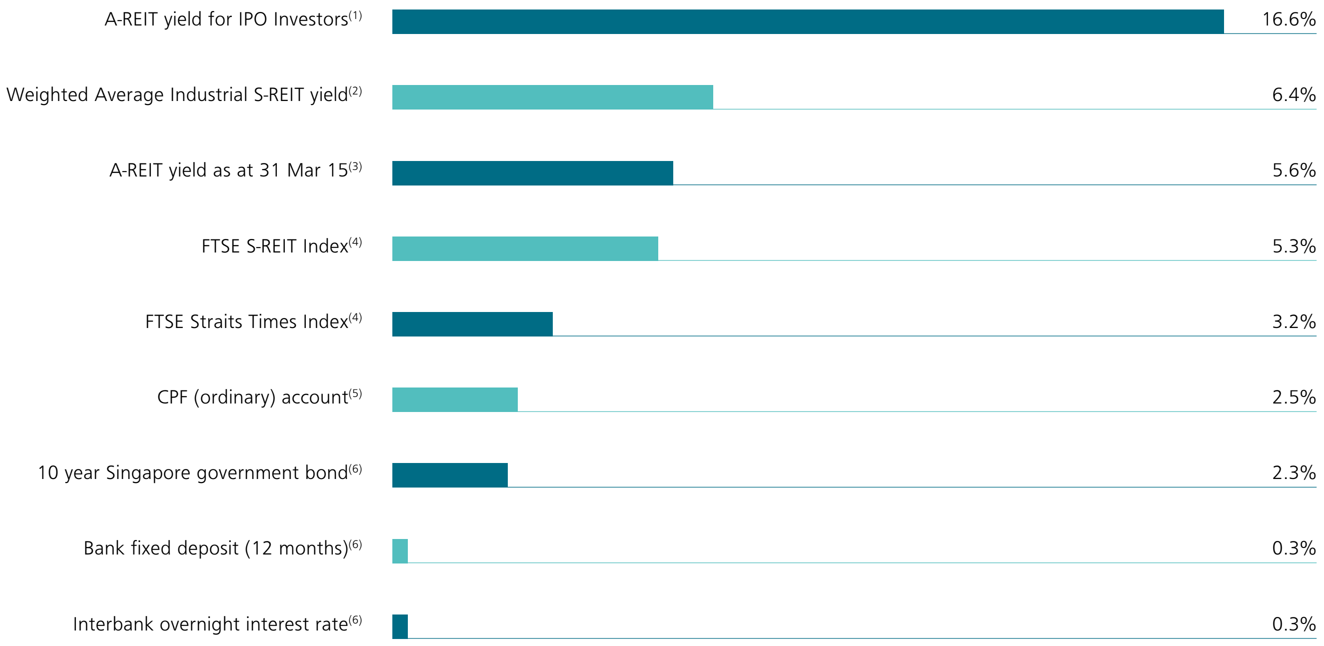


INVESTOR RELATIONS

A-REIT UNIT PRICE PERFORMANCE IN FY14/15 VS MAJOR INDICES



COMPETITIVE YIELD RETURNS



NOTES:
(1) Based on A-REIT's IPO price of S$0.88 per unit and DPU of 14.60 cents for FY14/15.
(2) Based on A-REIT's internal research and Bloomberg.
(3) Based on A-REIT's closing price of S$2.59 per unit as at 31 Mar 2015 and DPU of 14.60 cents for FY14/15.
(4) Based on dividend yield computed by Bloomberg as at 31 March 2015.
(5) Based on interest paid on Central Provident Fund ("CPF") ordinary account from 1 Jan to 31 Mar 15. Source: CPF Website.
(6) Based on bond yields and rates published on the Monetary Authority of Singapore website as at 31 Mar 2015. Source: MAS Website.

CORPORATE GOVERNANCE

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

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

THE MANAGER OF A-REIT

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

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

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

1. carrying on and conducting all transactions on behalf of A-REIT at arm's length, using its best endeavours;
2. approving A-REIT's business plan and budget;
3. ensuring compliance with applicable requirements, laws and regulations, such as those contained in the Listing Rules of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") including the Property Funds Appendix issued by the Monetary Authority of Singapore (the "MAS"), the Capital Markets Services ("CMS") licence for REIT Management issued by the MAS, the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), as well as the Manager's obligations under the Trust Deed;
4. ensuring the execution of works by the appointed Property Manager that provides property management, marketing and project management services for the properties held by A-REIT, pursuant to the relevant property management agreement; and
5. maintaining a framework of prudent and effective controls which enable financial, operational and compliance risks, to be assessed and managed.

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

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

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

CORPORATE GOVERNANCE

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

(A) BOARD MATTERS

Principle 1: *The Board's Conduct of Affairs*

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

Members of the respective Committees are:

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

Denotes C – Chairman; M – Member

(i) Mr Chia Kim Huat retired from the Board on 30 November 2014 and relinquished his role as a member of the Audit Committee and Operational Risk Management Committee on 30 November 2014.

(ii) Mr Chan Pengee, Adrian joined the Board on 1 December 2014 and was appointed member of the Audit Committee and Operational Risk Management Committee on 1 December 2014.

Members and their respective attendance at the Board, Audit Committee ("AC"), Nominating, Human Resource and Remuneration Committee ("NHRRC"), and Operational Risk Management Committee meetings for FY2014/2015 are set out below.

	Board	Audit Committee	Nominating, Human Resource and Remuneration Committee	Operational Risk Management Committee
	No. of meetings held : 5	No. of meetings held : 7	No. of meetings held: 1	No. of meetings held: 2
Mr Koh Soo Keong	5		1	2
Mr Khiatani Manohar Ramesh	5		1	2
Mr Henry Tan Song Kok	5	7	1	
Mr Chia Kim Huat[(i)]	3	4		1
Mr Teo Eng Cheong	4	5		
Mr Teo Choon Chye, Marc	5	6		
Mr Chan Pengee, Adrian[(ii)]	2	3	1	1
Mr Tan Ser Ping[(iii)]	5			2

(i) Mr Chia Kim Huat retired from the Board on 30 November 2014; he attended all meetings held during his tenure.

(ii) Mr Chan Pengee, Adrian joined the Board on 1 December 2014

(iii) Mr Tan Ser Ping attended the AC and NHRRC meetings in his capacity as CEO of the Manager.

CORPORATE GOVERNANCE

Principle 2: *Board Composition and Guidance*

The Board presently consists of seven members, five of whom are independent Directors. The composition of the Board therefore complies with the Code of Corporate Governance 2012, which states that at least one-third of the Board members should be independent Directors. The Chairman of the Board is Mr Koh Soo Keong, the Deputy Chairman of the Board is Mr Khiatani Manohar Ramesh.

The current composition of the Directors as a group provide an appropriate balance and diversity of skills, experience, talent and knowledge relevant to A-REIT. The NHRRC annually examines the size and composition of the Board with a view to determining the impact of the number upon effectiveness and ensuring that the Board has the appropriate mix of expertise and experience.

In relation to diversity in gender, the Manager notes that the Board originally comprised eight members. However, the only female member, Ms Low Yen Ling had resigned on 1 October 2013 following her appointment as Parliamentary Secretary, Ministry of Social and Family Development. The Manager has plans to expand the Board to comprise nine members of which two members will be female.

The Board considers that its composition and balance between non-independent and independent directors are appropriate and allows for a balanced exchange of views, deliberations and debates among members and effective oversight of management.

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

- Mr Koh Soo Keong – Chairman
- Mr Henry Tan Song Kok
- Mr Teo Eng Cheong
- Mr Teo Choon Chye, Marc
- Mr Chan Pengee, Adrian

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

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

The profiles of the Directors are set out on pages 18 to 22 of the Annual Report.

CORPORATE GOVERNANCE

Principle 3: *Chairman and Chief Executive Officer*

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

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

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

Principle 4: *Board Membership*

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

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

The Corporate Secretary confirms that new Directors are formally appointed by way of a Board resolution. The search for candidates to be appointed as new Directors is conducted through contacts and recommendations. Suitable candidates are carefully evaluated by the NHRRC so that recommendations made on proposed candidates are objective and well supported. In recommending the appointment of new Directors, the Board takes into consideration the current Board size and composition, including the diversity of skills, experience, gender and knowledge of matters relating to A-REIT which the new Director can provide to the Board. Appointment of Directors is subject to the approval of the Manager's parent entities.

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

Key information regarding the Directors, such as their academic and professional qualifications, the committees served on, the date of first appointment as a Director, Directorships, both present and those held over the last three years in other listed companies, and other major appointments, is disclosed on pages 18 to 22 of the Annual Report.

CORPORATE GOVERNANCE

Principle 5: *Board Performance*

A review of the Board's performance is carried out annually to assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The review allows each Director to individually express his/her personal and confidential assessment of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities. It provides insights into the functioning of the Board, whilst identifying areas that might need strengthening and development. The review of the Board's performance includes the Board composition, access to information, processes, risk management, board committees, strategic planning, accountability and oversight, and standards of conduct. Each Director is required to complete a Board Performance Evaluation Questionnaire (the "Questionnaire"). Based on the Questionnaire returned by each Director, a consolidated report is prepared and presented to the NHRRC and the Board. Members of the NHRRC evaluate the responses and provide their comments and recommendations to the Board on any changes that should be made to help the Board discharge its duties more effectively. Accordingly, the annual review of the Board's performance was carried out for FY2014/2015.

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

The Board is satisfied that it has achieved its performance objectives for FY2014/2015 and that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties.

Principle 6: *Access to Information*

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

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

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

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

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

CORPORATE GOVERNANCE

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

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

(B) REMUNERATION MATTERS

Principle 7: *Procedures For Developing Remuneration Policies*

Principle 8: *Level and Mix of Remuneration*

Principle 9: *Disclosure On Remuneration*

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

Directors' Fees[1]

Board Members	FY 13/14	FY 14/15[6]
Mr Koh Soo Keong	S$139,500	S$145,000
Mr Khiatani Manohar Ramesh[2]	S$69,355	S$88,500
Mr Henry Tan Song Kok	S$94,000	S$96,000
Mr Chia Kim Huat[3]	S$73,500	S$49,604
Mr Teo Eng Cheong[4]	S$75,250	S$77,500
Mr Teo Choon Chye, Marc	S$67,250	S$70,000
Mr Chan Pengee, Adrian[5]	N.A	S$28,390
Mr Tan Ser Ping	N.A	N.A

N.A.: Not Applicable.

1 Inclusive of attendance fees of (a) S$1,000 per meeting attendance in person, (b) S$1,000 per meeting attendance via teleconferencing or video conferencing (c) ad-hoc meeting with Management S$500 per meeting attendance (d) an additional S$500 per day for overseas attendance allowance. Directors' fees are subject to the approval of the Manager's parent entities.

2 All Director's fees payable to Mr Khiatani Manohar Ramesh, the President and CEO of Ascendas Pte Ltd, will be paid in cash to Ascendas Investment Pte Ltd, a wholly owned subsidiary of Ascendas Pte Ltd

3 Mr Chia Kim Huat retired from the Board on 30 November 2014

4 All Director's fees payable to Mr Teo Eng Cheong, a public officer, will be paid in cash to a government agency, The Directorship & Consultancy Appointments Council.

5 Mr Chan Pengee, Adrian joined the Board on 1 December 2014

6 FY14/15 Directors' fees are subject to the approval of the Manager's parent entities.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: *Accountability*

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

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

Management provides all members of the Board with management accounts and such explanation and information on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the performance, position and prospects of A-REIT.

CORPORATE GOVERNANCE

Principle 11: *Risk Management and Internal Controls*

Risk Management

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

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

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

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

Internal Controls

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

The Manager has in place, a control self-assessment programme whereby process owners will self-assess their respective internal controls via self-assessment questionnaires on an annual basis. Action plans are then drawn up to mitigate the control gaps. The self-assessment exercise is subsequently validated by A-REITs internal auditors.

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

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

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

CORPORATE GOVERNANCE

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

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

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

Directors' Opinion On Internal Controls

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

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

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

Based on the internal controls established and maintained by the Manager, work performed by the internal and external auditors, and reviews performed by the Management, the various Board Committees and the Board, the AC and the Board are of the opinion that there are adequate and effective internal controls and risk management systems in place within the Group to address material financial, operational, compliance and information technology risks faced by A-REIT as at 31 March 2015.

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

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

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

CORPORATE GOVERNANCE

Principle 12: *Audit Committee*

The AC is appointed by the Board from among the Directors of the Board, all of whom (including the Chairman of the AC) are independent Directors. The members of the AC are Mr Henry Tan Song Kok (Chairman), Mr Teo Eng Cheong, Mr Teo Choon Chye, Marc and Mr Chan Pengee, Adrian.

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

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

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

For the year under review, the AC has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has also met with the external and internal auditors without the presence of the Management. The aggregate amount of the audit fees paid and payable by A-REIT and its subsidiaries to the external auditors for FY2014/2015 was $486,720, of which audit and non-audit fees amounted to $361,780 and $124,940 respectively. In appointing the audit firm for A-REIT, the AC is satisfied that A-REIT has complied with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST.

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

External Audit

KPMG LLP ("KPMG") was re-appointed as the external auditor for A-REIT for FY2014/2015. The AC has assessed the performance of the external auditor based on factors such as the performance and quality of their audit and the independence of KPMG and the AC is of the view that KPMG is suitable to continue being appointed as external auditors of A-REIT.

Principle 13: *Internal Audit*

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

CORPORATE GOVERNANCE

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: *Unitholder Rights*

Principle 15: *Communication with Unitholders*

Principle 16: *Conduct Of Unitholder Meetings*

The Manager has in place a dedicated team performing the investor relations function and has in place an Investor Relations Policy which sets out the principles and practices that the Manager applies in order to provide Unitholders and prospective investors of A-REIT with the information necessary to make well-informed investment decisions and to ensure a level playing field.

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

(E) ADDITIONAL INFORMATION

Trading of A-REIT'S Units

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

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

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

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

Examples (not exhaustive) of inside information include:

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

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

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

Dealing with Conflicts of Interest

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

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

2. all executive officers are employed by the Manager;

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

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

CORPORATE GOVERNANCE

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

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

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

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

Dealing with Interested Person Transactions

Review Procedures for Interested Person Transactions

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

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

CORPORATE GOVERNANCE

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

In addition, the following procedures have been undertaken:

1. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding $100,000 in value but below 1.0 per cent. of A-REIT's net tangible assets or $15 million (whichever is the lower) will be subject to review by the AC at regular intervals.

2. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 1.0 per cent. of A-REIT's net tangible assets or $15 million (whichever is the lower) but below 3.0 per cent. of A-REIT's net tangible assets will be subject to the review and approval of the AC. Such approval shall only be given if the transactions are on arm's length commercial terms and consistent with similar types of transactions made by the Trustee, as trustee for A-REIT, with third parties which are unrelated to the Manager.

3. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0 per cent. of A-REIT's net tangible assets but below 5.0 per cent. of A-REIT's net tangible assets will be reviewed and approved by the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. An announcement will be made on SGXNet in accordance with the Listing Manual requirements.

4. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0 per cent. of A-REIT's net tangible assets will be reviewed and approved by the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would require approval by A-REIT unitholders. An announcement will also be made on SGXNet in accordance with the Listing Manual requirements.

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

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

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

CORPORATE GOVERNANCE

Disclosure Guide

Guideline	Questions		How has the Company complied?
General	(a)	Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Please refer to the disclosures in this table for the specific deviations from the Singapore Code.
	(b)	In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The Manager has adopted alternative corporate governance practices which reflect the fact that the Manager itself is not a listed entity, which in this context is Ascendas Real Estate Investment Trust ("A-REIT"), which is managed externally by the Manager.
Board Responsibility			
Guideline 1.5	What are the types of material transactions which require approval from the Board?		Please refer to page 98 of the report.
Members of the Board			
Guideline 2.6	(a)	What is the Board's policy with regard to diversity in identifying director nominees?	Please refer to page 100 of the report.
	(b)	Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	Please refer to page 100 of the report. The current composition of the Board provides diversity in relation to skills, experience and knowledge of the Company. In relation to gender diversity, the Manager notes that the Board originally comprised eight members. However, the only female member, Ms Low Yen Ling had resigned on 1 October 2013 following her appointment as Parliamentary Secretary, Ministry of Social and Family Development. The Manager has plans to expand the Board to comprise nine members of which two members will be female.
	(c)	What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	Please refer to page 100 of the report.

CORPORATE GOVERNANCE

Disclosure Guide

Guideline	Questions		How has the Company complied?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.		Please refer to page 101 of the report.
Guideline 1.6	(a)	Are new directors given formal training? If not, please explain why.	Yes. Please refer to page 101 of the report.
	(b)	What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to page 101 of the report.
Guideline 4.4	(a)	What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	As a guide, Directors should not have more than six listed company board representations. Please refer to page 101 of the report for further details.
	(b)	If a maximum number has not been determined, what are the reasons?	Not applicable. Please see the response to Guideline 4.4(a) above.
	(c)	What are the specific considerations in deciding on the capacity of directors?	Please refer to page 101 of the report.
Board Evaluation			
Guideline 5.1	(a)	What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to page 102 of the report.
	(b)	Has the Board met its performance objectives?	The Board is satisfied that it has achieved its performance objectives for FY2014/2015 and that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties. Please refer to page 102 of the report for further details.

CORPORATE GOVERNANCE

Disclosure Guide

Guideline	Questions	How has the Company complied?
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. Please refer to page 100 of the report.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	Not applicable as there is no such director.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable as there is no such director.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Not applicable. None of the Independent Directors have served on the Board for more than nine years from the date of his first appointment.

CORPORATE GOVERNANCE

Disclosure Guide

Guideline	Questions	How has the Company complied?
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	This is not applicable to A-REIT as all fees and remuneration payable to the Directors, key executive officers and staff of the Manager are paid by the Manager and not A-REIT. Please refer to page 103 of the report for further details. Nonetheless, the Manager has voluntarily disclosed the Directos' fees paid to each Director. Please refer to page 104 of the report.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Not applicable. Please see the response to Guideline 9.2 above.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Not applicable. Please see the response to Guideline 9.2 above.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Not applicable. Please see the response to Guideline 9.2 above.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Not applicable. Please see the response to Guideline 9.2 above.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Not applicable. Please see the response to Guideline 9.2 above.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Not applicable. Please see the response to Guideline 9.2 above.

CORPORATE GOVERNANCE

Disclosure Guide

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to pages 102 and 103 of the report.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes. The internal audit function is outsourced to BDO LLP, an international auditing firm. Please refer to page 107 of the report for further details.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Please refer to page 105 and 106 of the report.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes. Please refer to page 106 of the report.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	Please refer to page 107 of the report.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	Please refer to page 107 of the report.

CORPORATE GOVERNANCE

Disclosure Guide

Guideline	Questions	How has the Company complied?
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Please refer to page 108 of the report
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, this is done by a dedicated investor relations team. Please refer to page 108 of the report.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Please refer to page 108 of the report.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	This is not applicable. Please refer to the Distribution Statement on page 124 of the report.

FINANCIAL REPORT

Contents

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Ascendas Funds Management (S) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 9 October 2002 (as amended and restated)[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 122 to 202, 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

Esther Fong Su Ching
Head of Trustee Services

28 May 2015

[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 and the Eleventh Supplemental Deed dated 14 October 2011.

STATEMENT BY THE MANAGER

In the opinion of the directors of Ascendas Funds Management (S) Limited, the accompanying financial statements set out on pages 122 to 202 comprising the Balance Sheets, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, Investment Properties Portfolio Statement and Statement of Cash Flows of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 March 2015, the total return, distributable income, movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

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

Khiatani Manohar Ramesh
Director

28 May 2015

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the Balance Sheets of the Group and the Trust and Investment Properties Portfolio Statement of the Group as at 31 March 2015, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds of the Group and of the Trust and the Statement of Cash Flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 122 to 202.

Manager's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 March 2015 and the total return, distributable income, movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

28 May 2015

BALANCE SHEETS

As at 31 March 2015

	Note	Group 31/3/2015 $'000	Group 31/3/2014 $'000 (Restated)	Group 1/4/2013 $'000 (Restated)	Trust 31/3/2015 $'000	Trust 31/3/2014 $'000
Non-current assets						
Investment properties	4	**7,867,930**	6,922,966	6,447,054	**7,558,780**	6,651,419
Investment property under development	5	**–**	–	151,916	**–**	–
Investment in debt securities	6	**–**	194,574	145,535	**–**	194,574
Plant and equipment	7	**260**	418	992	**152**	303
Finance lease receivables	8	**92,842**	93,844	63,370	**92,842**	93,844
Interest in subsidiaries	9	**–**	–	–	**179,324**	170,027
Other assets	10	**3,106**	–	33,070	**–**	–
Derivative assets	15	**38,736**	1,348	12,259	**38,736**	1,348
		8,002,874	7,213,150	6,854,196	**7,869,834**	7,111,515
Current assets						
Finance lease receivables	8	**1,002**	1,031	1,901	**1,002**	1,031
Trade and other receivables	11	**90,064**	65,139	46,904	**83,484**	61,894
Other assets	10	**–**	–	36,040	**–**	–
Derivative assets	15	**–**	1,345	64	**–**	1,345
Property held for sale	4	**24,800**	10,500	–	**24,800**	10,500
Cash and cash equivalents	12	**41,590**	67,328	27,766	**14,389**	57,952
		157,456	145,343	112,675	**123,675**	132,722
Current liabilities						
Trade and other payables	13	**188,548**	128,366	142,440	**163,064**	120,755
Security deposits	14	**27,810**	28,527	69,667	**27,809**	26,827
Derivative liabilities	15	**1,291**	55,216	885	**1,291**	2,658
Short term borrowings	16	**270,000**	209,790	109,710	**270,000**	209,790
Term loans	16	**15,525**	342,451	–	**–**	394,986
Medium term notes	16	**–**	–	124,965	**–**	–
Exchangeable Collateralised Securities	17	**–**	341,091	–	**–**	–
Collateral loan	17	**–**	–	–	**–**	341,091
Provision for taxation		**3,651**	2,068	759	**3,303**	2,064
		506,825	1,107,509	448,426	**465,467**	1,098,171
Non-current liabilities						
Other payables	13	**2,175**	–	–	**2,175**	–
Security deposits	14	**79,504**	57,435	4,617	**75,838**	56,982
Derivative liabilities	15	**87,484**	90,185	186,945	**87,484**	90,185
Amount due to a subsidiary		**–**	–	–	**44,473**	–
Term loans	16	**1,279,046**	731,932	847,499	**1,279,046**	717,649
Medium term notes	16	**797,129**	499,157	456,202	**797,129**	499,157
Exchangeable Collateralised Securities	17	**366,024**	–	359,517	**–**	–
Collateral loan	17	**–**	–	–	**366,024**	–
Deferred tax liabilities	18	**28,553**	23,675	2,359	**–**	–
		2,639,915	1,402,384	1,857,139	**2,652,169**	1,363,973
Net assets		**5,013,590**	4,848,600	4,661,306	**4,875,873**	4,782,093
Represented by:						
Unitholders' funds		**5,013,551**	4,848,566	4,661,149	**4,875,873**	4,782,093
Non-controlling interests	19	**39**	34	157	**–**	–
		5,013,590	4,848,600	4,661,306	**4,875,873**	4,782,093
Units in issue ('000)	20	**2,405,707**	2,402,522	2,398,946	**2,405,707**	2,402,522
Net asset value per unit ($)		**2.08**	2.02	1.94	**2.03**	1.99

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

STATEMENTS OF TOTAL RETURN

Year ended 31 March 2015

	Note	Group		Trust	
		2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Gross revenue	21	**673,487**	613,592	**655,370**	605,692
Property operating expenses	22	**(210,760)**	(177,619)	**(204,405)**	(174,418)
Net property income		**462,727**	435,973	**450,965**	431,274
Management fee	23	**(38,137)**	(35,594)	**(38,137)**	(35,594)
Trust expenses	24	**(5,629)**	(5,188)	**(4,441)**	(4,885)
Finance income	25	**8,273**	30,459	**8,362**	30,353
Finance costs	25	**(113,651)**	(66,398)	**(112,857)**	(65,734)
Net foreign exchange (loss)/gain		**(47,653)**	(8,908)	**(492)**	19,556
Gain on disposal of investment properties		**2,023**	12,057	**2,023**	12,057
Net income		**267,953**	362,401	**305,423**	387,027
Net change in fair value of financial derivatives		**89,363**	11,574	**36,805**	(16,934)
Net appreciation on revaluation of investment properties		**47,032**	131,113	**2,711**	58,272
Total return for the year before tax		**404,348**	505,088	**344,939**	428,365
Tax expense	26	**(6,743)**	(23,244)	**(2,434)**	(1,703)
Total return for the year		**397,605**	481,844	**342,505**	426,662
Attributable to:					
Unitholders of the Trust		**397,600**	481,968	**342,505**	426,662
Non-controlling interests		**5**	(124)	**–**	–
		397,605	481,844	**342,505**	426,662
Earnings per unit (cents)					
– Basic	27	**16.54**	20.07	**14.25**	17.77
– Diluted	27	**16.54**	18.45	**14.25**	16.27

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

DISTRIBUTION STATEMENTS

Year ended 31 March 2015

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Total amount available for distribution to Unitholders at beginning of the year	**85,693**	69,503	**85,693**	69,503
Total return for the year	**397,600**	481,968	**342,505**	426,662
Distribution adjustments (Note A)	**(50,086)**	(142,612)	**5,009**	(87,306)
	347,514[(1)]	339,356[(1)]	**347,514**[(1)]	339,356[(1)]
Tax-exempt income (prior periods)	**2,166**	1,245	**2,166**	1,245
Distribution from capital (prior periods)	**1,460**	1,404	**1,460**	1,404
Total amount available for distribution to Unitholders for the year	**351,140**	342,005	**351,140**	342,005
Distribution of 7.30 cents per unit for the period from 01/04/14 to 30/09/14	**(175,496)**	–	**(175,496)**	–
Distribution of 3.55 cents per unit for the period from 01/01/14 to 31/03/14	**(85,290)**	–	**(85,290)**	–
Distribution of 3.54 cents per unit for the period from 01/10/13 to 31/12/13	**–**	(85,049)	**–**	(85,049)
Distribution of 3.60 cents per unit for the period from 01/07/13 to 30/09/13	**–**	(86,431)	**–**	(86,431)
Distribution of 3.55 cents per unit for the period from 01/04/13 to 30/06/13	**–**	(85,231)	**–**	(85,231)
Distribution of 0.37 cents per unit for the period from 19/03/13 to 31/03/13	**–**	(8,876)	**–**	(8,876)
Distribution of 2.69 cents per unit for the period from 01/01/13 to 18/03/13	**–**	(60,228)	**–**	(60,228)
	(260,786)	(325,815)	**(260,786)**	(325,815)
Total amount available for distribution to Unitholders at end of the year	**176,047**	85,693	**176,047**	85,693
Distribution per unit (cents)	**14.60**	14.24	**14.60**	14.24
(1) Comprises:				
– Taxable income	**344,823**	336,907	**344,823**	336,907
– Tax-exempt income	**2,691**	2,449	**2,691**	2,449
	347,514	339,356	**347,514**	339,356

Note A - Distribution adjustments comprise:

	Group 2015	Group 2014	Trust 2015	Trust 2014
Net change in fair value of financial derivatives	**(36,805)**	16,934	**(36,805)**	16,934
Net appreciation on revaluation of investment properties	**(47,032)**	(131,113)	**(2,711)**	(58,272)
Change in fair value of exchangeable collateralised securities	**24,933**	(18,426)	**–**	–
Change in fair value of collateral loan	**–**	–	**24,933**	(18,426)
Change in fair value of debt securities	**16,574**	(1,289)	**16,574**	(1,289)
Unrealised foreign exchange loss/(gain)	**492**	(19,730)	**492**	(19,556)
Management fee paid/payable in units	**7,627**	7,118	**7,627**	7,118
Trustee fee	**2,323**	2,146	**2,323**	2,146
(Income)/loss from subsidiaries	**(10,431)**	17,816	**–**	–
Transfer to general reserves	**(343)**	(107)	**–**	–
Gain on disposal of investment properties	**(2,023)**	(12,057)	**(2,023)**	(12,057)
Tax-exempt income	**(8,905)**	(6,110)	**(8,905)**	(6,110)
Others	**3,504**	2,206	**3,504**	2,206
Total distribution adjustments	**(50,086)**	(142,612)	**5,009**	(87,306)

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 March 2015

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
At beginning of the year	**4,848,566**	4,661,149	**4,782,093**	4,652,902
Operations				
Total return for the year attributable to Unitholders of the Trust	**397,600**	481,968	**342,505**	426,662
Net increase in net assets resulting from operations	**397,600**	481,968	**342,505**	426,662
Hedging transactions				
Effective portion of changes in fair value of financial derivatives	**5,582**	17,255	**5,582**	17,255
Changes in fair value of financial derivatives transferred to the Statements of Total Return	**(2,275)**	3,971	**(2,275)**	3,971
Net increase in net assets resulting from hedging transactions	**3,307**	21,226	**3,307**	21,226
Movement in foreign currency translation reserve	**16,110**	2,920	**–**	–
Unitholders' transactions				
Acquisition fee payable in units	**1,120**	–	**1,120**	–
Management fee paid/payable in units	**7,627**	7,118	**7,627**	7,118
Equity issue costs	**7**	–	**7**	–
Distributions to Unitholders	**(260,786)**	(325,815)	**(260,786)**	(325,815)
Net decrease in net assets resulting from Unitholders' transactions	**(252,032)**	(318,697)	**(252,032)**	(318,697)
At end of the year	**5,013,551**	4,848,566	**4,875,873**	4,782,093
Non-controlling interests				
At beginning of the year	**34**	158	**–**	–
Total return attributable to non-controlling interests	**5**	(124)	**–**	–
At end of the year	**39**	34	**–**	–
Total	**5,013,590**	4,848,600	**4,875,873**	4,782,093

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

Group

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
	Business & Science Park Properties											
	The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	10 Science Park Road	117,900	31 Mar 2015	**117,900**	110,600	**2.35**	2.28
@	The Aries	19 Nov 2002	Leasehold	60 years	18 Nov 2062	51 Science Park Road	69,500	31 Mar 2015	**69,500**	66,200	**1.39**	1.37
	The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	1 Science Park Road	129,000	31 Mar 2015	**129,000**	120,500	**2.57**	2.49
@	The Gemini	19 Nov 2002	Leasehold	60 years	18 Nov 2062	41 Science Park Road	139,700	31 Mar 2015	**139,700**	128,400	**2.79**	2.65
	Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	17 Changi Business Park Central 1	70,500	31 Mar 2015	**70,500**	70,300	**1.41**	1.45
@	1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	1 Changi Business Park Avenue 1	48,600	31 Mar 2015	**48,600**	51,200	**0.97**	1.06
@	Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	7 International Business Park	24,800	31 Mar 2015	**24,800**	23,600	**0.49**	0.49
@	PSB Science Park Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	1 Science Park Drive	82,000	31 Mar 2015	**82,000**	79,400	**1.64**	1.64
	13 International Business Park	10 Oct 2006	Leasehold	60 years[a]	15 Jul 2064[a]	13 International Business Park	25,550	31 Mar 2015	**25,550**	27,700	**0.51**	0.57
@	iQuest@IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	27 International Business Park	35,000	31 Mar 2015	**35,000**	37,100	**0.70**	0.77
	Hansapoint@ CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	10 Changi Business Park Central 2	86,900	31 Mar 2015	**86,900**	86,100	**1.73**	1.78
	Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	29 International Business Park	83,900	31 Mar 2015	**83,900**	83,400	**1.67**	1.72
	The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	87 & 89 Science Park Drive	82,200	31 Mar 2015	**82,200**	81,700	**1.64**	1.69
	31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	31 International Business Park	216,100	31 Mar 2015	**216,100**	215,200	**4.31**	4.44
	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	333,000	31 Mar 2015	**333,000**	316,700	**6.64**	6.53
	DBS Asia Hub	31 Mar 2010	Leasehold	60 years[a]	30 Sep 2067[a]	2 Changi Business Park Crescent	152,300	31 Mar 2015	**152,300**	143,300	**3.04**	2.96
	Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	8/8A Biomedical Grove	131,000	31 Mar 2015	**131,000**	130,400	**2.61**	2.69
	Nordic European Centre	08 July 2011	Leasehold	60 years[a]	31 Mar 2057[a]	3 International Business Park	116,100	31 Mar 2015	**116,100**	116,000	**2.32**	2.39
	Balance carried forward – (Business & Science Park Properties)						1,944,050		**1,944,050**	1,887,800	**38.78**	38.97

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
Business & Science Park Properties (continued)											
Balance brought forward – (Business & Science Park Properties)						1,944,050		**1,944,050**	1,887,800	**38.78**	38.97
Ascendas Z-Link	03 Oct 2011	Leasehold	50 years	27 Aug 2054	17 Zhongguancun Software Park, 8 Dongbeiwang West Road, Haidian District, Beijing 100094, China	108,000	31 Mar 2015	**108,000**	89,593	**2.15**	1.85
AkzoNobel House	08 Dec 2011	Leasehold	60 years[(a)]	28 Feb 2061[(a)]	3 Changi Business Park Vista	68,100	31 Mar 2015	**68,100**	71,600	**1.36**	1.48
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	73 Science Park Drive	48,600	31 Mar 2015	**48,600**	51,000	**0.97**	1.05
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	75 Science Park Drive	43,900	31 Mar 2015	**43,900**	42,600	**0.88**	0.88
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	77 & 79 Science Park Drive	118,200	31 Mar 2015	**118,200**	110,600	**2.36**	2.28
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	61 Science Park Road	133,900	31 Mar 2015	**133,900**	128,200	**2.67**	2.64
A-REIT City @ Jinqiao[(i)]	12 Jul 2013	Leasehold	35.6 years	04 Aug 2046	No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District, Shanghai, China	201,150	31 Mar 2015	**201,150**	181,953	**4.01**	3.75
Nexus @one-north[(ii)]	04 Sep 2013	Leasehold	60 years	07 Jun 2071	1 & 3 Fusionopolis Link	189,400	31 Mar 2015	**189,400**	186,350	**3.78**	3.84
The Kendall[(iii)]	30 Mar 2015	Leasehold	64 years	24 Mar 2079	50 Science Park Road	113,700	02 Jan 2015	**113,700**	–	**2.26**	–
Total (Business & Science Park Properties)						2,969,000		**2,969,000**	2,749,696	**59.22**	56.74
Integrated Development, Amenities & Retail Properties											
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	50 Tampines North Drive 2	65,500	31 Mar 2015	**65,500**	65,900	**1.31**	1.36
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	21 Tampines North Drive 2	86,000	31 Mar 2015	**86,000**	87,300	**1.71**	1.80
Aperia[(vi)]	08 Aug 2014	Leasehold	60 years	21 Feb 2072	8, 10 & 12 Kallang Avenue	507,200	31 Mar 2015	**507,200**	–	**10.12**	–
Total (Integrated Development, Amenities & Retail Properties)						658,700		**658,700**	153,200	**13.14**	3.16

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
	Hi-Specifications Industrial Properties & Data Centres											
	Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	31 Kaki Bukit Road 3	120,000	31 Mar 2015	**120,000**	112,200	**2.39**	2.31
	Siemens Centre	12 Mar 2004	Leasehold	60 years[a]	15 Dec 2061[a]	60 MacPherson Road	102,400	31 Mar 2015	**102,400**	102,400	**2.04**	2.11
#	Infineon Building	01 Dec 2004	Leasehold	47 years[c]	30 Jun 2050[c]	8 Kallang Sector	81,000	31 Mar 2015	**81,000**	81,000	**1.62**	1.67
#	Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	10 Ang Mo Kio Street 65	150,000	31 Mar 2015	**150,000**	148,700	**2.99**	3.07
#	Wisma Gulab	01 Dec 2004	Freehold	Freehold	–	190 MacPherson Road	77,000	31 Mar 2015	**77,000**	77,000	**1.54**	1.59
#	KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	150 Kampong Ampat	44,000	31 Mar 2015	**44,000**	43,300	**0.88**	0.89
#	KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	159 Kampong Ampat	19,500	31 Mar 2015	**19,500**	19,200	**0.39**	0.40
#	Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	38 Kim Chuan Road	141,000	31 Mar 2015	**141,000**	139,400	**2.81**	2.88
@	Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang Timor	90,000	31 Mar 2015	**90,000**	90,000	**1.81**	1.86
	Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	1 Kaki Bukit View	135,000	31 Mar 2015	**135,000**	128,000	**2.69**	2.64
@	1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang	26,800	31 Mar 2015	**26,800**	28,150	**0.53**	0.58
	30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[a]	31 Dec 2063[a]	30 Tampines Industrial Avenue 3	35,150	31 Mar 2015	**35,150**	34,650	**0.70**	0.71
@	50 Kallang Avenue	27 Feb 2006	Leasehold	60 years[a]	15 Nov 2055[a]	50 Kallang Avenue	42,100	31 Mar 2015	**42,100**	42,100	**0.84**	0.87
@	138 Depot Road	15 Mar 2006	Leasehold	60 years[a]	30 Nov 2064[a]	138 Depot Road	69,300	31 Mar 2015	**69,300**	69,300	**1.38**	1.43
@	2 Changi South Lane	01 Feb 2007	Leasehold	60 years[a]	15 Oct 2057[a]	2 Changi South Lane	36,500	31 Mar 2015	**36,500**	36,500	**0.73**	0.75
	CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[a]	31 Dec 2066[a]	9 Serangoon North Avenue 5	22,700	31 Mar 2015	**22,700**	22,300	**0.45**	0.46
	38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	38A Kim Chuan Road	122,950	31 Mar 2015	**122,950**	122,700	**2.45**	2.53
@	Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	2 Corporation Road	115,000	31 Mar 2015	**115,000**	110,000	**2.29**	2.27
#	Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	5 Tampines Central 6	271,000	31 Mar 2015	**271,000**	265,700	**5.41**	5.48
&@	31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[a]	28 Feb 2050[a]	31 Ubi Road 1	34,500	31 Mar 2015	**34,500**	34,100	**0.69**	0.70
	Hyflux Innovation Centre[iv]	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	80 Bendemeer Road	199,780	31 Mar 2015	**199,780**	–	**3.98**	–
	Total (Hi-Specifications Industrial Properties & Data Centres)						1,935,680		**1,935,680**	1,706,700	**38.61**	35.20

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
	Light Industrial Properties & Flatted Factories											
@	Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 4008-4012 Ang Mo Kio Avenue 10	141,700	31 Mar 2015	**141,700**	136,300	**2.83**	2.81
+	Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	191,800	31 Mar 2015	**191,800**	184,300	**3.83**	3.80
	Osim Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	65 Ubi Avenue 1	39,500	31 Mar 2015	**39,500**	41,000	**0.79**	0.85
@	41 Changi South Avenue 2	13 Oct 2003	Leasehold	60 years[a]	28 Feb 2055[a]	41 Changi South Avenue 2	12,200	31 Mar 2015	**12,200**	12,200	**0.24**	0.25
#	12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[a]	15 Jan 2056[a]	12 Woodlands Loop	28,200	31 Mar 2015	**28,200**	26,700	**0.56**	0.55
#	SB Building	26 Nov 2004	Leasehold	60 years[a]	30 Sep 2057[a]	25 Changi South Street 1	22,600	31 Mar 2015	**22,600**	23,800	**0.45**	0.49
#	247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	247 Alexandra Road	64,800	31 Mar 2015	**64,800**	64,800	**1.29**	1.34
@	5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	5 Tai Seng Drive	19,300	31 Mar 2015	**19,300**	19,000	**0.38**	0.39
#	Volex Building	01 Dec 2004	Leasehold	60 years[a]	31 Jan 2052[a]	35 Tampines Street 92	13,040	31 Mar 2015	**13,040**	13,040	**0.26**	0.27
#	53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[a]	30 Nov 2055[a]	53 Serangoon North Avenue 4	13,300	31 Mar 2015	**13,300**	13,200	**0.27**	0.27
	3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	3 Tai Seng Drive	19,900	31 Mar 2015	**19,900**	19,300	**0.40**	0.40
#	27 Ubi Road 4	01 Apr 2005	Leasehold	60 years[a]	31 Oct 2055[a]	27 Ubi Road 4	12,800	31 Mar 2015	**12,800**	12,200	**0.26**	0.25
#	52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[a]	15 Sep 2055[a]	52 Serangoon North Avenue 4	20,700	31 Mar 2015	**20,700**	22,500	**0.41**	0.46
#	Hyflux Building	04 Apr 2005	Leasehold	60 years	15 Jan 2041	202 Kallang Bahru	21,700	31 Mar 2015	**21,700**	22,500	**0.43**	0.46
	25 Ubi Road 4	16 May 2005	Leasehold	60 years[a]	29 Feb 2056[a]	25 Ubi Road 4	12,000	31 Mar 2015	**12,000**	11,800	**0.24**	0.24
@	BBR Building	21 Jun 2005	Leasehold	60 years[a]	15 Sep 2057[a]	50 Changi South Street 1	9,300	31 Mar 2015	**9,300**	10,100	**0.19**	0.21
@	Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[a]	30 Nov 2049[a]	11 Tampines Street 92	21,300	31 Mar 2015	**21,300**	19,900	**0.42**	0.41
@	84 Genting Lane	05 Oct 2005	Leasehold	43 years[f]	30 Nov 2039[f]	84 Genting Lane	14,700	31 Mar 2015	**14,700**	14,700	**0.29**	0.30
@	Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	455A Jalan Ahmad Ibrahim	7,800	31 Mar 2015	**7,800**	7,920	**0.16**	0.16
@	NNB Industrial Building	05 Oct 2005	Leasehold	60 years[a]	15 Jan 2056[a]	10 Woodlands Link	16,700	31 Mar 2015	**16,700**	16,600	**0.33**	0.34
@	37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[a]	31 Aug 2054[a]	37A Tampines Street 92	17,200	31 Mar 2015	**17,200**	16,900	**0.34**	0.35
	Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[a]	28 Feb 2065[a]	11 Changi North Rise	38,500	31 Mar 2015	**38,500**	38,500	**0.77**	0.79
@	Thales Building (I & II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[g]	30 Jun 2047[g]	21 Changi North Rise	9,500	31 Mar 2015	**9,500**	9,400	**0.19**	0.19
	Balance carried forward – (Light Industrial Properties & Flatted Factories)						768,540		**768,540**	756,660	**15.33**	15.58

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
	Light Industrial Properties & Flatted Factories											
	Balance brought forward – (Light Industrial Properties & Flatted Factories)						768,540		**768,540**	756,660	**15.33**	15.58
@	Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	150 Ubi Avenue 4	18,400	31 Mar 2015	**18,400**	17,000	**0.37**	0.35
@	26 Senoko Way[v]	08 Jan 2007	Leasehold	60 years[a]	15 Sep 2051[a]	26 Senoko Way	–	–	**–**	16,500	**–**	0.34
@	2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	2 Senoko South Road	36,500	31 Mar 2015	**36,500**	36,500	**0.73**	0.75
@	18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	18 Woodlands Loop	28,200	31 Mar 2015	**28,200**	26,200	**0.56**	0.54
@	9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	9 Woodlands Terrace	3,100	31 Mar 2015	**3,100**	3,100	**0.06**	0.06
@	11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	11 Woodlands Terrace	3,920	31 Mar 2015	**3,920**	3,920	**0.08**	0.08
	FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	1 Senoko Avenue	80,800	31 Mar 2015	**80,800**	78,100	**1.61**	1.61
	8 Loyang Way 1	05 May 2008	Leasehold	30 years[h]	15 Jul 2052[h]	8 Loyang Way 1	23,600	31 Mar 2015	**23,600**	24,300	**0.47**	0.50
	31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	31 Joo Koon Circle	18,300	31 Mar 2015	**18,300**	18,930	**0.37**	0.39
	Total (Light Industrial Properties & Flatted Factories)						981,360		**981,360**	981,210	**19.58**	20.20

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
	Logistics & Distribution Centres											
	IDS Logistics Corporate HQ	19 Feb 2004	Leasehold	58 years[b]	31 Aug 2056[b]	279 Jalan Ahmad Ibrahim	39,500	31 Mar 2015	**39,500**	41,100	**0.79**	0.85
	LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	3 Changi North Street 2	49,100	31 Mar 2015	**49,100**	46,910	**0.98**	0.97
@	10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	10 Toh Guan Road	124,400	31 Mar 2015	**124,400**	122,600	**2.48**	2.53
	Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[a]	15 Oct 2050[a]	19 Loyang Way	86,800	31 Mar 2015	**86,800**	80,570	**1.73**	1.66
@	Nan Wah Building	31 May 2004	Leasehold	60 years[a]	15 Oct 2057[a]	4 Changi South Lane	29,900	31 Mar 2015	**29,900**	30,900	**0.60**	0.64
	40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[d]	31 Dec 2049[d]	40 Penjuru Lane	243,400	31 Mar 2015	**243,400**	265,660	**4.85**	5.48
#	Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[a]	31 May 2054[a]	3 Changi South Street 2	33,900	31 Mar 2015	**33,900**	35,500	**0.68**	0.73
#	MacDermid Building	02 Dec 2004	Leasehold	60 years[a]	15 Jul 2050[a]	20 Tuas Avenue 6	7,400	31 Mar 2015	**7,400**	7,300	**0.15**	0.15
	Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[a]	31 Oct 2055[a]	6 Changi South Street 2	25,700	31 Mar 2015	**25,700**	25,480	**0.51**	0.53
#	9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[a]	30 Apr 2055[a]	9 Changi South Street 3	38,300	31 Mar 2015	**38,300**	40,850	**0.76**	0.84
#	5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[a]	15 Dec 2049[a]	5 Toh Guan Road East	33,000	31 Mar 2015	**33,000**	32,070	**0.66**	0.66
@	Xilin Districentre Building C	05 May 2005	Leasehold	60 years[a]	30 Sep 2054[a]	7 Changi South Street 2	26,000	31 Mar 2015	**26,000**	25,960	**0.52**	0.54
	Senkee Logistics Hub (Phase I & II)	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[e]	31 Jan 2049[e]	19 & 21 Pandan Avenue	124,800	31 Mar 2015	**124,800**	121,300	**2.49**	2.50
@	1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	1 Changi South Lane	43,500	31 Mar 2015	**43,500**	43,680	**0.87**	0.90
@	Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[a]	15 May 2053[a]	2 Clementi Loop	32,960	31 Mar 2015	**32,960**	32,300	**0.66**	0.67
@	GSH Centre	18 Nov 2005	Leasehold	60 years[a]	15 Nov 2063[a]	11 Changi North Way	16,600	31 Mar 2015	**16,600**	16,600	**0.33**	0.34
@	21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[a]	30 Sep 2055[a]	21 Jalan Buroh	78,700	31 Mar 2015	**78,700**	66,700	**1.57**	1.38
@	30 Old Toh Tuck Road	14 Jun 2006	Leasehold	60 years[a]	15 Feb 2057[a]	30 Old Toh Tuck Road	21,230	31 Mar 2015	**21,230**	24,080	**0.42**	0.50
	Sim Siang Choon Building	19 Mar 2008	Leasehold	60 years[a]	30 Sep 2054[a]	21 Changi South Avenue 2	29,000	31 Mar 2015	**29,000**	29,000	**0.58**	0.60
	15 Changi North Way	29 Jul 2008	Leasehold	60 years[a]	31 Dec 2066[a]	15 Changi North Way	48,400	31 Mar 2015	**48,400**	48,400	**0.96**	1.00
	Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	15 Pioneer Walk	119,100	31 Mar 2015	**119,100**	115,000	**2.38**	2.37
	71 Alps Avenue	02 Sep 2009	Leasehold	60 years[a]	14 Aug 2068[a]	71 Alps Avenue	21,800	31 Mar 2015	**21,800**	30,500	**0.43**	0.63
	90 Alps Avenue	20 Jan 2012	Leasehold	60 years[a]	22 Oct 2070[a]	90 Alps Avenue	49,700	31 Mar 2015	**49,700**	49,700	**0.99**	1.03
	Total (Logistics & Distribution Centres)						1,323,190		**1,323,190**	1,332,160	**26.39**	27.50

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000 (Restated)	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 % (Restated)
Total investment properties						7,867,930		**7,867,930**	6,922,966	**156.94**	142.80
Property held for sale								**24,800**	10,500	**0.49**	0.22
Other assets and liabilities (net)								**(2,879,140)**	(2,084,866)	**(57.43)**	(43.02)
Net assets								**5,013,590**	4,848,600	**100.00**	100.00

Investment properties comprise a diverse portfolio of industrial 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 105 (2014: 104) properties were undertaken by the following valuers on the dates stated below:

Valuers	2015 Valuation date	2014 Valuation date
DTZ Debenham Tie Leung (SEA) Pte Ltd	31 March 2015	31 March 2014
CBRE Pte. Ltd.	31 March 2015	31 March 2014
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 March 2015	31 March 2014
Cushman & Wakefield VHS Pte Ltd	31 March 2015	31 March 2014
Knight Frank Pte Ltd	31 March 2015	31 March 2014
Jones Lang LaSalle Property Consultants Pte Ltd	31 March 2015	31 March 2014
Cushman & Wakefield Valuation Advisory Services (HK) Ltd	31 March 2015	31 March 2014

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 2015, the valuations adopted for investment properties and property held for sale amounted to $7,754.2 million (2014: $6,923.0 million) and $24.8 million (2014: $10.5 million) respectively. The net increase in valuation of $47.0 million (2014: $131.1 million) of the Group has been recognised in the Statement of Total Return.

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 March 2015

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

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

(iii) The Kendall was acquired from Singapore Science Park Ltd, a related party of the Manager, on 30 March 2015 and was recorded at the costs incurred upon acquisition as at 31 March 2015.

(iv) Hyflux Innovation Centre was acquired in June 2014 and recorded at valuation as at 31 March 2015.

(v) 26 Senoko Way was transferred to property held for sale, following the proposed divestment of the property.

(vi) Aperia was acquired in August 2014 through the acquisition of shares in PLC 8 Holdings Pte. Ltd. ("PLC8H"). PLC8H owns all the paid in capital in PLC 8 Development Pte. Ltd. ("PLC8D"), which in turn owns the investment property.

(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 13 years upon expiry.

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

(h) 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.

@ Portfolio 3 – These properties were pledged as securities in relation to the EUR 197.5 million ($395.0 million) term notes. Following the redemption of the EUR 197.5 million ($395.0 million) term notes in May 2014, the mortgage over these properties that the Group has granted were discharged (Note 16).

Portfolio CL – These properties were pledged as securities in relation to the $300.0 million Exchangeable Collateralised Securities issued by Ruby Assets Pte. Ltd. (Note 17).

+ Block 5006 Techplace II was divested to Venture Corporation Limited for $38.0 million on 31 March 2014.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000 (Restated)
Cash flows from operating activities			
Total return for the year before tax		**404,348**	505,088
Adjustments for:			
Depreciation of plant and equipment	7	**367**	695
Impairment losses on doubtful receivables	11	**609**	172
Management fees paid/payable in units	23	**7,627**	7,118
Finance income	25	**(8,273)**	(30,459)
Finance costs	25	**113,651**	66,398
Net appreciation on revaluation of investment properties		**(47,032)**	(131,113)
Net change in fair value of financial derivatives		**(89,363)**	(11,574)
Net foreign exchange (gain)/loss		**(4,881)**	8,908
Gain on disposal of investment properties		**(2,023)**	(12,057)
Operating income before working capital changes		**375,030**	403,176
Changes in working capital:			
Trade and other receivables		**(30,608)**	(12,553)
Trade and other payables		**20,379**	11,140
Cash generated from operating activities		**364,801**	401,763
Income tax paid		**(2,360)**	(757)
Net cash generated from operating activities		**362,441**	401,006
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	A	**(251,895)**	(11,117)
Purchase of investment properties	B	**(301,425)**	–
Payment for investment properties and other assets under development		**(2,202)**	(50,873)
Payment for capital improvement on investment properties		**(98,697)**	(102,272)
Purchase of plant and equipment		**(1,428)**	(436)
Proceeds from sale of investment properties		**12,600**	70,000
Investment in debt securities		**–**	(47,750)
Interest received		**5,502**	7,519
Net cash used in investing activities		**(637,545)**	(134,929)
Cash flows from financing activities			
Equity issue costs paid		**–**	(130)
Distributions paid to Unitholders		**(260,786)**	(325,815)
Finance costs paid		**(67,395)**	(67,814)
Transaction costs paid in respect of borrowings		**(673)**	(3,025)
Proceeds from borrowings		**1,565,860**	783,410
Repayment of borrowings		**(988,442)**	(613,429)
Net cash generated from/(used in) financing activities		**248,564**	(226,803)
Net (decrease)/increase in cash and cash equivalents		**(26,540)**	39,274
Cash and cash equivalents at beginning of financial year		**67,328**	27,766
Effect of exchange rate changes on cash balances		**802**	288
Cash and cash equivalents at end of financial year		**41,590**	67,328

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

Notes:

(A) Net cash outflow on acquisition of subsidiaries

Net cash outflow on acquisition of subsidiaries is set out below:

	Group 2015 $'000	Group 2014 $'000
Investment property (including acquisition costs)	**459,888**	123,611
Cash	**9,074**	1,869
Other assets	**3,734**	56
Bank loan	**(255,969)**	(31,858)
Shareholder's loan	**–**	(36,173)
Convertible bonds	**(184,993)**	–
Accrued expenses	**(20,339)**	(404)
Deposits	**(4,076)**	(145)
Other liabilities	**(2,319)**	(9,064)
Net identifiable assets acquired	**5,000**	47,892
Total consideration	**5,000**	47,892
Add: Bank loan repaid	**255,969**	–
Add: Shareholder's loan assumed	**–**	1,134
Cash paid through deposits in previous financial years (Note 10)	**–**	(36,040)
Cash acquired	**(9,074)**	(1,869)
Net cash outflow	**251,895**	11,117

Details of the subsidiaries acquired are set out in Note 9.

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

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

	Group 2015 $'000
Investment properties (including acquisition costs)	**308,190**
Cash	**1,926**
Trade and other payables	**(5,645)**
Net identifiable assets acquired	**304,471**
Total consideration	**304,471**
Acquisition costs payable in the form of units	**(1,120)**
Cash acquired	**(1,926)**
Net cash outflow	**301,425**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

(C) *Significant non-cash transactions*

Year ended 31 March 2015

During the year, 3,184,914 units amounting to $7,424,000 were issued at issue prices ranging from $2.3229 to $2.3396 per unit as payment for 20% of the base management fee relating to the period from 1 December 2013 to 30 November 2014.

Year ended 31 March 2014

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

- 3,112,708 units amounting to $6,964,000 were issued at issue prices ranging from $2.1621 to $2.3219 per unit as payment for 20% of the base management fee relating to the period from 1 December 2012 to 30 November 2013.
- 462,860 units amounting to $1,260,000 were issued at an issue price of $2.7222 per unit as payment for the acquisition fee to the Manager in relation to the acquisition of The Galen.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 28 May 2015.

1 GENERAL

Ascendas Real Estate Investment Trust (the "Trust") is a Singapore-domiciled real estate investment trust constituted pursuant to the trust deed dated 9 October 2002 between Ascendas Funds Management (S) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), as supplemented and amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, 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 and the Eleventh Supplemental Deed dated 14 October 2011 ("Trust Deed").

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

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

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

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fees structures of these services are as follows:

(a) 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. Based on the current agreement between the Manager and the Trustee, the Trustee charges 0.03% per annum of the Deposited Property. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1 GENERAL (continued)

(b) Management fees

The Manager is entitled to receive the following remuneration:

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

(ii) an annual performance fee of:

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

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

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.

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

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

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

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

With effect from 17 November 2004, the Manager may elect to receive performance fee in cash and/or units, in such proportion as may be determined by the Manager. No performance fee was payable for the financial year ended 31 March 2014 and 31 March 2015.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1 GENERAL (continued)

(c) Fees under the property management agreements

(i) Property management services

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

(ii) Marketing services

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1 GENERAL (continued)

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

(iii) Project management services

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

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

For purpose of calculating the fees payable to the Property Managers, construction costs means all construction costs and expenditure valued by the quantity surveyor engaged by the Group for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and goods and services tax.

(iv) Energy audit services

For energy audit services, the Group will pay the Property Managers $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property located in Singapore (being the base energy audit fee) and RMB10,000 per chiller in a property located in the PRC. In addition to these fees, the Trust will pay ASPL 40.0% of the cost savings achieved in each property during the first three years after the completion of the works in such property, subject to a maximum of $40,000 per property for properties located in Singapore (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1 GENERAL (continued)

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

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees in relation to properties located in Singapore:

- in relation to the car parks located at certain 33 properties as set out in the property management agreements ("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.

ACPL is not required to provide any car park management services.

(d) Fees under the lease management agreement

(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;

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1 GENERAL (continued)

(d) Fees under the lease management agreement (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 in Singapore, or RMB1.0 million or less in the PRC;
- a fee of 5.5% of the property tax savings, where the proposed reduction in annual value is more than $1.0 million but does not exceed $5.0 million in Singapore, or more than RMB1.0 million but does not exceed RMB5.0 million in the PRC; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million in Singapore, or more than RMB5.0 million in the PRC.

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period less the expenses incurred to obtain the property tax savings and is not payable to the Manager if the Manager's objections are not successful or if the reduction in annual value results from an appeal to the valuation review board.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. Under RAP 7, accounting policies adopted should generally comply with the recognition and measurement principles of FRS.

(b) Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(c) Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties and investment properties under development, and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3(j) – Estimates of current and deferred taxes;
- Note 33 – Valuation of investment properties;
- Note 33 – Valuation of investment properties under development; and
- Note 33 – Valuation of financial instruments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2 BASIS OF PREPARATION (continued)

(e) Changes in accounting policies

(i) Subsidiaries

From 1 April 2014, as a result of the adoption of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group does not hold any ownership interest in Ruby Assets Pte. Ltd. ("Ruby Assets") and Emerald Assets Limited ("Emerald Assets"). However, based on the terms of agreements under which these entities were established, the Group receives substantially all of the returns related to their operations (as these entities issue collateralised notes exclusively for the Group) and has the current ability to direct these entities' activities that most significantly affect these returns. Accordingly, the Manager has determined that the Group has *de facto* control over Ruby Assets and Emerald Assets since their incorporation on 18 February 2010 and 19 June 2004 respectively.

Accordingly, the Group consolidated Ruby Assets and Emerald Assets since their incorporation dates, and restated the relevant amounts as if these investees had been consolidated from those dates. The quantitative impact of the change is set out in Note 2(e)(iii).

(ii) Disclosure of interests in other entities

FRS 112 *Disclosure of Interests in Other Entities* sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

From 1 April 2014, as a result of FRS 112, the Group has expanded its disclosures about its interests in non-controlling interests (Note 19).

(iii) Summary of quantitative impact

The following tables summarise the impact of the above changes on the Group's Balance Sheets, Statements of Total Return and Statements of Cash Flows. The changes in accounting policies had an immaterial impact on earnings per unit for the current and comparative periods.

The Group has applied the transitional provisions of FRS 110, and has not included in the following tables the impact of consolidating Ruby Assets and Emerald Assets on the Group's Balance Sheets, Statements of Total Return and Statements of Cash Flows as at and for the year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2 BASIS OF PREPARATION (continued)

(e) Changes in accounting policies (continued)

(iii) Summary of quantitative impact (continued)

Balance Sheets

	As previously reported $'000	Subsidiaries (Note 2(e)(i)) $'000	As restated $'000
The Group			
1 April 2013			
Non-current assets			
Investment properties	6,447,054	–	6,447,054
Investment properties under development	151,916	–	151,916
Investment in debt securities	145,535	–	145,535
Plant and equipment	992	–	992
Finance lease receivables	63,370	–	63,370
Other assets	33,070	–	33,070
Derivative assets	12,259	–	12,259
	6,854,196	–	6,854,196
Current assets			
Finance lease receivables	1,901	–	1,901
Trade and other receivables	47,301	(397)	46,904
Other assets	36,040	–	36,040
Derivative assets	64	–	64
Cash and cash equivalents	19,525	8,241	27,766
	104,831	7,844	112,675
Current liabilities			
Trade and other payables	134,647	7,793	142,440
Security deposits	69,667	–	69,667
Derivative liabilities	885	–	885
Short term borrowings	109,710	–	109,710
Medium term notes	124,965	–	124,965
Provision for taxation	759	–	759
	440,633	7,793	448,426
Non-current liabilities			
Security deposits	4,617	–	4,617
Derivative liabilities	105,879	81,066	186,945
Term loans	928,671	(81,172)	847,499
Medium term notes	456,202	–	456,202
Collateral loan	359,517	(359,517)	–
Exchangeable Collateralised Securities	–	359,517	359,517
Deferred tax liabilities	2,359	–	2,359
	1,857,245	(106)	1,857,139
Represented by:			
Unitholders' funds	4,661,149	–	4,661,149
Non-controlling interests	–	157	157
	4,661,149	157	4,661,306

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2 BASIS OF PREPARATION (continued)

(e) Changes in accounting policies (continued)

(iii) *Summary of quantitative impact (continued)*

Balance Sheets (continued)

	As previously reported $'000	Subsidiaries (Note 2(e)(i)) $'000	As restated $'000
The Group			
31 March 2014			
Non-current assets			
Investment properties	6,922,966	–	6,922,966
Investment in debt securities	194,574	–	194,574
Plant and equipment	418	–	418
Finance lease receivables	93,844	–	93,844
Derivative assets	1,348	–	1,348
	7,213,150	–	7,213,150
Current assets			
Finance lease receivables	1,031	–	1,031
Trade and other receivables	65,539	(400)	65,139
Derivative assets	1,345	–	1,345
Property held for sale	10,500	–	10,500
Cash and cash equivalents	65,928	1,400	67,328
	144,343	1,000	145,343
Current liabilities			
Trade and other payables	127,423	943	128,366
Security deposits	28,527	–	28,527
Derivative liabilities	2,658	52,558	55,216
Short term borrowings	209,790	–	209,790
Term loans	394,986	(52,535)	342,451
Collateral loan	341,091	(341,091)	–
Exchangeable Collateralised Securities	–	341,091	341,091
Provision for taxation	2,068	–	2,068
	1,106,543	966	1,107,509
Non-current liabilities			
Security deposits	57,435	–	57,435
Derivative liabilities	90,185	–	90,185
Term loans	731,932	–	731,932
Medium term notes	499,157	–	499,157
Deferred tax liabilities	23,675	–	23,675
	1,402,384	–	1,402,384
Represented by:			
Unitholders' funds	4,848,566	–	4,848,566
Non-controlling interests	–	34	34
	4,848,566	34	4,848,600

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2 BASIS OF PREPARATION (continued)

(e) Changes in accounting policies (continued)

(iii) Summary of quantitative impact (continued)

Statements of Total Return

	As previously reported $'000	Subsidiaries (Note 2(e)(i)) $'000	As restated $'000
The Group			
Year ended 31 March 2014			
Gross revenue	613,592	–	613,592
Property operating expenses	(177,619)	–	(177,619)
Net property income	435,973	–	435,973
Management fee	(35,594)	–	(35,594)
Trust expenses	(5,171)	(17)	(5,188)
Finance income	30,445	14	30,459
Finance costs	(66,407)	9	(66,398)
Foreign exchange gain/(loss)	19,730	(28,638)	(8,908)
Gain on disposal of investment properties	12,057	–	12,057
Net income	391,033	(28,632)	362,401
Net change in fair value of financial derivatives	(16,934)	28,508	11,574
Net appreciation on revaluation of investment properties	131,113	–	131,113
Total return for the year before tax	505,212	(124)	505,088
Tax expense	(23,244)	–	(23,244)
Total return for the year	481,968	(124)	481,844

Consolidated Statement of Cash Flows

	As previously reported $'000	Subsidiaries (Note 2(e)(i)) $'000	As restated $'000
The Group			
Year ended 31 March 2014			
Net cash generated from/(used in) operating activities	407,035	(6,029)	401,006
Net cash (used in)/generated from investing activities	(134,943)	14	(134,929)
Net cash used in financing activities	(225,977)	(826)	(226,803)
Net increase/(decrease) in cash and cash equivalents	46,115	(6,841)	39,274

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The 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 profit or loss. 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 profit or loss. 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.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries in the separate financial statements

Interest in a subsidiary is stated in the Trust's Balance Sheet at cost less accumulated impairment losses.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the Statement of Total Return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency (continued)

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. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the Statement of Total Return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in the translation reserve in Unitholders' funds.

(c) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or for both, but not for sale in the ordinary course of business. Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

(i) in such manner and frequency required under the CIS Code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of the investment properties.

Subsequent expenditure on investment properties is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continuing maintenance and are regularly revalued on the basis described above. For income tax purposes, the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

(d) Investment properties under development

Investment properties under development are properties constructed or developed for future use as investment properties. Investment properties under development are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. Upon completion of the development, the carrying amounts are reclassified to investment properties.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Non-current assets held for sale

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets and liabilities are measured in accordance with applicable FRSs. Thereafter, the assets or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell except for non-current assets that are accounted for in accordance with the fair value model in FRS 40 *Investment Property*.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

Non-current assets held for sale comprise property held for sale.

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefit in excess of the originally assessed standard of performance of the existing asset will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is provided on the straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Furniture and fixtures	5 – 7 years
Equipment	5 – 10 years
Computers and office equipment	1 – 5 years

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return on the date of retirement or disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

(g) Finance leases

Leases which the Group has substantially transferred all the risks and rewards incidental to ownership of the asset to the lessee are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised as finance lease receivable on the Balance Sheet. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned interest income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned interest income. The interest income is recognised in the Statement of Total Return on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in the Statement of Total Return as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the Statement of Total Return.

Financial assets designated at fair value through profit or loss comprise investment in debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, cash and cash equivalents, finance lease receivables and other assets.

Cash and cash equivalents comprise cash at bank and fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or when they expire.

Financial assets and liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss

Upon initial recognition, financial liabilities are measured at fair value and attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, the financial liabilities are measured at fair value, with changes recognised in the Statement of Total Return as finance income or finance costs.

Financial liabilities at fair value through profit or loss comprise the collateral loan and the Exchangeable Collateralised Securities (“ECS”).

Other financial liabilities

Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables, security deposits, medium term notes, term loans and short term borrowings.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(iii) Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect total return.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in fair value of the derivative is taken to the hedging reserve in Unitholders' funds. Any ineffective portion of changes in fair value of the derivative is recognised immediately in the Statement of Total Return.

When the hedged item is a non-financial asset, the amount accumulated in the Unitholders' funds is reclassified to the Statement of Total Return in the same period or periods during which the non-financial item affects total return. In other cases as well, the amount accumulated in the Unitholders' funds is reclassified to the Statement of Total Return in the same period that the hedged item affects total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in Unitholders' funds is reclassified to the Statement of Total Return.

Other derivative financial instruments

Changes in the fair value of derivative financial instruments that are not designated in a hedge relationship that qualifies for hedge accounting are recognised immediately in the Statement of Total Return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the Statement of Total Return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Total Return.

(ii) Non-financial assets

The carrying amounts of Group's non-financial assets, other than investment properties and investment properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in the Statement of Total Return if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return, unless it reverses a previous revaluation credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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 to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Reversals of impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Taxation

Taxation on the returns for the year comprises current and deferred tax. Current and deferred tax are recognised in the Statement of Total Return, except to the extent that they relate to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties and investment properties under development that are measured at fair value in Singapore, the presumption that the carrying amounts will be recovered through sale has not been rebutted. This presumption is rebutted for investment properties in the PRC held within a business model whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation (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 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation (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.

(k) 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. With effect from 1 April 2014, the Manager adopted a semi-annual distribution frequency, with distributions being made in respect of 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.

(l) Issue expenses

Issue expenses represent expenses incurred in the issuance of additional units in the Trust. The expenses are deducted directly against Unitholders' funds, as stipulated in the Trust Deed.

(m) Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of total rental income over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned and the amount can be measured reliably.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are fees incurred under the Property Management Agreements and Lease Management Agreement which are based on the applicable formula stipulated in Note 1(c) and Note 1(d) respectively.

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the Statement of Total Return on a straight-line basis over the term of leases.

Management fees

Management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(b).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee fee which is based on the applicable formula stipulated in Note 1(a).

(o) Finance income and finance costs

Finance income comprises interest income from financial institutions and investment in debt securities, fair value gains on financial instruments measured at fair value through profit or loss and accretion adjustments on security deposits. Interest income is recognised as it accrues in the Statement of Total Return, using the effective interest method.

Finance costs comprise interest expense on borrowings, amortisation of borrowing-related transaction costs, transaction costs directly attributable to financial liabilities measured at fair value through profit or loss, fair value losses on financial instruments measured at fair value through profit or loss, and accretion adjustments on security deposits.

Interest expense on borrowings, amortisation of borrowing-related transaction costs and accretion adjustments on security deposits are recognised in the Statement of Total Return using the effective interest method over the period of borrowings, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(p) Earnings per unit

The Group presents basic and diluted earnings per unit data for its units. Basic earnings per unit is calculated by dividing the total return for the year attributable to Unitholders of the Trust by the weighted average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return for the year after tax attributable to Unitholders of the Trust and the weighted average number of units outstanding, for the effects of all dilutive potential units arising from the conversion of the collateral loan and ECS.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Chief Executive Officer, the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New standards and interpretations

A number of new standards, amendments to standards and interpretations that have been issued as of the reporting date but are not yet effective for the financial year ended 31 March 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Trust. The Group does not plan to adopt these standards early.

4 INVESTMENT PROPERTIES

	Note	Group 2015 $'000	Group 2014 $'000 (Restated)	Trust 2015 $'000	Trust 2014 $'000
At 1 April		**6,922,966**	6,447,054	**6,651,419**	6,378,190
Acquisition of investment properties		**308,190**	–	**801,190**	–
Acquisition of a subsidiary		**459,888**	123,611	**–**	–
Transfer from investment property under development	5	**–**	181,313	**–**	181,313
Transfer to property held for sale		**(24,800)**	(10,500)	**(24,800)**	(10,500)
Capital expenditure incurred		**130,967**	102,933	**128,260**	101,244
Transfer from plant and equipment		**39**	–	**–**	–
Disposals		**–**	(57,100)	**–**	(57,100)
Effects of movement in exchange rates		**23,648**	4,542	**–**	–
		7,820,898	6,791,853	**7,556,069**	6,593,147
Net appreciation on revaluation (unrealised) recognised in the Statement of Total Return		**47,032**	131,113	**2,711**	58,272
At 31 March		**7,867,930**	6,922,966	**7,558,780**	6,651,419

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2015 except for The Kendall, which was acquired on 30 March 2015 and was recorded at the costs incurred upon acquisition.

In the current financial year, 26 Senoko Way was transferred from investment properties to property held for sale, following the proposed divestment of the property. The carrying value of the property was $24.8 million as at 31 March 2015. The divestment was completed in April 2015 (Note 35).

In the previous financial year, Nexus @one-north was transferred from investment property under development to investment properties, upon completion of the development. In addition, 1 Kallang Place was transferred from investment properties to property held for sale, following the proposed divestment of the property. The divestment was completed in May 2014.

There was no cumulative income or expense recognised in the Statement of Total Return relating to the property held for sale for both years.

As at the reporting date, investment properties with an aggregate carrying amount of $1,093,240,000 (2014: $2,613,870,000) have been pledged as collateral for the Exchangeable Collaterised Securities and certain term notes issued by the Group (Note 16 and 17).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	Note	Group and Trust 2015 $'000	2014 $'000 (Restated)
At 1 April		–	151,916
Costs incurred during the financial year		–	29,397
Transfer to investment properties	4	–	(181,313)
At 31 March		–	–

6 INVESTMENT IN DEBT SECURITIES

Investment in debt securities as at 31 March 2014 related to an investment in convertible bonds (the "CB") due in June 2015 issued by PLC 8 Development Pte. Ltd. (the "Issuer"). The Issuer was the developer of an integrated industrial mixed use property on a 60-year leasehold land parcel at Kallang Avenue, Singapore (the "Property").

The CB carried a coupon rate of 2.00% per annum and were secured on the assets of the Issuer but ranked after the security given by the Issuer to secure bank financing for the development of the Property. A conversion option was granted to the Trust to convert the CB to shares in the Issuer at a conversion price of $1.00 at any time upon issuance of Temporary Occupation Permit ("TOP") of the Property. The CB were accounted for as financial assets designated at fair value through profit or loss. The TOP of the Property was obtained in June 2014 and the CB were fully redeemed in September 2014.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

7 PLANT AND EQUIPMENT

	Furniture and fixtures $'000	Equipment $'000	Computers and office equipment $'000	Total $'000
Group				
Cost				
At 1 April 2013, as restated	2,853	5,795	245	8,893
Additions	9	70	43	122
Effects of movement in exchange rates	2	–	6	8
At 31 March 2014	2,864	5,865	294	9,023
At 1 April 2014	2,864	5,865	294	9,023
Additions	15	–	225	240
Transfer to investment properties	–	(39)	–	(39)
Effects of movement in exchange rates	1	3	8	12
At 31 March 2015	**2,880**	**5,829**	**527**	**9,236**
Accumulated depreciation				
At 1 April 2013, as restated	2,852	4,805	244	7,901
Depreciation charge for the year	1	690	4	695
Effects of movement in exchange rates	2	–	7	9
At 31 March 2014	2,855	5,495	255	8,605
At 1 April 2014	2,855	5,495	255	8,605
Depreciation charge for the year	2	157	208	367
Effects of movement in exchange rates	–	1	3	4
At 31 March 2015	**2,857**	**5,653**	**466**	**8,976**
Carrying amount				
At 1 April 2013, as restated	1	990	1	992
At 31 March 2014, as restated	9	370	39	418
At 31 March 2015	**23**	**176**	**61**	**260**
Trust				
Cost				
At 1 April 2013 and 31 March 2014	2,852	5,795	242	8,889
Additions	–	–	189	189
At 31 March 2015	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 1 April 2013, as restated	2,852	4,805	242	7,899
Depreciation charge for the year	–	687	–	687
At 31 March 2014	2,852	5,492	242	8,586
At 1 April 2014	2,852	5,492	242	8,586
Depreciation charge for the year	–	151	189	340
At 31 March 2015	**2,852**	**5,643**	**431**	**8,926**
Carrying amount				
At 1 April 2013	–	990	–	990
At 31 March 2014	–	303	–	303
At 31 March 2015	**–**	**152**	**–**	**152**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

8 FINANCE LEASE RECEIVABLES

	2015		2014	
	Carrying amount $'000	Face value $'000	Carrying amount $'000 (Restated)	Face value $'000 (Restated)
Group and Trust				
Finance lease receivables				
– Current	**1,002**	**9,572**	1,031	9,625
– Non-current	**92,842**	**250,408**	93,844	259,980
	93,844	**259,980**	94,875	269,605

Finance lease receivables are receivable from the lessees as follows:

	Gross receivable 2015 $'000	Unearned interest income 2015 $'000	Net receivable 2015 $'000	Gross receivable 2014 $'000 (Restated)	Unearned interest income 2014 $'000 (Restated)	Net receivable 2014 $'000 (Restated)
Group and Trust						
Within 1 year	**9,572**	**8,570**	**1,002**	9,625	8,594	1,031
After 1 year but within 5 years	**42,259**	**33,203**	**9,056**	40,874	33,730	7,144
After 5 years	**208,149**	**124,363**	**83,786**	219,106	132,406	86,700
	259,980	**166,136**	**93,844**	269,605	174,730	94,875

For one of the lessees, the Group has a credit policy in place to monitor its credit rating on an ongoing basis. The lessee would be required to provide a security deposit if the credit rating falls below the agreed terms. For the other lessee, the Group had obtained sufficient security deposits to mitigate credit risk. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

9 INTEREST IN SUBSIDIARIES

	Trust	
	2015 $'000	2014 $'000
Equity investments, at cost	**43,607**	43,607
Loans to subsidiaries	**135,717**	126,420
	179,324	170,027

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

9 INTEREST IN SUBSIDIARIES (continued)

Details of interest in subsidiaries:

	Name of subsidiary	Principal activity	Principal of business	Effective equity held by the Trust 2015 %	2014 %
(i)	**Direct subsidiaries**				
	Ascendas ZPark (Singapore) Pte. Ltd. ("AZPark")#	Investment holding	Singapore	**100**	100
	Shanghai (JQ) Investment Holdings Pte. Ltd. ("SHJQ")#	Investment holding	Singapore	**100**	100
	PLC 8 Holdings Pte. Ltd. ("PLC8H")#	Investment holding	Singapore	**100**	–
	A-REIT JW Investment Pte. Ltd. ("AJW")#	Investment holding	Singapore	**100**	–
	Ruby Assets Pte. Ltd.#	To issue debt securities and grant collateral loan to the Trust	Singapore	**–**	–
	Emerald Assets Limited (under member's voluntary winding up)	To obtain credit facilities and grant credit facilities to the Trust	Singapore	**–**	–
(ii)	**Indirect subsidiaries**				
	Ascendas Hi-Tech Development (Beijing) Co., Limited ("AHTDBC")^	Development, leasing and management of industrial properties including the provision of property management services	PRC	**100**	100
	A-REIT (Shanghai) Realty Co., Limited ("ASRC")^	Development, leasing and management of industrial properties including the provision of property management services	PRC	**100**	100
	PLC 8 Development Pte. Ltd. ("PLC8D")#	Real estate development	Singapore	**100**	–
	A-REIT J.W. Facilities Co. Ltd ("AJFC")^	Development, leasing and management of industrial properties including the provision of management services	PRC	**100**	–

Audited by KPMG LLP, Singapore.

^ Audited by a member firm of KPMG International.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

9 INTEREST IN SUBSIDIARIES (continued)

In August 2014, the Trust acquired 100% equity interest in PLC8H and incorporated AJW. PLC8H owns all the paid in capital of PLC8D and AJW owns all the paid in capital of AJFC.

In the previous financial year, the Trust acquired 100% equity interest in SHJQ. SHJQ owns all the paid in capital of ASRC, which in turn, owns the investment property, Jinqiao.

The Group does not hold any ownership interests in Ruby Assets and Emerald Assets. However, based on the terms of the agreements under which these entities were established, the Group has the ability to direct the activities of these entities for the benefit of the Group. Accordingly, both entities were consolidated by the Group.

The loans to subsidiaries are interest-free and unsecured. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses.

10 OTHER ASSETS

As at 31 March 2015, other assets relate to the deposit paid by AJFC for land acquisition for the development of a logistics facility in Jiashan, PRC.

In the previous financial year, refundable deposits amounting to $36,040,000 was offset against the total consideration paid for the Trust's acquisition of SHJQ in July 2013.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

11 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Trade receivables, gross	**5,483**	3,548	**5,235**	3,545
Impairment losses	**(724)**	(654)	**(724)**	(654)
Trade receivables, net	**4,759**	2,894	**4,511**	2,891
Deposits	**1,952**	2,337	**1,952**	2,286
Interest receivables	**424**	6,646	**424**	6,646
Other receivables	**13,778**	5,951	**12,991**	5,381
	20,913	17,828	**19,878**	17,204
Lease incentives	**33,132**	22,359	**29,949**	20,938
Prepayments	**36,019**	24,952	**33,657**	23,752
	90,064	65,139	**83,484**	61,894

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	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Business & Science Park Properties	**2,571**	1,283	**2,323**	1,280
Integrated Development, Amenities & Retail Properties	**257**	–	**257**	–
Hi-Specifications Industrial Properties & Data Centres	**843**	333	**843**	333
Light Industrial Properties & Flatted Factories	**327**	432	**327**	432
Logistics & Distribution Centres	**761**	846	**761**	846
	4,759	2,894	**4,511**	2,891

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.

Included in the trade receivables balance of the Group and the Trust is an amount of $393,000 (2014: $363,000) due from one tenant as at the reporting date.

During the financial year, $976,000 (2014: $512,000) was drawn down from bankers' guarantees and $825,000 (2014: $167,000) of cash security deposits were forfeited as a result of the default in rental by tenants.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

11 TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade receivables at the reporting date was:

	2015		2014	
	Gross $'000	Impairment losses $'000	Gross $'000 (Restated)	Impairment losses $'000 (Restated)
Group				
Not past due	**205**	**–**	276	–
Past due 1 – 90 days	**3,780**	**100**	2,324	107
Past due over 90 days	**1,498**	**624**	948	547
	5,483	**724**	3,548	654
Trust				
Not past due	**60**	**–**	273	–
Past due 1 – 90 days	**3,680**	**100**	2,324	107
Past due over 90 days	**1,495**	**624**	948	547
	5,235	**724**	3,545	654

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	2015 $'000	2014 $'000 (Restated)
Group and Trust		
At 1 April	**654**	391
Impairment losses recognised during the year	**609**	263
Amounts utilised during the year	**(539)**	–
At 31 March	**724**	654

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

12 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Cash at bank	**36,090**	66,128	**14,389**	57,952
Fixed deposits	**5,500**	1,200	**–**	–
	41,590	67,328	**14,389**	57,952

13 TRADE AND OTHER PAYABLES

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Trade payables	**23,646**	11,228	**23,559**	9,856
Trade amounts due to:				
– the Manager	**6,529**	8,796	**6,413**	8,164
– the Property Manager	**13,284**	9,591	**13,284**	9,591
– the Trustee	**604**	552	**604**	552
– other related parties	**775**	407	**1,226**	407
Accruals	**89,458**	45,992	**69,655**	45,242
Other payables	**16,449**	15,916	**14,908**	13,723
Property tax payable	**12,816**	1,754	**12,160**	1,625
Interest payable	**11,015**	9,308	**9,921**	8,266
Rental received in advance	**16,147**	24,822	**13,509**	23,329
	190,723	128,366	**165,239**	120,755
Current	**188,548**	128,366	**163,064**	120,755
Non-current	**2,175**	–	**2,175**	–
	190,723	128,366	**165,239**	120,755

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

14 SECURITY DEPOSITS

	Group 2015 $'000	Group 2014 $'000 (Restated)	Trust 2015 $'000	Trust 2014 $'000
Security deposits	**115,030**	91,622	**110,767**	89,237
Less: Unamortised discount	**(7,716)**	(5,660)	**(7,120)**	(5,428)
Security deposits at amortised cost	**107,314**	85,962	**103,647**	83,809
Current	**27,810**	28,527	**27,809**	26,827
Non-current	**79,504**	57,435	**75,838**	56,982
	107,314	85,962	**103,647**	83,809

15 DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2015 $'000	Group 2014 $'000 (Restated)	Trust 2015 $'000	Trust 2014 $'000
Derivative Liabilities				
Current	**1,291**	55,216	**1,291**	2,658
Non-current	**87,484**	90,185	**87,484**	90,185
	88,775	145,401	**88,775**	92,843
Derivative Assets				
Current	**–**	(1,345)	**–**	(1,345)
Non-current	**(38,736)**	(1,348)	**(38,736)**	(1,348)
	(38,736)	(2,693)	**(38,736)**	(2,693)
Total derivative financial instruments	**50,039**	142,708	**50,039**	90,150

	2015	2014 (Restated)
Group		
Derivative financial instruments as a percentage of net assets	**1.00%**	2.94%
Trust		
Derivative financial instruments as a percentage of net assets	**1.03%**	1.89%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

15 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 $1,338.2 million (2014: $1,245.2 million) to provide fixed rate funding for terms of less than 1 year to 10 years (2014: 1 year to 6 years). Included in the above are forward start interest rate swaps of $150.0 million (2014: $Nil) for the purpose of extending some of the expiring interest rate swaps for another 5 years. The Group also held floating rates interest rate swaps with an aggregate notional amount of $200.0 million (2014: $457.0 million) to mainly mitigate the effects arising from the unmatched floating for fixed interest rate swaps for efficient portfolio management. These offsetting interest rate swaps have terms of more than 7 years (2014: 1 year to 8 years).

Where the interest rate swaps are designated as hedging instruments in qualifying cash flow hedges, the changes in fair value of the interest rate swaps relating to the effective portion are recorded in Unitholders' funds. For the financial year ended 31 March 2015, a net change in fair value of $5.6 million (2014: $17.3 million) relating to the effective portion of cash flow hedges were recognised in Unitholders' funds. Fair value changes relating to the ineffective portion are recognised in the Statement of Total Return.

Hedge accounting was discontinued in respect of interest rate swaps with a total notional amount of $257.0 million (2014: $217.7 million), which expired during the financial year. The changes in the fair value of these interest rate swaps, amounting to a loss of $2.3 million (2014: $4.0 million), were reclassified from Unitholders' funds to the Statement of Total Return.

The Group enters into cross currency swaps ("CCS") to manage its foreign currency risk arising from its JPY, HKD and EUR denominated borrowings. As at 31 March 2015, the Group held CCS with notional amounts of JPY24.6 billion and HKD1.26 billion (2014: JPY24.6 billion and EUR197.5 million) respectively to provide Singapore dollar funding for terms of 1 to 14.5 years (2014: 1 to 10 years). On maturity, an aggregate of $567.2 million (2014: $759.4 million) payable will be swapped into JPY24.6 billion and HKD1.26 billion (2014: JPY24.6 billion and EUR197.5 million) for the repayment of the underlying foreign currency borrowings.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include derivative assets and derivative liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Balance Sheet.

The Group entered into International Swaps and Derivatives Association (ISDA) Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances, following the occurrence of a termination event as set out in the ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only a single net amount is due or payable in settlement of all transactions.

In accordance with accounting standards, the swaps presented below are not offset in the Balance Sheet as the right of set–off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

15 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 Balance Sheet $'000	Net amounts of financial assets/ liabilities presented in the Balance Sheet $'000	Related amounts not offset in the Balance Sheet $'000	Net amount $'000
2015					
Group and Trust					
Types of financial assets					
Derivative assets	**38,736**	**–**	**38,736**	**(11,680)**	**27,056**
Types of financial liabilities					
Derivative liabilities	**88,775**	**–**	**88,775**	**(11,680)**	**77,095**
2014 (Restated)					
Group					
Types of financial assets					
Derivative assets	2,693	–	2,693	(2,693)	–
Types of financial liabilities					
Derivative liabilities	145,401	–	145,401	(2,693)	142,708
Trust					
Types of financial assets					
Derivative assets	2,693	–	2,693	(2,693)	–
Types of financial liabilities					
Derivative liabilities	92,843	–	92,843	(2,693)	90,150

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Balance Sheets at their fair values.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

16 LOANS AND BORROWINGS

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Current				
Short term bank borrowings (unsecured)	**270,000**	210,000	**270,000**	210,000
Less: Unamortised transaction costs	**–**	(210)	**–**	(210)
	270,000	209,790	**270,000**	209,790
Term notes/loans				
– Secured	**–**	342,465	**–**	395,000
– Unsecured	**15,525**	–	**–**	–
Less: Unamortised transaction costs	**–**	(14)	**–**	(14)
	15,525	342,451	**–**	394,986
Total current loans and borrowings	**285,525**	552,241	**270,000**	604,776
Non-current				
Term loans (unsecured)	**1,287,000**	739,283	**1,287,000**	725,000
Less: Unamortised transaction costs	**(7,954)**	(7,351)	**(7,954)**	(7,351)
	1,279,046	731,932	**1,279,046**	717,649
Medium term notes (unsecured)	**799,444**	501,104	**799,444**	501,104
Less: Unamortised transaction costs	**(2,315)**	(1,947)	**(2,315)**	(1,947)
	797,129	499,157	**797,129**	499,157
Total non-current loans and borrowings	**2,076,175**	1,231,089	**2,076,175**	1,216,806
Total loans and borrowings	**2,361,700**	1,783,330	**2,346,175**	1,821,582

Maturity of gross loans and borrowings:

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Within 1 year	**285,525**	552,465	**270,000**	605,000
After 1 year but within 5 years	**1,601,564**	856,787	**1,601,564**	842,504
After 5 years	**484,880**	383,600	**484,880**	383,600
	2,371,969	1,792,852	**2,356,444**	1,831,104

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

16 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 $900.0 million (2014: $1,100.0 million), of which $270.0 million (2014: $210.0 million) has been utilised. Included in the amount of $900.0 million (2014: $1,100.0 million) is a sub-limit of $95.0 million (2014: $95.0 million) facility for the issuance of letters of guarantee.

Term notes/loans

As at the reporting date, the Group has in place various term loans totalling $1,340.5 million (2014: $1,281.5 million), of which $1,302.5 million (2014: $1,081.7 million) has been utilised.

Included in the term loan amount of $1,281.5 million as at 31 March 2014 was EUR 197.5 million term notes ("Euro Term Notes") issued by the Group via Emerald Assets on 14 May 2007. The Euro Term Notes bore an interest rate of 0.2% above the Singapore SOR. The Euro Term Notes were swapped into a $395.0 million term loan and on-lent by Emerald Assets to the Trust. The Euro Term Notes of the Group and term loan of the Trust were secured by fixed and floating charges over the list of properties under Portfolio 3 (see the list of properties in the Portfolio Statement). The Euro Term Notes of the Group and the related term loan of the Trust were fully repaid on 14 May 2014. Accordingly, the collateral was fully discharged.

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 2015, 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 2015 comprises $295.0 million (2014: $200.0 million) in SGD-denominated Notes, $281.4 million (2014: $301.1 million) in JPY-denominated Notes and $223.0 million (2014: $Nil) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY24.6 billion and HKD1.26 billion (2014: JPY24.6 million) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 15). As at the reporting date, after taking into consideration the effect of the cross currency swaps, the amount of Notes issued pursuant to the MTN programme which remain outstanding is $862.2 million.

As at 31 March 2015, the Notes issued under MTN are as follows:

(i) JPY9.6 billion (2014: JPY9.6 billion) Series 003 Notes. The Series 003 Notes will mature on 24 February 2018 and bear an interest rate of 2.11% per annum, payable semi-annually in arrear.

(ii) $200.0 million (2014: $200.0 million) Series 004 Notes. The Series 004 Notes will mature on 3 February 2022 and bear an interest rate of 4.00% per annum, payable semi-annually in arrear.

(iii) JPY10.0 billion (2014: JPY10.0 billion) Series 005 Notes. The Series 005 Notes will mature on 23 April 2024 and bear an interest rate of 2.55% per annum, payable semi-annually in arrear.

(iv) JPY5.0 billion (2014: 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.

(v) $95.0 million (2014: $Nil) Series 007 Notes. The Series 007 Notes will mature on 16 May 2019 and bear an interest rate of 2.50% per annum, payable semi-annually in arrear.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

16 LOANS AND BORROWINGS (continued)

Medium Term Notes (continued)

(vi) HKD620.0 million (2014: Nil) Series 008 Notes. The Series 008 Notes will mature on 26 February 2018 and bear a fixed interest rate of 1.67% per annum, payable quarterly in arrear.

(vii) HKD640.0 million (2014: Nil) 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.

The Trust has entered into cross currency swaps to swap the Series 003 Notes, the Series 005 Notes, the series 006 Notes, the Series 008 Notes and the Series 009 Notes into Singapore dollars.

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 March 2015 is 2.68% (2014: 2.75%) per annum. Total borrowings have a weighted average term remaining of 3.6 years (2014: 3.3 years).

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				
2015				
Short term bank borrowings	SOR / COF^ + margin	2015	**270,000**	**270,000**
Term loans	SOR / COF^ + margin	2015 to 2019	**1,302,525**	**1,294,571**
Medium term notes	1.67 – 4.00 / JPY LIBOR + 0.5	2018 to 2029	**799,444**	**797,129**
			2,371,969	**2,361,700**
2014 (Restated)				
Short term bank borrowings	SOR / COF^ + margin	2014	210,000	209,790
Term notes/loans	SOR / COF^ + margin	2014 to 2018	1,081,748	1,074,383
Medium term notes	2.11 – 4.00 / JPY LIBOR + 0.5	2018 to 2024	501,104	499,157
			1,792,852	1,783,330
Trust				
2015				
Short term bank borrowings	SOR / COF^ + margin	2015	**270,000**	**270,000**
Term loans	SOR + margin	2016 to 2019	**1,287,000**	**1,279,046**
Medium term notes	1.67 – 4.00 / JPY LIBOR + 0.5	2018 to 2029	**799,444**	**797,129**
			2,356,444	**2,346,175**
2014				
Short term bank borrowings	SOR / COF^ + margin	2014	210,000	209,790
Term loans	SOR + margin	2014 to 2018	1,120,000	1,112,635
Medium term notes	2.11 – 4.00 / JPY LIBOR + 0.5	2018 to 2024	501,104	499,157
			1,831,104	1,821,582

^ COF denotes the lender's cost of funds

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

17 EXCHANGEABLE COLLATERALISED SECURITIES AND COLLATERAL LOAN

	Group	
	2015	**2014**
	$'000	**$'000 (Restated)**
Exchangable Collateralised Securities ("ECS")		
At 1 April	**341,091**	359,517
Change in fair value of ECS	**24,933**	(18,426)
At 31 March	**366,024**	341,091
Current	**–**	341,091
Non-current	**366,024**	–
	366,024	341,091

	Trust	
	2015	**2014**
	$'000	**$'000**
Collateral loan		
At 1 April	**341,091**	359,517
Change in fair value of collateral loan	**24,933**	(18,426)
At 31 March	**366,024**	341,091
Current	**–**	341,091
Non-current	**366,024**	–
	366,024	341,091

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

17 EXCHANGEABLE COLLATERALISED SECURITIES AND COLLATERAL LOAN (continued)

The Group, via Ruby Assets, issued $300.0 million ECS on 26 March 2010. The ECS bear a fixed coupon of 1.60% per annum and have a legal maturity date of 1 February 2019. The collateral loan has the same terms mirroring that of the ECS.

The ECS are exchangeable by the ECS holders into new Units at the adjusted exchange price of $2.1394 (2014: $2.177) per Unit, at any time on and after 6 May 2010 up to the close of business on 23 January 2017 (subject to satisfaction of certain conditions). The Group has the option to pay cash in lieu of delivering the Units. There has been no exchange of any of the ECS since the date of issue.

The ECS may be redeemed, in whole but not in part, at the option of the Group on or any time after 1 February 2015 but not less than 7 business days prior to 1 February 2017 at the early redemption amount if the Volume Weighted Average Price of the Units is at least 130% of the adjusted exchange price for 20 consecutive trading days (subject to the satisfaction of certain conditions).

The ECS was also redeemable, in whole or in part, at the option of the ECS holders, on 1 February 2015 at the early redemption amount of the ECS, representing the redemption price upon maturity which is equal to the principal amount plus any accrued but unpaid interest up to but excluding the date of redemption. This option was not exercised by any ECS holders and has since expired.

Unless previously redeemed, exchanged or purchased and cancelled, the ECS will be redeemed by the Trust at the principal amount plus any accrued but unpaid interest on 1 February 2017.

Proceeds from the issuance of the ECS by Ruby Assets were on-lent to the Trust in the form of a collateral loan. The expected maturity date of the collateral loan is 1 February 2017 and it bears a fixed interest rate of 1.6% per annum.

The ECS of the Group and the collateral loan of the Trust are collaterised on the following:

(i) a mortgage over the 19 properties in the Trust portfolio ("Portfolio CL");

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

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

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

18 DEFERRED TAX LIABILITIES

The movements in the deferred tax assets and liabilities during the year are as follows:

	At 1 April 2013 $'000 (Restated)	Recognised in Statement of Total Return (Note 26) $'000	Exchange differences $'000	At 31 March 2014 $'000 (Restated)	Recognised in Statement of Total Return (Note 26) $'000	Exchange differences $'000	At 31 March 2015 $'000
Group							
Deferred tax liabilities							
Investment properties	2,359	21,188	128	23,675	2,818	2,060	**28,553**

As at 31 March 2015, deferred tax liabilities amounting to $2,148,600 (2014: $764,000) for temporary differences of $21,486,000 (2014: $7,640,000) relating to the unremitted earnings of overseas subsidiaries were not recognised for taxes as the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

19 NON-CONTROLLING INTERESTS

The following subsidiaries of the Group have material non-controlling interests (NCI):

Name of subsidiaries	Principal place of business	Effective equity held by NCI 2015 %	2014 %
Emerald Assets Limited (under member's voluntary winding up)	Singapore	**100**	100
Ruby Assets Pte. Ltd.	Singapore	**100**	100

The following table summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	Ruby Assets $'000	Emerald Assets $'000	Total $'000
2015			
Profit after tax and total comprehensive income	**2**	**3**	
Attributable to NCI:			
– Profit and total comprehensive income	**2**	**3**	**5**
Current assets	**1,230**	**65**	
Non-current assets	**366,024**	**–**	
Current liabilities	**(1,220)**	**(36)**	
Non-current liabilities	**(366,024)**	**–**	
Net assets	**10**	**29**	
Net assets attributable to NCI	**10**	**29**	**39**
Cash flows used in operating activities	**(6)**	**(52,660)**	
Cash flows generated from investing activities	**–**	**395,000**	
Cash flows used in financing activities	**–**	**(342,465)**	
Net decrease in cash and cash equivalents	**(6)**	**(125)**	
2014			
Profit/(loss) after tax and total comprehensive income	4	(128)	
Attributable to NCI:			
– Profit/(loss) and total comprehensive income	4	(128)	(124)
Current assets	342,311	395,266	
Current liabilities	(342,304)	(395,239)	
Net assets	7	27	
Net assets attributable to NCI	7	27	34
Cash flows used in operating activities	(8)	(1)	
Cash flows used in financing activities	(6,800)	–	
Net decrease in cash and cash equivalents	(6,808)	(1)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

20 UNITS IN ISSUE AND TO BE ISSUED

	Trust 2015 ('000)	Trust 2014 ('000)
Units issued:		
At the beginning of the financial year	**2,402,522**	2,398,946
Issue of new units:		
– as payment of management fee	**3,185**	3,113
– as payment of acquisition fee	**–**	463
At the end of the financial year	**2,405,707**	2,402,522
Units to be issued:		
Management fee payable in units	**1,019**	1,085
Acquisition fee payable in units	**440**	–
	1,459	1,085
Total units issued and to be issued at the end of the financial year	**2,407,166**	2,403,607

During the year, 3,184,914 (2014: 3,112,708) new units amounting to $7,424,000 (2014: $6,964,000) were issued at issue prices ranging from $2.3229 to $2.3396 (2014: $2.1621 to $2.3219) per unit, in respect of the payment of the base management fee to the Manager in units. In addition, 440,000 (2014: Nil) new units amounting to $1,120,000 (2014: $Nil) are estimated to be issued at an issue price of $2.5433 (2014: $Nil) per unit as payment of acquisition fees to the Manager for acquisition of The Kendall.

In the previous financial year, 462,860 new units amounting to $1,260,000 were issued at an issue price of $2.7222 per unit as payment of the acquisition fee for The Galen.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

21 GROSS REVENUE

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Property rental income	**596,145**	545,992	**578,819**	538,163
Other income	**77,342**	67,600	**76,551**	67,529
	673,487	613,592	**655,370**	605,692

Included in gross revenue of the Group and Trust are contingent rents amounting to $218,000 (2014: $Nil).

22 PROPERTY OPERATING EXPENSES

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Land rent	**30,026**	26,050	**30,026**	26,050
Maintenance and conservancy	**26,435**	25,579	**24,924**	24,653
Property service fees	**25,875**	20,986	**25,037**	20,763
Property tax	**55,670**	42,878	**54,590**	42,525
Utilities	**50,037**	46,871	**49,417**	46,499
Depreciation of plant and equipment	**151**	687	**151**	687
Other operating expenses	**22,566**	14,568	**20,260**	13,241
	210,760	177,619	**204,405**	174,418

23 MANAGEMENT FEE

Management fee relates to base management fee of $38,137,000 (2014: $35,594,000). Included in management fee is an aggregate of 3,183,590 (2014: 3,236,380) units amounting to approximately $7,627,000 (2014: $7,118,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in units at unit prices ranging from $2.3229 to $2.5433 (2014: $2.1621 to $2.3219) per unit.

24 TRUST EXPENSES

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Auditors' remuneration				
– audit fees	**362**	305	**233**	218
– non-audit fees	**125**	97	**125**	97
Professional fees	**1,325**	606	**644**	458
Trustee fee	**2,323**	2,146	**2,323**	2,146
Other expenses	**1,494**	2,034	**1,116**	1,966
	5,629	5,188	**4,441**	4,885

Other expenses for the Group and Trust include depreciation of plant and equipment of $216,000 (2014: $8,000) and $189,000 (2014: $Nil), respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

25 FINANCE INCOME AND FINANCE COSTS

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Interest income	**6,272**	10,744	**6,669**	10,638
Change in fair value of debt securities	**–**	1,289	**–**	1,289
Change in fair value of ECS	**–**	18,426	**–**	–
Change in fair value of collateral loan	**–**	–	**–**	18,426
Net accretion adjustments for security deposits	**2,001**	–	**1,693**	–
Finance income	**8,273**	30,459	**8,362**	30,353
Interest expense	**71,771**	65,246	**70,977**	64,422
Amortisation of transaction costs	**373**	715	**373**	715
Net accretion adjustments for security deposits	**–**	437	**–**	597
Change in fair value of debt securities	**16,574**	–	**16,574**	–
Change in fair value of ECS	**24,933**	–	**–**	–
Change in fair value of collateral loan	**–**	–	**24,933**	–
Finance costs	**113,651**	66,398	**112,857**	65,734

26 TAX EXPENSE

	Group		Trust	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000
Current tax expense				
Current year	**3,925**	2,056	**2,434**	1,703
Deferred tax expense				
Origination and reversal of temporary differences	**2,818**	21,188	**–**	–
Tax expense	**6,743**	23,244	**2,434**	1,703
Reconciliation of effective tax rate				
Total return for the year before tax	**404,348**	505,088	**344,939**	428,365
Tax calculated using Singapore tax rate of 17% (2014: 17%)	**68,739**	85,865	**58,640**	72,822
Effect of different tax rate in foreign jurisdiction	**1,422**	7,071	**–**	–
Non-tax deductible items, net	**9,476**	4,786	**9,476**	4,786
Income not subject to tax	**(14,274)**	(17,204)	**(7,062)**	(18,631)
Tax transparency	**(58,620)**	(57,274)	**(58,620)**	(57,274)
	6,743	23,244	**2,434**	1,703

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

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 2015 $'000	Group 2014 $'000 (Restated)	Trust 2015 $'000	Trust 2014 $'000
Total return for the year	**397,600**	481,968	**342,505**	426,662

	Group and Trust Number of Units 2015 ('000)	Group and Trust Number of Units 2014 ('000)
Weighted average number of units:		
– outstanding during the year	**2,404,222**	2,401,014
– to be issued as payment for management fee payable in units	**3**	3
– to be issued as payment for acquisition fee payable in units	**1**	–
	2,404,226	2,401,017

	Group 2015	Group 2014 (Restated)	Trust 2015	Trust 2014
Basic earnings per unit (cents)	**16.54**	20.07	**14.25**	17.77

(b) Diluted earnings per unit

In calculating diluted earnings per unit, the total return for the year and weighted average number of units during the year are adjusted for the effects of all dilutive potential units:

	Group 2015 $'000	Group 2014 $'000 (Restated)	Trust 2015 $'000	Trust 2014 $'000
Total return for the year	**397,600**	481,968	**342,505**	426,662
Interest expense on ECS	**–**	4,800	**–**	–
Interest expense on collateral loan	**–**	–	**–**	4,800
Change in fair value of ECS	**–**	(18,426)	**–**	–
Change in fair value of collateral loan	**–**	–	**–**	(18,426)
	397,600	468,342	**342,505**	413,036

	Group Number of Units 2015 ('000)	Group Number of Units 2014 ('000)	Trust Number of Units 2015 ('000)	Trust Number of Units 2014 ('000)
Weighted average number of units				
Weighted average number of units used in calculation of basic earnings per unit	**2,404,226**	2,401,017	**2,404,226**	2,401,017
Effect of conversion of ECS	**–**	137,804	**–**	–
Effect of conversion of collateral loan	**–**	–	**–**	137,804
Weighted average number of units (diluted)	**2,404,226**	2,538,821	**2,404,226**	2,538,821

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

27 EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (continued)

(b) Diluted earnings per unit (continued)

	Group		Trust	
	2015	2014 (Restated)	2015	2014
Diluted earnings per unit (cents)	**16.54**	18.45	**14.25**	16.27

The conversion option embedded in the ECS of the Group and the collateral loan of the Trust could potentially dilute basic earnings per unit in the future. Based on the adjusted conversion price of $2.1394 (2014: $2.1770), the ECS of the Group and the collateral loan of the Trust is convertible into approximately 140,226,231 (2014: 137,804,317) Units, representing 5.8% (2014: 5.7%) of the total number of Units of the Trust in issue as at 31 March 2015.

For the current financial year, the impact of the conversion of the ECS of the Group and the collateral loan of the Trust was anti-dilutive and was excluded from the calculation of diluted earnings per unit. In the previous financial year, the diluted earnings per unit is computed on the basis that the ECS of the Group and the collateral loan of the Trust was converted at the beginning of the year.

(c) Distribution per unit

The calculation of distribution per unit for the financial year is based on:

	Group and Trust	
	2015	2014
Total amount available for distribution for the year ($'000)	**351,140**	342,005
Distribution per unit (cents)	**14.60**	14.24

28 COMMITMENTS

(a) The Trust is required to pay JTC Corporation ("JTC") and the Housing Development Board ("HDB") annual land rent (including licence fee payable for development projects) in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreement limits any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC and HDB amounted to $36,223,000 (2014: $35,263,000) and $2,452,000 (2014: $3,103,000), respectively, in relation to 78 (2014: 76) properties for the financial year ended 31 March 2015 (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	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Within 1 year	**614,857**	540,927	**592,769**	531,176
After 1 year but within 5 years	**1,253,489**	1,141,220	**1,212,673**	1,117,622
After 5 years	**642,597**	821,049	**633,630**	809,298
	2,510,943	2,503,196	**2,439,072**	2,458,096

(c) As at 31 March 2015, the Group and the Trust had $76.4 million (2014: $92.0 million) and $61.0 million (2014: $91.2 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

29 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of a significant Unitholder of the Trust.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group		Trust	
	2015 $'000	**2014 $'000 (Restated)**	**2015 $'000**	**2014 $'000**
Acquisition fee paid/payable to the Manager	**7,349**	1,223	**7,349**	1,223
Acquisition of properties from related parties of the Manager	**112,000**	–	**112,000**	–
Car park income received/receivable from the Property Manager	**(297)**	(297)	**(297)**	(297)
Car park management fee paid/payable to the Property Manager	**4,752**	4,001	**4,752**	4,001
Deposits received/receivable from:				
– the Manager	**(5)**	(14)	**(1)**	–
– the Property Manager	**–**	(37)	**–**	(37)
– related parties of the Manager	**(10)**	–	**(10)**	–
Development management fee paid/payable to the Manager	**–**	336	**–**	336
Divestment fee paid to the Manager	**63**	350	**63**	350
Incentive payment received from related parties of the Manager	**(383)**	(1,098)	**(383)**	(1,098)
Land premium paid to JTC	**21,490**	–	**21,490**	–
Lease rental, utilities income and car park income received/ receivable from:				
– the Manager	**(520)**	(422)	**(446)**	(391)
– the Property Manager	**(99)**	(10)	**(99)**	(10)
– related parties of the Manager	**(3,035)**	(2,722)	**(3,035)**	(2,722)
Lease service fees paid/payable to the Manager	**14,219**	13,001	**14,219**	12,055
Management fee paid/payable to the Manager	**38,137**	35,594	**38,137**	35,594
Property service fees to the Property Manager	**25,869**	18,839	**25,869**	18,839
Property service fees, service charge, reimbursements and receipts on behalf to related companies of the Manager	**2,246**	1,757	**1,945**	1,583
Receipts on behalf by:				
– the Manager	**(214)**	(826)	**(214)**	(826)
– the Property Manager	**(151)**	(277)	**(151)**	(277)
Reimbursements to the Manager	**11**	20	**11**	20
Reimbursements and receipts on behalf to the Property Manager	**2,302**	2,312	**2,302**	2,312
Utilities income and recovery of expenses paid on behalf by related companies of the Manager	**(151)**	(18)	**(151)**	(18)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

30 FINANCIAL RATIOS

	Group	
	2015	**2014**
	%	**%**
		(Restated)
Ratio of expenses to weighted average net asset value(1)	**1.03**	1.35
Ratio of expenses to weighted average net asset value(2)	**1.03**	1.35
Portfolio turnover rate(3)	**0.21**	1.48

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, borrowing costs and performance component of management fees.

(2) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation are the same as in (1) above except that performance fee has been included.

(3) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

31 FINANCIAL RISK MANAGEMENT

Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt, equity and convertible instruments, whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing, interest service coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management as well as financing policy regularly so as to optimise the Group's and the Trust's funding structure. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the Deposited Property. The Aggregate Leverage of a property fund may exceed 35.0% of the Deposited Property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35.0% of the Deposited Property.

The Trust currently has an issuer rating of A3 by Moody's (2014: A3). As at 31 March 2015, the Aggregate Leverage of the Group is 33.5% (2014: 30.0%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 60.0% during the financial year.

There was no change in the Group's and the Trust's approach to capital management during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

Overview of risk management

Risk management is integral to the whole business of the Group. The Manager of the Trust has a system of controls in place to create an acceptable balance between the benefits derived from managing risks and the cost of managing those risks. The Manager also monitors the Group's risk management process closely to ensure an appropriate balance between control and business objectives is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit Committee of the Manager oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's exposure to those risks. The Audit Committee's oversight role is assisted by an internal audit function which is outsourced to an independent professional firm ("Internal Audit"). Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group, to settle its financial and contractual obligations, as and when they fall due.

The Manager has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Manager before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees, insurance bonds or cash security deposits are obtained prior to the commencement of the lease.

The Manager establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific tenants or counterparties.

The allowance account is used to provide for impairment losses. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated.

As at the reporting date, except as disclosed in Note 11, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the Balance Sheets.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The Group strives to maintain available banking facilities at a reasonable level to meet its investment opportunities. The Group has in place various bilateral banking credit facilities and a Multicurrency Medium Term Note Programme with a programme limit of $5.0 billion (Note 16).

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

	Carrying amount $'000	Total contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: After 1 year but within 5 years $'000	Cash flows: After 5 years $'000
Group					
2015					
Non-derivative financial liabilities					
Loans and borrowings	**2,361,700**	**2,661,581**	**330,238**	**1,745,405**	**585,938**
Exchangeable collateralised securities	**366,024**	**308,850**	**4,800**	**304,050**	**–**
Trade and other payables[(1)]	**174,576**	**174,576**	**172,401**	**2,175**	**–**
Security deposits	**107,314**	**115,030**	**30,189**	**72,850**	**11,991**
	3,009,614	**3,260,037**	**537,628**	**2,124,480**	**597,929**
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	**2,585**	**2,710**	**1,625**	**1,085**	**–**
Interest rate swaps (net-settled)	**11,489**	**13,061**	**4,848**	**5,089**	**3,124**
Cross currency swaps (net-settled)	**74,701**	**82,591**	**5,744**	**55,333**	**21,514**
	88,775	**98,362**	**12,217**	**61,507**	**24,638**
	3,098,389	**3,358,399**	**549,845**	**2,185,987**	**622,567**
2014 (Restated)					
Non-derivative financial liabilities					
Loans and borrowings	1,783,330	2,114,967	585,001	1,062,682	467,284
Exchangeable collateralised securities	341,091	304,037	304,037	–	–
Trade and other payables[(1)]	103,544	103,544	103,544	–	–
Security deposits	85,962	91,622	28,812	53,593	9,217
	2,313,927	2,614,170	1,021,394	1,116,275	476,501
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	8,548	9,365	7,085	2,280	–
Interest rate swaps (net-settled)	26,680	29,437	7,867	12,150	9,420
Cross currency swaps (net-settled)	110,173	114,874	56,866	46,858	11,150
	145,401	153,676	71,818	61,288	20,570
	2,459,328	2,767,846	1,093,212	1,177,563	497,071

(1) Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

	Carrying amount $'000	Total contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: After 1 year but within 5 years $'000	Cash flows: After 5 years $'000
Trust					
2015					
Non-derivative financial liabilities					
Loans and borrowings	**2,346,175**	**2,645,691**	**314,348**	**1,745,405**	**585,938**
Collateral loan	**366,024**	**308,850**	**4,800**	**304,050**	**–**
Trade and other payables[1]	**151,730**	**151,730**	**149,555**	**2,175**	**–**
Security deposits	**103,647**	**110,767**	**30,188**	**69,204**	**11,375**
	2,967,576	**3,217,038**	**498,891**	**2,120,834**	**597,313**
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	**2,585**	**2,710**	**1,625**	**1,085**	**–**
Interest rate swaps (net-settled)	**11,489**	**13,061**	**4,848**	**5,089**	**3,124**
Cross currency swaps (net-settled)	**74,701**	**82,591**	**5,744**	**55,333**	**21,514**
	88,775	**98,362**	**12,217**	**61,507**	**24,638**
	3,056,351	**3,315,400**	**511,108**	**2,182,341**	**621,951**
2014					
Non-derivative financial liabilities					
Loans and borrowings	1,821,582	2,019,308	631,819	920,205	467,284
Collateral loan	341,091	304,037	304,037	–	–
Trade and other payables[1]	97,426	97,426	97,426	–	–
Security deposits	83,809	89,237	27,075	53,150	9,012
	2,343,908	2,510,008	1,060,357	973,355	476,296
Derivative financial liabilities					
Interest rate swaps designated as cash flow hedges (net-settled)	8,548	9,365	7,085	2,280	–
Interest rate swaps (net-settled)	26,680	29,437	7,867	12,150	9,420
Cross currency swaps (net-settled)	57,615	62,313	4,305	46,858	11,150
	92,843	101,115	19,257	61,288	20,570
	2,436,751	2,611,123	1,079,614	1,034,643	496,866

[1] Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

As at 31 March 2015, the Group's exposure to fluctuations in foreign currency rates relates primarily to its medium term notes and CCS that are denominated in a currency other than the functional currency of the Trust. The currencies giving rise to this risk are Euro (EUR), Japanese Yen (JPY) and Hong Kong Dollar (HKD). In relation to foreign currency risk arising from EUR, JPY and HKD denominated medium term notes, the Group and the Trust had concurrently entered into CCS of notional amount JPY24.6 billion (2014: JPY24.6 billion) and HKD1.26 billion (2014: Nil) to hedge the risk. In addition, as at 31 March 2014, the Group had issued a EUR 197.5 million term note and concurrently entered into CCS of notional amount of EUR 197.5 million to hedge the risk.

Sensitivity analysis

A 5% (2014: 5%) strengthening of Singapore dollars against EUR, JPY and HKD at reporting date would increase/(decrease) total return (before any tax effects) by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Increase/(decrease) in total return		
	EUR $'000	HKD $'000	JPY $'000
Group			
2015			
Medium term notes	**–**	**11,151**	**14,071**
Cross currency swaps	**–**	**(12,402)**	**(16,136)**
	–	**(1,251)**	**(2,065)**
2014 (Restated)			
Medium term notes	–	–	15,055
Term notes	17,123	–	–
Cross currency swaps	(17,114)	–	(17,226)
	9	–	(2,171)
Trust			
2015			
Medium term notes	**–**	**11,151**	**14,071**
Cross currency swaps	**–**	**(12,402)**	**(16,136)**
	–	**(1,251)**	**(2,065)**
2014			
Medium term notes	–	–	15,055
Cross currency swaps	–	–	(17,226)
	–	–	(2,171)

A 5% (2014: 5%) weakening of Singapore dollars against EUR, JPY and HKD would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

The Group's exposure to fluctuations in interest rates relates primarily to interest rate swaps, cross currency swaps, loans and borrowings (Note 16) and the ECS (Note 17). Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

As at 31 March 2015, the Group has interest rate swaps and offsetting interest rate swaps with total notional amount of $1,338.2 million (2014: $1,245.2 million) and $200.0 million (2014: $457.0 million) respectively, whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between the floating rate pegged to the Singapore dollar SOR and fixed rate interest amounts calculated by reference to the agreed notional amounts of the loans and borrowings. $150.0 million (2014: $407.0 million) of the interest rate swaps have been used to hedge the exposure to changes in the variability of interest rate fluctuations of its loans and borrowings. The Group classifies these interest rate swaps as hedging instruments in qualifying cash flow hedges.

At the reporting date, the interest rate profile of the interest-bearing financial instruments that are subject to interest rate risk was:

	Group Notional amount		Trust Notional amount	
	2015 $'000	**2014 $'000 (Restated)**	**2015 $'000**	**2014 $'000**
Fixed rate instruments				
Investment in debt securities	**–**	194,574	**–**	194,574
Loans and borrowings	**(319,140)**	(439,904)	**(319,140)**	(439,904)
Exchangeable Collateralised Securities	**(366,024)**	(341,091)	**–**	–
Collateral loan	**–**	–	**(366,024)**	(341,091)
	(685,164)	(586,421)	**(685,164)**	(586,421)
Variable rate instruments				
Loans and borrowings	**(2,052,829)**	(1,352,948)	**(2,037,304)**	(1,391,200)
Interest rate swaps	**1,138,200**	788,200	**1,138,200**	788,200
Cross currency swaps	**(210,678)**	(605,678)	**(210,678)**	(210,678)
	(1,125,307)	(1,170,426)	**(1,109,782)**	(813,678)

Sensitivity analysis

A 100 basis points ("bp") movement in interest rates at the reporting date would increase/(decrease) total return and Unitholders' funds (before any tax effects) as shown in the table below. This analysis has not taken into account the effects of qualifying borrowing costs which are capitalised as part of investment property under development and assumes that all other variables remain constant. The analysis was performed on the same basis for 2014.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

	Total return		Unitholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
2015				
Fixed rate instruments				
Loans and borrowings				
– Finance costs	**(3,191)**	**3,191**	**–**	**–**
Exchangeable Collateralised Securities				
– Finance costs	**(3,000)**	**3,000**	**–**	**–**
Variable rate instruments				
Loans and borrowings				
– Finance costs	**(20,528)**	**20,528**	**–**	**–**
Interest rate swaps				
– Finance costs	**11,382**	**(11,382)**	**–**	**–**
– Change in fair value	**24,574**	**(24,574)**	**3,244**	**(3,244)**
Cross currency swaps				
– Change in fair value	**(4,290)**	**4,290**	**–**	**–**
	4,947	**(4,947)**	**3,244**	**(3,244)**
2014 (Restated)				
Fixed rate instruments				
Investment in debt securities				
– Change in fair value	7	(7)	–	–
Loans and borrowings				
– Finance costs	(4,399)	4,399	–	–
Exchangeable Collateralised Securities				
– Finance costs	(3,000)	3,000	–	–
Variable rate instruments				
Loans and borrowings				
– Finance costs	(13,529)	13,529	–	–
Interest rate swaps				
– Finance costs	7,882	(7,882)	–	–
– Change in fair value	11,517	(11,517)	5,651	(5,651)
Cross currency swaps				
– Change in fair value	(5,623)	5,623	–	–
	(7,145)	7,145	5,651	(5,651)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

31 FINANCIAL RISK MANAGEMENT (continued)

	Total return		Unitholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Trust				
2015				
Fixed rate instruments				
Loans and borrowings				
– Finance costs	**(3,191)**	**3,191**	**–**	**–**
Collateral loan				
– Finance costs	**(3,000)**	**3,000**	**–**	**–**
Variable rate instruments				
Loans and borrowings				
– Finance costs	**(20,373)**	**20,373**	**–**	**–**
Interest rate swaps				
– Finance costs	**11,382**	**(11,382)**	**–**	**–**
– Change in fair value	**24,574**	**(24,574)**	**3,244**	**(3,244)**
Cross currency swaps				
– Change in fair value	**(4,290)**	**4,290**	**–**	**–**
	5,102	**(5,102)**	**3,244**	**(3,244)**
2014				
Fixed rate instruments				
Investment in debt securities				
– Change in fair value	7	(7)	–	–
Loans and borrowings				
– Finance costs	(4,399)	4,399	–	–
Collateral loan				
– Finance costs	(3,000)	3,000	–	–
Variable rate instruments				
Loans and borrowings				
– Finance costs	(13,912)	13,912	–	–
Interest rate swaps				
– Finance costs	7,882	(7,882)	–	–
– Change in fair value	11,517	(11,517)	5,651	(5,651)
Cross currency swaps				
– Change in fair value	(5,564)	5,564	–	–
	(7,469)	7,469	5,651	(5,651)

Market price risk

Market price risk arises from the Group's ECS and Trust's collateral loan which are accounted for as a financial liability at fair value through profit or loss. The fair value of the collateral loan is determined based on the method described in Note 33. Changes in the market price of the ECS will result in changes in the fair value of the collateral loan. As at the reporting date, a 1% increase in the ECS market price will result in a decrease on the total return (before any tax effects) of the Group and the Trust of $3,660,000 (2014: $3,411,000). A 1% decrease in the market price of the ECS would have an equal but opposite effect on the total return of the Group and the Trust. The analysis was performed on the same basis for 2014 and assumes that all other variables remain the same.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of financial assets and liabilities, including their levels in fair value hierarchy are shown in the tables below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes, pricing services or external valuations, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Fair value hierarchy

The tables below also analyse fair value measurements for financial assets and financial liabilities carried at fair value, financial assets and financial liabilities not carried at fair value but for which fair values are disclosed, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3: unobservable inputs for the asset or liability.

During the financial year ended 31 March 2015 and 31 March 2014, there were no transfers from Level 1, Level 2 or Level 3, or vice versa.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

		Carrying amount				Fair value			
	Note	Fair value through profit or loss $'000	Loans and receivables $'000	Other financial liabilities within the scope of FRS 39 $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2015									
Financial assets measured at fair value									
Derivative assets	15	38,736	–	–	38,736	–	38,736	–	38,736
Financial assets not measured at fair value									
Finance lease receivables	8	–	93,844	–	93,844	–	–	145,478	145,478
Trade and other receivables	11	–	20,913	–	20,913				
Cash and cash equivalents	12	–	41,590	–	41,590				
		–	156,347	–	156,347				
Financial liabilities measured at fair value									
Derivative liabilities	15	(88,775)	–	–	(88,775)	–	(88,775)	–	(88,775)
Exchangeable collateralised securities	17	(366,024)	–	–	(366,024)	(366,024)	–	–	(366,024)
		(454,799)	–	–	(454,799)				
Financial liabilities not measured at fair value									
Trade and other payables[1]	13	–	–	(174,576)	(174,576)	–	(174,499)	–	(174,499)
Security deposits	14	–	–	(107,314)	(107,314)	–	(124,283)	–	(124,283)
Term loans and short term bank borrowings	16	–	–	(1,564,571)	(1,564,571)				
Medium term notes	16	–	–	(797,129)	(797,129)	–	(860,439)	–	(860,439)
		–	–	(2,643,590)	(2,643,590)				

[1] Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Note	Carrying amount: Fair value through profit or loss $'000	Carrying amount: Loans and receivables $'000	Carrying amount: Other financial liabilities within the scope of FRS 39 $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Group									
2014 (Restated)									
Financial assets measured at fair value									
Investment in debt securities	6	194,574	–	–	194,574	–	–	194,574	194,574
Derivative assets	15	2,693	–	–	2,693	–	2,693	–	2,693
		197,267	–	–	197,267				
Financial assets not measured at fair value									
Finance lease receivables	8	–	94,875	–	94,875	–	–	149,441	149,441
Trade and other receivables	11	–	17,828	–	17,828				
Cash and cash equivalents	12	–	67,328	–	67,328				
		–	180,031	–	180,031				
Financial liabilities measured at fair value									
Derivative liabilities	15	(145,401)	–	–	(145,401)	–	(145,401)	–	(145,401)
Exchangeable collateralised securities	17	(341,091)	–	–	(341,091)	(341,091)	–	–	(341,091)
		(486,492)	–	–	(486,492)				
Financial liabilities not measured at fair value									
Trade and other payables[1]	13	–	–	(103,544)	(103,544)				
Security deposits	14	–	–	(85,962)	(85,962)	–	(88,062)	–	(88,062)
Term loans and short term bank borrowings	16	–	–	(1,284,173)	(1,284,173)				
Medium term notes	16	–	–	(499,157)	(499,157)	–	(532,139)	–	(532,139)
		–	–	(1,972,836)	(1,972,836)				

(1) Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Note	Carrying amount: Fair value through profit or loss $'000	Carrying amount: Loans and receivables $'000	Carrying amount: Other financial liabilities within the scope of FRS 39 $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Trust									
2015									
Financial assets measured at fair value									
Derivative assets	15	38,736	–	–	38,736	–	38,736	–	38,736
Financial assets not measured at fair value									
Finance lease receivables	8	–	93,844	–	93,844	–	–	145,478	145,478
Trade and other receivables	11	–	19,878	–	19,878				
Cash and cash equivalents	12	–	14,389	–	14,389				
		–	128,111	–	128,111				
Financial liabilities measured at fair value									
Derivative liabilities	15	(88,775)	–	–	(88,775)	–	(88,775)	–	(88,775)
Collateral loan	17	(366,024)	–	–	(366,024)	–	(366,024)	–	(366,024)
		(454,799)	–	–	(454,799)				
Financial liabilities not measured at fair value									
Trade and other payables[1]	13	–	–	(151,730)	(151,730)	–	(151,653)	–	(151,653)
Security deposits	14	–	–	(103,647)	(103,647)	–	(106,202)	–	(106,202)
Term loans and short term bank borrowings	16	–	–	(1,549,046)	(1,549,046)				
Medium term notes	16	–	–	(797,129)	(797,129)	–	(860,439)	–	(860,439)
		–	–	(2,601,552)	(2,601,552)				

[1] Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Note	Carrying amount: Fair value through profit or loss $'000	Carrying amount: Loans and receivables $'000	Carrying amount: Other financial liabilities within the scope of FRS 39 $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Trust									
2014									
Financial assets measured at fair value									
Investment in debt securities	6	194,574	–	–	194,574	–	–	194,574	194,574
Derivative assets	15	2,693	–	–	2,693	–	2,693	–	2,693
		197,267	–	–	197,267				
Financial assets not measured at fair value									
Finance lease receivables	8	–	94,875	–	94,875	–	–	149,441	149,441
Trade and other receivables	11	–	17,204	–	17,204				
Cash and cash equivalents	12	–	57,952	–	57,952				
		–	170,031	–	170,031				
Financial liabilities measured at fair value									
Derivative liabilities	15	(92,843)	–	–	(92,843)	–	(92,843)	–	(92,843)
Collateral loan	17	(341,091)	–	–	(341,091)	–	(341,091)	–	(341,091)
		(433,934)	–	–	(433,934)				
Financial liabilities not measured at fair value									
Trade and other payables[(1)]	13	–	–	(97,426)	(97,426)				
Security deposits	14	–	–	(83,809)	(83,809)	–	(85,785)	–	(85,785)
Term loans and short term bank borrowings	16	–	–	(1,322,425)	(1,322,425)				
Medium term notes	16	–	–	(499,157)	(499,157)	–	(532,139)	–	(532,139)
		–	–	(2,002,817)	(2,002,817)				

(1) Excludes rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Interest rates used in determining fair values

The interest rates used to discount the estimated cash flows were as follows:

	Group and Trust 2015 %	Group and Trust 2014 %
Finance lease receivables	**2.47**	2.65
Trade and other payables	**1.21**	–
Security deposits	**1.67**	1.67
Medium term notes	**1.00 – 3.29**	1.00 – 3.52

Level 3 fair values

The following table shows reconciliation from the beginning balance to the ending balance for fair value measurement in Level 3 of the fair value hierarchy:

	Investment in debt securities $'000
Group and Trust	
2015	
At 1 April 2014	**194,574**
Change in fair value (unrealised) recognised in Statement of Total Return	**(16,574)**
Redemption	**(178,000)**
At 31 March 2015	**–**
2014	
At 1 April 2013	145,535
Additions	47,750
Change in fair value (unrealised) recognised in Statement of Total Return	1,289
At 31 March 2014	194,574

Type	Key unobservable input	Inter–relationship between key unobservable inputs and fair value measurements
Group and Trust		
2014		
Investment in debt securities	Discount rate of 17.1%	The lower the discount rate, the estimated fair value will increase.

Sensitivity analysis

For the fair value of investment in debt securities, reasonably possible changes at the reporting date to the key unobservable inputs, holding other inputs constant, would have the following effects.

	Group and Trust Total return Increase $'000	Group and Trust Total return Decrease $'000
2014		
Discount rate (1% movement)	(400)	404

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

33 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non–financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment properties and property held for sale

Investment properties and property held for sale are stated at fair values based on valuations by independent professional valuers with appropriate recognised professional qualifications and recent experience in the location and category. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return.

(ii) Derivative financial instruments

The fair value of interest rate swaps and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties to the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(iii) 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.

(iv) Investment in debt securities

The fair value of debt securities is determined using an option pricing valuation technique which involves mainly the use of market–based equity and debt discount rates and other assumptions at the reporting date.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

33 DETERMINATION OF FAIR VALUES (continued)

(vi) Medium term notes

The fair values of the medium term notes relating to the $200.0 million Series 004 Notes, $95.0 million Series 007 Notes and JPY10.0 billion Series 005 Notes were obtained from market quotes.

The fair value of JPY9.6 billion Series 003 Notes, JPY5.0 billion Series 006 Notes, HKD620.0 million Series 008 Notes and HKD640.0 million Series 009 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.

(vii) Exchangeable Collateralised Securities

The fair value of the Exchangeable Collateralised Securities was obtained from market quotes.

(viii) Collateral loan

The fair value of the collateral loan approximates the fair value of the Exchangeable Collateralised Securities, which is used as a proxy for the purpose of determining the fair value of the collateral loan as the key features of the two instruments are identical.

(ix) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year or reprice within three months from the reporting date (including trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowings) are assumed to approximate their fair values because of the short period to maturity or repricing. 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.

Fair value hierarchy for investment properties and property held for sale

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 32.

The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

33 DETERMINATION OF FAIR VALUES (continued)

Fair value hierarchy (continued)

The fair value of investment properties of the Group and the Trust of $7,868 million (2014: $6,923 million) and $7,559 million (2014: $6,651 million), respectively, and the fair value of the property held for sale of the Group and the Trust of $24.8 million (2014: $10.5 million), as at 31 March 2015, have been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

There were no transfers between Level 1, Level 2 or Level 3 during both years.

The reconciliation from the beginning balance to the ending balance for fair value measurement in Level 3 of the fair value hierarchy is set out in Note 4.

The following table shows the key unobservable inputs used in the valuation models:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
2015		
Investment properties and property held for sale	**Group** • Capitalisation rates of 5.25% to 7.75% (2014: 5.25% to 8.00%) • Discount rates of 6.93% to 10.43% (2014: 7.50% to 10.43%) **Trust** • Capitalisation rates of 5.50% to 7.75% (2014: 5.50% to 8.00%) • Discount rates of 6.93% to 8.75% (2014: 7.50% to 8.75%)	The estimated fair value would increase if the capitalisation rate and discount rate decrease.

34 OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's CODM reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance. In addition, the CODM monitors the non–financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, performance fee, trust expenses, finance income, finance costs and related assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

34 OPERATING SEGMENTS (continued)

Information regarding the Group's reportable segments is presented in the tables below.

Operating segments

Property income and expenses

	Business & Science Park Properties 2015 $'000	Business & Science Park Properties 2014 $'000	Integrated Development, Amenities & Retail Properties 2015 $'000	Integrated Development, Amenities & Retail Properties 2014 $'000	Hi–Specifications Industrial Properties & Data Centres 2015 $'000	Hi–Specifications Industrial Properties & Data Centres 2014 $'000	Light Industrial Properties & Flatted Faciories 2015 $'000	Light Industrial Properties & Flatted Faciories 2014 $'000	Logistics & Distribution Centres 2015 $'000	Logistics & Distribution Centres 2014 $'000	Total 2015 $'000	Total 2014 (restated) $'000
Group												
Gross rental income	**209,301**	186,886	**28,593**	14,989	**147,970**	135,300	**92,445**	90,521	**117,836**	118,296	**596,145**	545,992
Other income	**38,308**	32,595	**1,107**	1	**25,045**	23,967	**3,709**	3,339	**9,173**	7,698	**77,342**	67,600
Gross revenue	**247,609**	219,481	**29,700**	14,990	**173,015**	159,267	**96,154**	93,860	**127,009**	125,994	**673,487**	613,592
Property operating expenses	**(83,773)**	(75,889)	**(9,260)**	(1,770)	**(53,749)**	(45,761)	**(25,918)**	(22,985)	**(38,060)**	(31,214)	**(210,760)**	(177,619)
Segment net property income	**163,836**	143,592	**20,440**	13,220	**119,266**	113,506	**70,236**	70,875	**88,949**	94,780	**462,727**	435,973
Gain on disposal of investment properties	**–**	–	**–**	–	**–**	–	**2,023**	4,852	**–**	7,205	**2,023**	12,057
Unallocated finance income											**8,273**	30,459
Unallocated finance costs											**(113,651)**	(66,398)
Unallocated net expenses											**(91,419)**	(49,690)
Net income											**267,953**	362,401
Unallocated net change in fair value of financial derivatives											**89,363**	11,574
Net appreciation/ (depreciation) on revaluation of investment properties	**19,722**	34,170	**45,311**	(263)	**3,644**	65,651	**16,654**	15,873	**(38,299)**	15,682	**47,032**	131,113
Total return for the year before tax											**404,348**	505,088
Tax expense	**(6,228)**	(23,244)	**–**	–	**(295)**	–	**–**	–	**–**	–	**(6,523)**	(23,244)
Unallocated tax expense											**(220)**	–
Total return for the year											**397,605**	481,844

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

34 OPERATING SEGMENTS (continued)

Operating segments

	Business & Science Park Properties $'000	Integrated Development, Amenities & Retail Properties $'000	Hi-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2015						
Assets and liabilities						
Segment assets	**3,049,490**	**682,327**	**1,992,278**	**1,015,304**	**1,348,188**	**8,087,587**
Unallocated assets						**72,743**
Total assets						**8,160,330**
Segment liabilities	**162,158**	**45,991**	**76,741**	**56,858**	**76,372**	**418,120**
Unallocated liabilities:						
– loans and borrowings (including Exchangeable Collateralised Securities)						**2,727,724**
– others						**896**
Total liabilities						**3,146,740**
Other segmental information						
Capital expenditure						
– investment properties	**62,196**	**300**	**30,846**	**8,296**	**29,329**	**130,967**
Depreciation	**–**	**–**	**–**	**151**	**–**	**151**
Impairment losses on trade receivables	**142**	**52**	**(4)**	**41**	**378**	**609**
31 March 2014 (Restated)						
Assets and liabilities						
Segment assets	2,813,164	152,899	1,779,491	1,001,158	1,346,680	7,093,392
Unallocated assets						265,101
Total assets						7,358,493
Segment liabilities	137,274	71	29,358	28,035	31,699	226,437
Unallocated liabilities:						
– loans and borrowings (including Exchangeable Collateralised Securities)						2,124,421
– others						159,035
Total liabilities						2,509,893
Other segmental information						
Capital expenditure						
– investment properties	37,536	63	25,689	24,837	14,808	102,933
– investment property under development	29,397	–	–	–	–	29,397
Depreciation	–	–	–	687	–	687
Impairment losses on trade receivables	83	–	–	–	89	172

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

34 OPERATING SEGMENTS (continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of tenants. Segment assets are based on the geographical location of the assets. Information regarding the Group's geographical segments is presented in the tables below.

	Singapore		China		Total	
	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000 (Restated)	2015 $'000	2014 $'000 (Restated)
Group						
External revenue	**649,854**	605,692	**23,633**	7,900	**673,487**	613,592
Non–current assets[1]	**7,558,932**	6,651,722	**312,364**	271,662	**7,871,296**	6,923,384

[1] Exclude financial assets.

35 SUBSEQUENT EVENTS

There were the following events subsequent to the reporting date:

- On 7 April 2015, the Group completed the divestment of the property located at 26 Senoko Way for $24.8 million (Note 4). The financial effect of this transaction is expected to be insignificant to the Group.

- On 28 April 2015, the Trust issued 424,870 new units at an issue price of $2.6361 per unit as payment for acquisition fee to the Manager in relation to the acquisition of The Kendall. The issue price was determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the date of issue of the new units.

- On 30 April 2015, the Group obtained a 50-year land lease in Jiashan, PRC, to develop a single-storey logistics facility with an expected completion date in the first quarter of 2016. The consideration for the land was approximately $6 million, of which $3 million was paid as a deposit before the reporting date.

- On 28 May 2015, the Trustee entered into an agreement and granted a purchase option to a third party to purchase the remaining leasehold interest in 50 Changi South Street 1, BBR Building, for $13.9 million. The sale is subject to the approval by the relevant authority and is expected to be completed by June 2015. The estimated gain on disposal (excluding disposal costs) is $4.6 million.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID-UP UNITS

2,406,131,442 units (Voting rights: one vote per unit)
Market Capitalisation $6,015,328,605 (based on closing price of $2.50 as at 19 May 2015)

TOP 20 UNITHOLDERS AS AT 19 MAY 2015

As listed in the Register of Unitholders

	Name of Unitholder	No. of Units	% of Units in Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	638,882,671	26.55%
2	DBS NOMINEES (PRIVATE) LIMITED	544,735,928	22.64%
3	ASCENDAS LAND (SINGAPORE) PTE LTD	367,904,000	15.29%
4	HSBC (SINGAPORE) NOMINEES PTE LTD	286,858,876	11.92%
5	DBSN SERVICES PTE. LTD.	158,268,623	6.58%
6	RAFFLES NOMINEES (PTE) LIMITED	94,212,375	3.92%
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	60,582,689	2.52%
8	ASCENDAS FUNDS MANAGEMENT (S) LIMITED	46,882,408	1.95%
9	DB NOMINEES (SINGAPORE) PTE LTD	31,153,448	1.29%
10	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	24,992,101	1.04%
11	BANK OF SINGAPORE NOMINEES PTE. LTD.	6,479,035	0.27%
12	ABN AMRO NOMINEES SINGAPORE PTE LTD	4,384,910	0.18%
13	CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,309,869	0.10%
14	E M SERVICES PTE LTD	2,064,000	0.09%
15	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,964,878	0.08%
16	SOCIETE GENERALE, SINGAPORE BRANCH	1,741,910	0.07%
17	OCBC SECURITIES PRIVATE LIMITED	1,723,692	0.07%
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,699,250	0.07%
19	KGI FRASER SECURITIES PTE. LTD.	1,653,800	0.07%
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,632,180	0.07%
	TOTAL	2,280,126,643	94.77%

UNITHOLDERS DISTRIBUTION AS AT 19 MAY 2015

Size of holdings	No. of Unitholders	No. of Units
1 – 99	28	405
100 – 1,000	800	759,484
1,001 – 10,000	5,854	30,510,953
10,001 – 1,000,000	2,145	85,878,776
1,000,001 AND ABOVE	27	2,288,981,824
GRAND TOTAL	8,854	2,406,131,442

STATISTICS OF UNITHOLDINGS

Pursuant to Listing Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities is at all times held by the public. Base on the information made available to the Manager as at 19 May 2015, about 77.04% of A-REIT's units are held in public hands.

SUBSTANTIAL UNITHOLDERS AS AT 19 MAY 2015

	Direct Interest	Deemed Interest	Percentage
Ascendas Land (Singapore) Pte Ltd	367,904,000	–	15.29%
Ascendas Pte Ltd	–	414,786,408[1]	17.24%
JTC Corporation	–	414,786,408[1]	17.24%
BlackRock, Inc.	–	137,588,753[2]	5.72%
The PNC Financial Services Group, Inc.	–	137,588,753[3]	5.72%

(1) Ascendas Pte Ltd and JTC Corporation are deemed to be interested in the Units held by Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited.

(2) BlackRock, Inc. is deemed interested in the Units held by its subsidiaries.

(3) The PNC Financial Services Group is deemed interested in the Units held by BlackRock, Inc. subsidiaries.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2015

	Direct Interest	Deemed interest
Mr Koh Soo Keong	–	–
Mr Khiatani Manohar Ramesh	–	–
Mr Henry Tan Song Kok	–	–
Mr Teo Eng Cheong	–	–
Mr Teo Choon Chye, Marc	25,000	
Mr Chan Pengee, Adrian	–	–
Mr Tan Ser Ping	–	–

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the financial year falling under the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS (excluding transactions of less than $100,000 each) are as follows:

Name of interested party	Aggregate value of all interested party transactions during the financial period under review (excluding transactions less than $100,000) $'000	Aggregate value of all interested person transactions conducted under unitholders' mandate during the financial period under review (excluding transactions less than $100,000) $'000
JTC Corporation		
– Land rent	36,221	–
– Land premium	21,490	–
Ascendas Pte Ltd and its subsidiaries		
– Acquisition fee	7,349[(1)]	–
– Acquisition of property	112,000	–
– Carpark income	(703)	–
– Divestment fee	63[(2)]	–
– Incentive income	(383)	–
– Lease rental, service charge and utilities income	(3,074)	–
– Management fees	38,137[(3)]	–
– Marketing fees paid during the year	16,854	–
– Property service fees	28,261	–
– Receipts/recovery of expenses paid on behalf	(501)	–
– Service charge and reimbursables	3,365	–
HSBC Institutional Trust Services (Singapore) Ltd		
– Trustee fees	2,323	–
– Lease rental and service charge	(248)	–
– Security deposit	(140)	–
Total	261,014	–

(1) An acquisition fee of 1.0% of the purchase price of investment property acquired by the Trustee on behalf of A-REIT.

(2) A divestment fee of 0.5% of the sale price of investment property sold or divested by the Trustee on behalf of the Trust. For FY14/15, divestment fee relates to the divestment of 1 Kallang Place.

(3) The Manager's Fee comprises:

(i) a base management fee of 0.5% per annum of the Deposited Property. With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.

(ii) an annual performance fee of:

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

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 distribution per unit ("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.

No performance fee was payable for FY14/15 and FY13/14.

ADDITIONAL INFORMATION

Saved as disclosed above, there were no additional interested person transactions (excluding transactions of less than $100,000 each) entered into up to and including 31 March 2015 nor any material contracts entered by A-REIT or any of its subsidiaries that involved the interests of the CEO, any Director, or any controlling Unitholder of the Trust.

Please also see Significant Related Party Transactions in Note 29 to the financial statements.

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

FEES PAID TO THE MANAGER AND THE PROPERTY MANAGERS

Asset/Fund management fees	FY14/15 $'000	FY13/14 $'000
– Management fee	**38,137**	35,594
Total fees paid to the Manager	**38,137**	35,594
% of Total amount available for distribution (before all fees)	**10.86%**	9.12%
% of Total assets	**0.47%**	0.48%
– Lease management fee	**5,937**	5,472
– Property management fee	**9,324**	7,934
Total fees paid to the Property Managers	**15,261**	13,406
% of Total amount available for distribution (before all fees)	**4.35%**	3.43%
% of Total assets	**0.19%**	0.18%
Trustee's fee	**2,323**	2,146
Total fees paid to the Trustee	**2,323**	2,146
% of Total amount available for distribution (before all fees)	**0.66%**	0.55%
% of Total assets	**0.03%**	0.03%

Major transactional fees	FY14/15 $'000	FY13/14 $'000
– Acquisition fee	**7,349**	1,223
– Development management fee	**–**	336
– Divestment fee	**63**	350
Total transactional fees paid to the Manager	**7,412**	1,909
% of Total assets	**0.09%**	0.03%
– Project management fee	**2,600**	1,625
Total transactional fees paid to the Property Managers	**2,600**	1,625
% of Total assets	**0.03%**	0.02%

LISTING OF A-REIT NEW UNITS

An aggregate of 3.185 million new Units were issued during the year bringing the total number of Units on issue to 2,405.7 million as at 31 March 2015.

GLOSSARY

ACPL	Ascendas (China) Pte Ltd
AFM	Ascendas Funds Management (S) Limited
AGM	Annual General Meeting
A-REIT	Ascendas Real Estate Investment Trust
ASPL	Ascendas Services Pte Ltd
Board	Board of Directors of the Manager
CBP	Changi Business Park
CDP	The Central Depository (Pte) Limited
CIS	The Code of Collective Investment Schemes issued by the Monetary Authority of Singapore
CMBS	Commercial Mortgage Backed Securities
CPF	Central Provident Fund
CPI	Consumer Price Index
DPU	Distribution per unit
ECS	Exchangeable Collateralised Securities
EDB	Economic Development Board
EPU	Earnings per unit
EUR	Euro
GDP	Gross Domestic Product
GFA	Gross Floor Area which includes net lettable area and common areas, such as common corridors
Group	A-REIT and its subsidiaries
HKD	Hong Kong Dollar
HQ	Headquarter
IBP	International Business Park
IDAR	Integrated Development, Amenities & Retail
Interbank GIRO	General Interbank Recurring Order
IPT	Interested Person Transaction
Interested Person Transaction	Transaction made between the Trustee (as trustee of A-REIT) and an "interested person", under the Listing Manual and the Property Funds Appendix
JPY	Japanese Yen
JTC	JTC Corporation
Lease Management Agreement	The agreement made between the Trustee and the Manager, AFM, pursuant to which AFM will provide lease management services to all properties held by A-REIT located in Singapore and the PRC with effect from 1 October 2012.
Listing Manual	The Listing Manual of SGX-ST
Manager	Ascendas Funds Management (S) Limited, as manager of A-REIT
MAS	Monetary Authority of Singapore
MNC	Multinational corporation
Net Lettable Area	Consists of the total gross floor area less the common areas, such as corridors, amenities' area and management offices
Property Management Agreements	(i) The agreement made between the Manager, the Trustee and ASPL pursuant to which ASPL will provide certain property management, marketing, project management and car park management services relating to all properties of A-REIT located in Singapore with effect from 1 October 2012 and (ii) the agreement made between the Manager, the Trustee and ACPL pursuant to which ACPL will provide property management, marketing and project management services relating to all properties of A-REIT located in the PRC with effect from 1 July 2012
PRC	People's Republic of China
Property Funds Appendix	Appendix 6 of the CIS Code issued by the MAS in relation to REITs
Property Managers	ASPL and ACPL
R&D	Research and development
REIT	Real Estate Investment Trust
RMB	Chinese Yuan Renminbi
SFA	Securities and Futures Act, Chapter 289 of Singapore
SGS	Singapore Government Securities
SGX-ST	Singapore Exchange Securities Trading Ltd
SOR	Swap Offer Rate
Sqm	Square metres
S-REIT	Singapore-listed REIT
SRS	Supplementary Retirement Scheme
STI	Straits Times Index
TOP	Temporary occupation permit
Trust Deed	The Trust Deed dated 9 October 2002 made between the Trustee and the Manager constituting A-REIT, as amended, modified, re-stated or supplemented, from time to time
Trustee	HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT
Unit(s)	An undivided interest in A-REIT as provided for in the Trust Deed
Unitholder(s)	The Depositor whose securities account with CDP is credited with Unit(s)

APPENDIX

Total Return and Distribution	FY 02/03	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12[1]	FY 12/13[1]	FY 13/14[1,2]	FY 14/15[1,2]
Gross revenue (S$m)	22.8	65.9	129.0	227.2	283.0	322.3	396.5	413.7	447.6	503.3	575.8	613.6	673.5
Net property income (S$m)	16.5	50.3	96.1	173.6	210.3	243.5	296.6	320.0	339.4	368.3	408.8	436.0	462.7
Total amount available for distribution (S$m)	15.2	45.5	84.2	142.6	163.8	187.3	210.9	234.9	248.0	281.7	305.6	342.0	351.1
Distribution per Unit (cents)	7.63[3]	8.16	9.56	11.68	12.75	14.13	15.18	13.10	13.23	13.56	13.74	14.24	14.60

As at 31 March	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012[1]	2013[1]	2014[1,2]	2015[1,2]
Number of Properties	8	16	36	64	77	84	89	93	93	102	103	105	107
Total assets (S$m)	636	1,021	2,112	2,808	3,307	4,205	4,548	4,854	5,420	6,564	6,959	7,358	8,160
Number of Units in issue (m)	545	707	1,161	1,277	1,322	1,326	1,684	1,871	1,874	2,085	2,399	2,403	2,406
Net asset value per Unit (S$)[4]	0.91	0.98	1.23	1.34	1.49	1.84	1.61	1.57	1.76	1.88	1.94	2.02	2.08
Total gross borrowings (S$m)[5]	125	264	556	970	1,185	1,562	1,591	1,522	1,900	2,401	1,971	2,208	2,735
Aggregate leverage[6]	19.6%	28.9%	30.2%	36.7%	37.3%	38.2%	35.5%	31.6%	35.2%	36.6%	28.3%	30.0%	33.5%

NOTES:

(1) With effect from FY11/12, results include the consolidation of the Trust's wholly owned subsidiaries.

(2) The Group adopted FRS 110 Consolidated Financial Statements with effect from 1 April 2014 which results in the Group consolidating Ruby Assets Pte. Ltd. and Emerald Assets Limited since 1Q FY14/15. FY13/14 figures have been restated on a similar basis for comparison.

(3) Annualised based on actual distribution per Unit of 2.78 cents for the 133 days ended 31 March 2003.

(4) Prior to distribution of distributable income.

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

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

APPENDIX

DEVELOPMENT PROJECTS

Since A-REIT embarked on its first development project in 2006, it has completed 12 development projects and achieved total cumulative unrealised gains of S$338.4 million (34.3% over cost of development).

	Development	Sector	Development Cost (S$'m)	Revaluation as at 31 March 2015 (S$'m)	Completion
1	Courts Megastore	IDAR	46.0	65.5	Nov-06
2	Giant Hypermart	IDAR	65.4	86.0	Feb-07
3	Hansapoint @ CBP	Business & Science Park Properties	26.1	86.9	Feb-08
4	15 Changi North Way	Logistics & Distribution Centres	36.2	48.4	Jul-08
5	Pioneer Hub	Logistics & Distribution Centres	79.3	119.1	Aug-08
6	1,3 & 5 Changi Business Park Crescent	Business & Science Park Properties	200.9	333.0	Feb-09, Sep-09, Dec-10
7	71 Alps Avenue	Logistics & Distribution Centres	25.6	21.8	Sep-09
8	38A Kim Chuan Road	High-Specifications Industrial Properties & Data Centres	170.0	184.7[(1)]	Dec-09
9	90 Alps Avenue	Logistics & Distribution Centres	37.9	49.7	Jan-12
10	FoodAxis @ Senoko[(2)]	Light Industrial Properties & Flatted Factories	57.8	80.8	Feb-12
11	Four Acres Singapore	Business & Science Park Properties	58.7[(3)]	58.3	Apr-13
12	Nexus @one-north	Business & Science Park Properties	181.3	189.4	Sep-13
	Total		985.2	1,323.6	

Notes:

(1) Property was valued by independent valuer at S$184.7 million. A-REIT has recorded the property at S$184.7 million comprising S$122.7 million in land and building and S$62.0 million in M&E equipment.

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

(3) Includes S$26.4 million land premium paid upfront and net development cost of S$32.3 million.

CORPORATE DIRECTORY

THE MANAGER

Ascendas Funds Management (S) Limited
Company registration number:
200201987K

REGISTERED OFFICE

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Website: www.a-reit.com

BOARD OF DIRECTORS

Mr Koh Soo Keong,
Chairman (Independent Director)
Mr Khiatani Manohar Ramesh,
Vice Chairman (Non-executive Director)
Mr Henry Tan Song Kok,
Independent Director
Mr Teo Eng Cheong,
Independent Director
Mr Teo Choon Chye, Marc
Independent Director
Mr Chan Pengee, Adrian,
Independent Director
Mr Tan Ser Ping,
Executive Director & CEO

COMPANY SECRETARIAT

Ms Mary Judith de Souza,
Company Secretary
Mr Edwin Kung Wee Tack,
Company Secretary

AUDIT COMMITTEE

Mr Henry Tan Song Kok,
Chairman
Mr Teo Eng Cheong
Mr Teo Choon Chye, Marc
Mr Chan Pengee, Adrian

NOMINATING, HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr Koh Soo Keong,
Chairman
Mr Khiatani Manohar Ramesh
Mr Henry Tan Song Kok

INVESTMENT COMMITTEE

Mr Khiatani Manohar Ramesh
Chairman
Mr Koh Soo Keong
Mr Teo Eng Cheong
Mr Tan Ser Ping

OPERATIONAL RISK MANAGEMENT COMMITTEE

Mr Koh Soo Keong
Chairman
Mr Khiatani Manohar Ramesh
Mr Chan Pengee, Adrian
Mr Tan Ser Ping

UNIT REGISTRAR

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AUDITORS

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(Since the financial year ended
31 March 2013)

SGX CODE

Ascendasreit

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