a-reit
ascendas

INVESTING INTO THE FUTURE:

DEEPENING OUR REACH

ANNUAL REPORT **2015/2016**

CONTENTS

ACCESSIBILITY OF ANNUAL & SUSTAINABILITY REPORTS AND FEEDBACK

A-REIT continues to print limited copies of its annual report as part of its environmental conservation efforts. PDF versions of its annual and sustainability reports are 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-singbridge.com.

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.

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 103 properties in Singapore, 27 properties in Australia and 3 properties in China as at 31 March 2016. These properties host a customer base of around 1,470 international and local companies from a wide range of industries and activities.

Ascendas Funds Management (S) Limited (AFM), the manager of A-REIT (the Manager), is a wholly owned subsidiary of the Ascendas-Singbridge Group.

133 PROPERTIES

INVESTING INTO

SINGAPORE

103 PROPERTIES WORTH S$8.2B

Maintaining our market leadership in Singapore, providing high quality business and industrial space

AUSTRALIA

27 PROPERTIES WORTH S$1.1B

Expanding strategically into Australia, strengthening and diversifying our portfolio with attractive assets

ACROSS 3 COUNTRIES

THE FUTURE:

DEEPENING OUR REACH

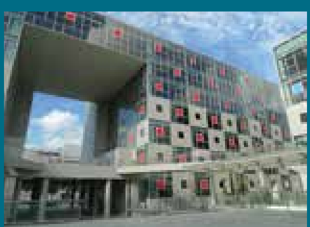
Expanding our investment scope and strengthening our portfolio to deliver stable and predictable income stream for our Unitholders

CHINA

3 PROPERTIES WORTH S$0.4B

Providing well-located business park and logistics space within tier 1 cities in China

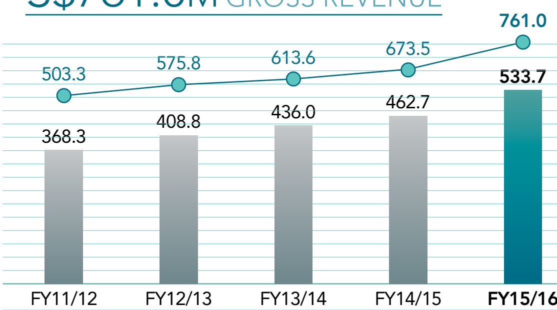
- Singapore 85%
- Australia 11%
- China 4%



PERFORMANCE AT A GLANCE

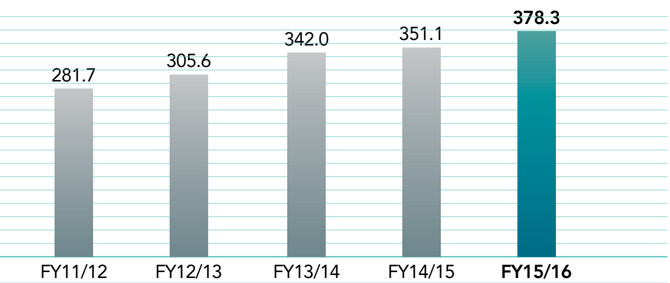
Gross Revenue & Net Property Income (S$M)

S$761.0M GROSS REVENUE



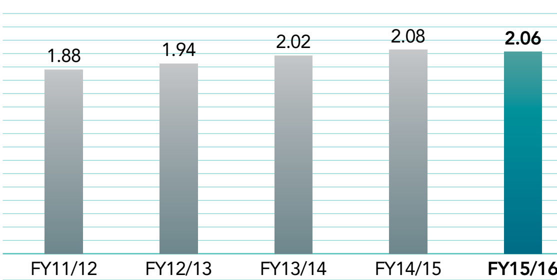
Total Amount Available for Distribution (S$M)

S$378.3M



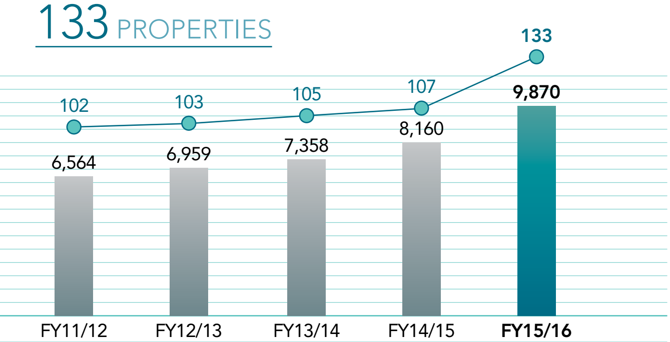
Net Asset Value Per Unit (S$)(1)

S$2.06



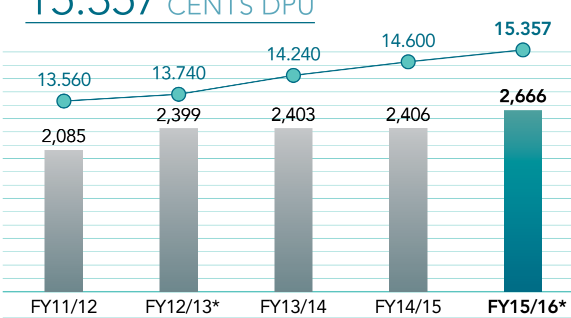
Number of Properties & Total Assets (S$M)

133 PROPERTIES



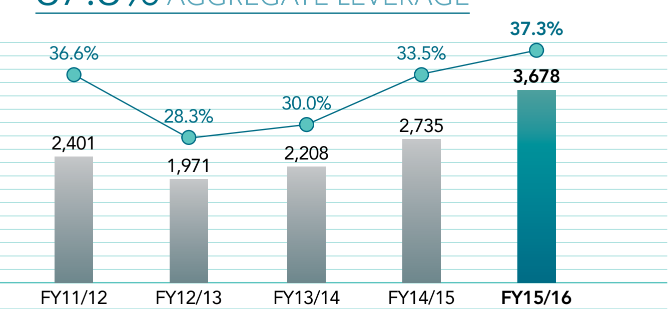
Distribution Per Unit (cents) & Units in Issue (M)

15.357 CENTS DPU



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

37.3% AGGREGATE LEVERAGE



NOTES:

* DPU after performance Fees

(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.

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 proactive asset management, disciplined value-adding investment and prudent capital and risk management. Through this, the Manager seeks to create a competitive edge to differentiate A-REIT and to enhance stability and sustainability within the portfolio.

Refer to page 7 for more information on A-REIT's three-pronged strategy.

MARKET LEADER

A-REIT is focused on suburban business space and industrial properties. It has a committed sponsor, the Ascendas-Singbridge Group, which has a proven track record of more than 30 years of experience in this industry. The Ascendas-Singbridge Group is Asia's leading provider of sustainable urban solutions and is jointly owned by Temasek and JTC Corporation through a 51:49 partnership.

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 133 properties valued at around S$9.7 billion as at 31 March 2016.

OPERATIONS PLATFORM

Ascendas Services Pte Ltd (ASPL), the property manager in Singapore, 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.

Refer to page 28 for more information on A-REIT's property manager.

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 2016, A-REIT has completed 14 development projects, achieving a total revaluation gain of about S$311.4 million or 30.3% over the total development cost, demonstrating the Manager's ability to achieve value-adding investments for the portfolio through its development capabilities.

Refer to page 223 for more information on A-REIT's development projects.

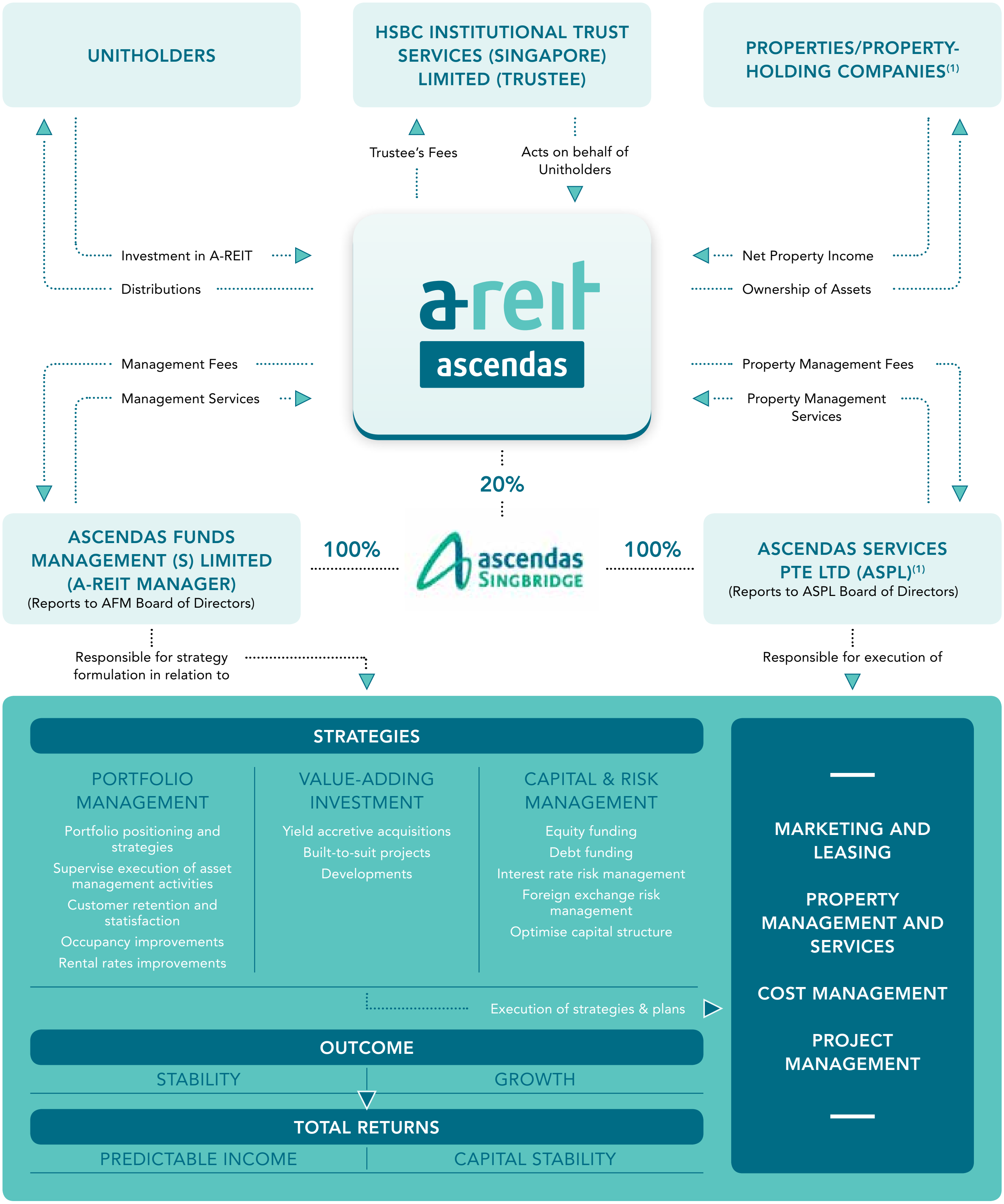
CUSTOMER FOCUS

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, Australia and China through the provision of quality business space.

SIZE ADVANTAGE

A-REIT accounted for 9.1% of the market capitalisation of the S-REIT sector as at 31 March 2016. In FY15/16, it accounted for about 12.3% 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.

A-REIT'S STRUCTURE



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

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

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 optimisation of 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 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.

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.

In Singapore, majority of the warehouses are single-storey or multi-storey facilities with vehicular ramp access; others are multi-storey facilities with heavy duty cargo lift access.

In Australia, the properties are high-grade, functional and large scale distribution facilities located in close proximity to major transport infrastructure in core sub-markets.

The logistics property in Jiashan, China, is a single-story modern facility located within an hours' drive to downtown Shanghai.

▶ Typical Customers
Third party logistics providers, manufacturers, end-users and distributors and trading companies.

CHAIRMAN'S MESSAGE

IN FY15/16, A-REIT MADE ITS FIRST SIGNIFICANT MOVE INTO AUSTRALIA, ACQUIRING 26 PREMIUM LOGISTICS PROPERTIES FOR A$1.0 BILLION. SHORTLY AFTER, THE 27TH LOGISTICS PROPERTY IN SYDNEY WAS ACQUIRED FOR A$76.6 MILLION.

MR 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 14th Annual Report for the financial year ended 31 March 2016.

INVESTING INTO THE FUTURE: DEEPENING OUR REACH

In FY15/16, A-REIT made its first significant move into Australia, acquiring 26 premium logistics properties for A$1.0 billion. Shortly after, the 27th logistics property in Sydney was acquired for A$76.6 million.

All in all, we now have 670,000 sqm of logistics space, giving us immediate scale and establishing A-REIT as the eighth largest industrial landlord in Australia. We plan to continue to look for opportunities and expand our footprint there.

FY2015/16 PERFORMANCE

I am pleased to report that A-REIT achieved a full year distribution per Unit (DPU) of 15.357 cents, an increase of 5.2% over the previous financial year.

The improvement was driven by contributions from a) newly acquired properties – the 27 Australian properties, Aperia, The Kendall, Hyflux Innovation Centre and ONE@Changi City, b) improvement in occupancy at Aperia, and c) positive rental reversion of 7.0% for multi-tenant properties in the Singapore portfolio.

DIVERSIFICATION STRATEGY

Following the Australian and Singapore acquisitions, A-REIT's total assets reached S$9.9 billion, further reinforcing A-REIT's status as Singapore's largest listed business space and industrial REIT.

These high-quality and well-located properties are expected to enhance the resilience of A-REIT's portfolio. Weighted average lease expiry held steady at 3.7 years. The number of tenants increased to 1,470, and more importantly, we diversified the tenant mix further.

The Australian portfolio, which is on freehold land, will form 11% of A-REIT's total portfolio by asset value. To ensure operational efficiency, we have set up a local team headed by Mr Matthew Meredith as the General Manager. In addition to ensuring we provide excellent customer service, Matthew and his team will seek more accretive and quality acquisitions in Australia to further build scale, and improve profitability.

PORTFOLIO RECYCLING AND REJUVENATION

Two development projects, DBS Asia Hub Phase 2 (in Singapore) and Jiashan Logistics Facility (in China) worth S$43.9 million were completed, alongside with S$96.0 million worth of asset enhancement projects in Singapore. These projects added over 42,810 sqm of additional GFA to the portfolio.

We also continued to rationalise and improve the mix of our portfolio. Two properties (26 Senoko Way and BBR Building) were divested for a total of S$38.7 million, realising a total disposal gain of S$15.7 million over original costs. Four Acres Singapore was also divested for S$34.0 million in April 2016.

FUNDING AND CREDIT RATING

To support the acquisitions, a record S$1.5 billion of funds were raised by tapping various funding sources such as Australian dollar syndicated term loan, perpetual securities, private equity placement, preferential offering and consideration units.

We continue to enjoy the A3 credit rating by Moody's.

BOARD AND MANAGEMENT RENEWAL

During the year, two members, including the CEO of AFM Tan Ser Ping, retired from the Board. Five new members, including the new CEO of AFM, joined the Board.

I would like to take this opportunity to thank Ser Ping for his outstanding service and contributions. Ser Ping has been leading A-REIT and AFM for 12 years. Over this period, the number of properties has grown from 16 to 133. The total assets has grown from S$1.0 billion to about S$9.9 billion today. The compounded annual growth rate is about 21%. When A-REIT was first listed, the market capitalisation was S$468 million and as of 31 March 2016, the market capitalisation is S$6.4 billion. This is quite a remarkable achievement. This set of figures clearly demonstrates Ser Ping's impressive achievements as the CEO of AFM. On behalf of the Manager and the Board, I want to express my deep appreciation for Ser Ping's devotion and contributions to AFM and wish him the very best for his future.

I would also like to take this opportunity to express our gratitude to Mr Henry Tan, who has stepped down as Audit Committee Chairman and independent director after six years of dedicated service. His invaluable advice and guidance is deeply appreciated by my fellow Board members as well as senior management.

We are pleased to welcome Mr Chia Nam Toon as the new CEO of AFM with effect from 1st April 2016. Nam Toon has strong strategic business and financial expertise acquired over the many years in his senior leadership positions. He has made significant contributions to the achievements of the Ascendas-Singbridge Group over the past 10 years, as its Group Chief Financial Officer. We look forward to working with Nam Toon in taking A-REIT through its next phase of growth.

We warmly welcome Mr Miguel Ko to our Board as Vice Chairman and Non-Executive Director of AFM. Miguel is currently the Group Chief Executive Officer of the Ascendas-Singbridge group. His appointment will further strengthen the working relationship of A-REIT and the Ascendas-Singbridge Group. His extensive personal network in the Asia-Pacific region will facilitate greater access to new opportunities, an asset to the Board. Miguel's vast corporate leadership experience will also help AFM to develop and strengthen the AFM's leadership team.

We also warmly welcome three new independent directors, Mr Wong Yew Meng, Ms Chong Chiet Ping and Ms Lim Sau Hoong. Yew Meng was an audit partner with PWC, Chiet Ping a very experienced IT person who used to work for HP, and Sau Hoong, a successful entrepreneur in the media industry. Their diverse background and expertise will strengthen the collective wisdom of the Board as A-REIT seeks to grow within and beyond Singapore.

With the changes, the Board will consist of 10 members, of which 6 are independent directors.

THE FUTURE

We would continue to build on the strong foundation of a diversified and high-quality portfolio in Singapore and Australia.

Although a tougher operating environment is anticipated on the back of growing competition and a softer global economy, we are well prepared to take on the challenges and grow our business through enhanced synergies and cohesiveness with the enlarged Ascendas-Singbridge Group as this will open up more growth opportunities with expanded capabilities and resources for A-REIT.

The objective of A-REIT remains unchanged: to ensure a steady stream of income and sustainable growth for Unitholders in the longer term.

To continue to stand out, A-REIT plans to 1) provide better products by acquiring high-grade properties prudently and undertaking asset enhancements, 2) increase the reach and value-add to existing and new customers, 3) create a culture of outstanding customer service by with innovative services and offerings, 4) enhancing our brand, 5) extract greater value from our properties by capital recycling opportunities, and 6) improve and maintain a healthy capital structure.

We would also continue to challenge and develop our leadership team to be the best in our sector.

A-REIT is well-positioned and prepared for the challenges ahead.

ACKNOWLEDGMENTS

I would like to thank all our members from the Manager and Property Manager, whose commitment and passion are one of the key foundations of A-REIT's success.

Finally, on behalf of the Board and the Manager, I wish to thank our customers, business partners and you, our Unitholders, for the strong support and loyalty over the years. The Board is confident that A-REIT is well-prepared and in a strong position to continue to grow and create value for you, our Unitholders, for many years to come.

KOH SOO KEONG
Chairman

25 May 2016

主席致辞

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2016年3月31日的腾飞瑞资第十四份财政年度报告。

在15/16财政年，腾飞瑞资跨出了迈入澳洲市场的第一步，斥资10亿澳元收购了26个优质的物流地产。随后不久，腾飞瑞资又以7660万澳元收购了位于悉尼的第27个物流地产。

目前，腾飞瑞资共有67万平方米的物流空间，一跃成为澳洲第八大工业地产商。我们将继续寻找机遇，进一步布局澳洲市场。

15/16财年表现

我非常高兴地宣布腾飞瑞资全年每单位可分派收入(“DPU”)为15.537分，同比增长5.2%。

DPU的提高主要得益于三个方面的驱动。第一，新收购物业，如27个澳洲物流地产、Aperia、The Kendall和凯发创新中心，皆为腾飞瑞资提供了更多收入来源。第二，Aperia项目的出租率提升。第三，新加坡物业新签租约整体取得约7.0%的租金增长。

多元化投资策略

在完成澳洲和新加坡的投资之后，腾飞瑞资的总资产到达约99亿元。平均租约到期年限保持在4.7年。租户数量增加至1470家。更重要的是，我们的租户更加多元化了。

坐拥永久地契的澳洲地产占腾飞瑞资总体地产价值的11%。为了提升效率，我们在澳洲当地建立了以Matthew Meredith先生为首的运营团队。除了为当地租户提供更完善的服务，Matthew和他的团队也将努力寻找适合的投资机会以扩张业务及提升利润。

资产变现与升级

在15/16财年，总耗资4390万元的两个开发项目顺利竣工，分别是位于新加坡的星展银行亚洲中心二期和位于中国的嘉善仓储物流设施。另外，我们也完成了总值9600万新元的资产升级改造。这些项目共为腾飞瑞资自持物业增加4.281万平方米的面积。

我们也继续调整我们的投资组合。我们以3879万新元成功出售了26 Senoko Way和BBR大厦，较收购价格实现了1570万新元的收益。在2016年4月，我们又以3400万新元出售了联合利华新加坡环球领袖培训中心。

融资与信用评级

为了支持腾飞瑞资的投资收购，我们通过不同的融资渠道，如澳元银团贷款、中期票据、永久债券、股权私下配售、股权优先认购和代价股份等，共筹集资金15亿新币。

穆迪投资者服务将腾飞瑞资A3的信用评级维持不变。

董事会与管理层更新

在过去的一年内，两位董事，包括前任公司总裁陈思伻先生，从董事会荣休。包括新任公司总裁在内的五名董事加入董事会。

我借此机会向陈思伻先生对腾飞瑞资做出的卓越贡献表示衷心的感谢。陈思伻先生在过去的12年间领导腾飞瑞资和其管理公司取得了辉煌业绩。腾飞瑞资的物业数量由他任总裁初的16处增加到今天的133处，总资产由10.2亿新元增长到今天的99亿新元，年复合增长率超过21%。腾飞瑞资上市之初的市值仅为4.68亿新元；截至2016年3月31日，瑞资市值已达64亿新元。这是一个骄人的成绩！这一组数据对比清晰展示了陈思伻先生卓越的领导才能。我谨代表管理公司和董事会感谢陈先生的忠诚奉献，并祝他未来一切顺利。

我也借此机会感谢前任审计委员会主席和独立董事陈颂国先生6年来在董事会的尽心服务。全体董事和管理层都从他的建议和指导中受益匪浅。

我们诚挚欢迎谢南俊先生于2016年4月1日接任公司总裁。谢南俊先生在他之前的工作履历中积累了丰富的商业决策和财务管理的知识。作为集团首席财务官，他对星桥腾飞集团的发展做出过卓越的贡献。我们寄望谢南俊先生能领导腾飞瑞资取得下一个辉煌。

我们欢迎高敞坤先生加入董事会担任副主席和非执行董事。高敞坤先生身任星桥腾飞集团总裁，他的加入更能增强腾飞瑞资和星桥腾飞集团间的进一步合作。他在亚太区的商业人脉将帮助腾飞瑞资抓住新机遇，他的领导经验也将让公司管理层从中受益。

我们也欢迎三位新独立董事，王耀明先生，张洁冰女士和林少芬女士。王耀明先生曾经是普华古柏事务所审计合伙人，张洁冰女士是一位在惠普有过丰富工作经验的IT专才，林少芬女士更是一位传媒界赫赫有名的成功企业家。他们多元化的背景和才能将提升董事会的集体智慧并助力腾飞瑞资在区域发展壮大。

在此轮更新之后，董事会将有10名成员，其中6名为独立董事。

放眼未来

我们将继续凭借新加坡和澳洲的多元化高质量物业不断发展壮大。

由于世界经济疲软和本地竞争的加剧，未来的一年预计将充满挑战。但是我们有信心和扩大后的星桥腾飞集团一起相互支持、共同发展。这也将给腾飞瑞资提供更多的资源和带来新的发展机会。

腾飞瑞资的使命不变，我们将继续为单位持有人提供可预测的分派收入及长期资本的稳定。

为继续保持领先地位，腾飞瑞资计划专注于 1）通过收购高质量物业和资产提升计划为租户提供更好的产品 2）增强和新老租户的联系 3）通过业务创新营造客户至上的服务理念 4）提升腾飞瑞资的品牌号召力 5）通过物业出售实现资产的价值 6）优化并保持健康的资本结构。

我们将继续锻炼和发展管理层，让他们成为业界首屈一指的团队。

综上所述，腾飞瑞资已经做好准备迎接未来的挑战。

致谢

我要感谢腾飞基金管理（新加坡）有限公司和我们的服务合作伙伴腾飞管理私人有限公司的所有员工一年来的奉献和成就。他们是腾飞瑞资不断成功的重要一环。

最后，我谨代表腾飞瑞资管理公司和董事会，感谢所有的客户、商业伙伴以及单位持有人一如既往的支持。董事会坚信腾飞瑞资将延续成功并在未来的多年内为单位持有人继续创造价值。

许思强
主席

2016年5月25日

INTERVIEW WITH CEO

During this financial year, A-REIT made significant acquisitions in Australia. Do you feel that the investments will add value to A-REIT?

The Australian portfolio is a natural extension of A-REIT's business growth. It consists of 27 properties with very attractive characteristics, such as a long weighted average lease expiry of about 5 years, freehold land and triple net leases.

The portfolio provides opportunities for growth underpinned by domestic consumption and population growth. These properties are leased to strong tenants such as Wesfarmers Limited, Mondelez Australia, OfficeMax, Kimberly-Clarke, Fuji Xerox, Nestlé and multinational 3PLC tenants e.g. DB Schenker, CEVA Logistics, Toll Group, Linfox, just to name a few. These tenants are operating in many different industries in Sydney, Melbourne, Brisbane and Perth.

The acquisitions will help strengthen and diversify A-REIT's current portfolio. I believe it is prudent to generate a new income stream that is complementary to Singapore.

IN A SHORT TIME, A-REIT BECAME THE 8TH LARGEST NATIONAL INDUSTRIAL LANDLORD IN AUSTRALIA.

CHIA NAM TOON
Chief Executive Officer

What is the next step in Australia in terms of operations and expansion?

In a short time, A-REIT became the 8th largest national industrial landlord in Australia.

A lot of capital investment and management effort has been and is still being injected into Australia by A-REIT and its sponsor, the Ascendas-Singbridge Group.

A local team, headed by Matthew Meredith, General Manager of Australia, is being put in place to oversee operations, to manage customer relationships, and seek new investment opportunities. We intend to build a strong local competence and enhance our brand. We also plan to deepen our reach and will seek new 'bolt-on' acquisitions that will augment our asset locations, improve the mix of warehouse size offerings, diversify into other asset classes, and improve earnings stability.

With the change in CEO and closer integration with the Ascendas-Singbridge Group, will we see a change in the strategic direction of A-REIT?

We have built A-REIT's portfolio with total assets size of S$9.9 billion over 14 years. A-REIT is the largest and most diversified industrial REIT in Singapore, and the third largest REIT in Asia (ex-Japan) by market capitalisation. We have a strong management and operations team in place that will ensure A-REIT will continue to grow and be value-accretive to its Unitholders.

With regards to the Ascendas-Singbridge Group integration, there will not be any major change in A-REIT's strategic direction. We plan to tap on the enlarged group's expertise in many areas such as new business concepts (e.g. Science Park rejuvenation), shared facilities for swifter execution, and access to markets and opportunities. This will enable A-REIT to continue to improve and grow. We can count on opportunities arising from the group's portfolio of more than S$1 billion worth of properties, in mainly the Business and Science Park segment in Singapore.

The Singapore industrial property market is affected by the weak Singapore economy and oversupply situation. How does A-REIT intend to ride out the situation?

A-REIT has always been able to anticipate changing demands in the Singapore industrial property market. It is focused on building a high-quality portfolio of business and science park, hi-specs and integrated development properties that caters to the needs of the higher-value businesses relevant to Singapore.

A-REIT has also introduced new business space concepts such as Aperia, a mixed integrated development in Kallang Avenue. Its occupancy of 92.9% demonstrates a high level of customer demand for A-REIT's quality products.

In challenging times, some industries may slow down but some others may pick up. Our diversified customer base of 1,470 tenants will help us ride out the ups and downs of the economy.

Our immediate focus is to retain existing customers and at the same time attract new ones. We are continuing to update our properties through asset enhancements to rejuvenate and to meet the changing requirements.

We plan to have more engagement with customers to understand their specific requirements and to increase the personal reach between our staff and customers. We believe that this strategy will continue to differentiate A-REIT to existing and new customers.

What are your plans for China?

The China portfolio, comprising of two business park properties and one logistics property, are well-located in Beijing and the greater Shanghai. We are closely monitoring the economic slowdown and to make appropriate adjustments to better service our existing and new tenants.

Ascendas Z-link in Beijing is fully occupied, A-REIT City @Jinqiao in Shanghai, which is in a developing location, is about 57% occupied while A-REIT Jiashan Logistics Centre has just completed and has attracted interest from several parties.

We have actually made some capital gains on Ascendas Z-link and A-REIT City @Jinqiao which were acquired about 5-6 years ago. The China portfolio is currently valued at about S$374 million.

With a target GDP growth rate of 6.5% – 7.0% in China, we do see longer term potential in attracting both higher occupancy as well as capital gains.

SIGNIFICANT EVENTS

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 14.600 cents from 14.240 cents.

JULY 2015

8th
A-REIT obtained the Gold Award for 'Best Annual Report' in the REITS and Business Trusts category at the Singapore Corporate Award 2015

22nd
Announced results for the three months ended 30 June 2015: Net property income grew by 6.9% YoY.

OCTOBER 2015

14th
Issued S$300.0 million subordinated perpetual securities at a fixed rate of 4.75% per annum to partially fund the A$1.0 billion Australian logistics portfolio acquisition.

16th
A-REIT won the 'Most Transparent Company Award' in the REITS and Business Trusts category at the Securities and Investors Association (Singapore) Investors' Choice Award 2015 for the fifth consecutive year. A-REIT was also the runner-up for the 'Singapore Corporate Governance Award'.

2015

JUNE 2015

3rd
Issued S$150.0 million 7-year Medium Term Notes due 2022 at a fixed coupon of 3.20% per annum.

10th
Completion of merger involving A-REIT's sponsor, Ascendas Pte Ltd, and Singbridge Pte Ltd to form the Ascendas-Singbridge Group.

29th
A-REIT's Annual General Meeting was held and all resolutions were approved.

AUGUST 2015

3rd
Issued S$100.0 million 5-year Medium Term Notes due 2020 at a fixed coupon of 2.95% per annum.

6th
A-REIT announced the extension of its investment mandate to explore opportunities beyond Singapore.

SEPTEMBER 2015

9th
Completed the sale of BBR Building for S$13.9 million, realising capital gains of S$6.8 million.

29th
A-REIT named as one of the 'Top 100 Singapore Brands 2015' by Brand Finance, ranked 39th.

NOVEMBER 2015

1st
Appointment of Mr Chan Pengee, Adrian, as Chairman of the Audit Committee. Three new independent directors, Mr Wong Yew Meng, Ms Chong Chiet Ping and Ms Lim Sau Hoong were appointed to the Board.

18th
Completed Phase Two acquisition of remaining 16 Australian logistics properties for A$605.9 million.

22nd
Announced results for the three months ended 30 September 2015: Net property income grew by 8.0% YoY.

23rd
Completed Phase One of A-REIT's maiden acquisition in Australia comprising 10 out of 26 logistics properties for A$407.1 million.

31st
Mr Henry Tan Song Kok stepped down as independent director after serving on the board for six years.

DECEMBER 2015

2nd
Appointment of Mr Matthew Meredith as General Manager for Australia operations.

9th
Launched an equity fund raising exercise. A-REIT eventually raised a total of S$554.9 million through a private placement, a preferential offering and issue of consideration units. The proceeds were utilised mainly to fund the acquisitions of ONE@Changi City and 6-20 Clunies Ross Street in Sydney.

2016

JANUARY 2016

1st
Appointment of Mr Miguel Ko as a Non-Executive Director and Vice-Chairman to the Board.

22nd
Announced results for the three months ended 31 December 2015: Net property income grew by 24.1% YoY.

FEBRUARY 2016

4th
Issued HKD500.0 million 10-year Medium Term Notes due 2026 at 3.00% per annum.

16th
A-REIT held an Extraordinary General Meeting and the resolutions to approve the acquisition of ONE@Changi City and issuance of consideration units were passed by Unitholders.

22nd
Completed the acquisition of 6-20 Clunies Ross Street, a logistics facility located in Sydney, for A$76.6 million.

MARCH 2016

1st
Completed the acquisition of ONE@Changi City, a business park development, for S$420.0 million.

31st
Retirement of Mr Tan Ser Ping as the Chief Executive Officer and Executive Director of the Manager after 12 years of service.

APRIL 2016

1st
Appointment of Mr Chia Nam Toon as Chief Executive Officer and Executive Director of the Manager.

7th
Issued S$130.0 million 5-year Medium Term Notes due 2021 at a fixed coupon of 2.655% per annum.

29th
Completed the sale of Four Acres Singapore for S$34.0 million, realising capital gains of S$0.6 million.

MAY 2016

5th
Announced results for the financial year ended 31 March 2016: Net property income grew by 15.3% YoY. DPU increased by 5.2% YoY to 15.357 cents from 14.600 cents.

BOARD OF DIRECTORS

MR KOH SOO KEONG
Chairman, Independent Director

MR MIGUEL KO
Vice Chairman, Non-executive Director

MR MANOHAR KHIATANI
Non-executive Director

MR CHAN PENGEE, ADRIAN
Independent Director

MR TEO ENG CHEONG
Non-executive Director

MR TEO CHOON CHYE, MARC
Independent Director

MR WONG YEW MENG
Independent Director

MS CHONG CHIET PING
Independent Director

MS LIM SAU HOONG
Independent Director

MR CHIA NAM TOON
Executive Director & CEO

BOARD OF DIRECTORS

MR KOH SOO KEONG
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:
6 years and 8 months

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
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
- Videre Security Solutions Pte Ltd

MAJOR APPOINTMENTS
- Managing Director, Ecosave Pte Ltd
- Director, Agape Ace Ptd

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

MR MIGUEL KO
Vice Chairman, Non-Executive Director

Date of appointment as Director:
1 January 2016

Length of service as Director:
5 months

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

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Bachelor of Arts in (Economics), University of Massachusetts, U.S.A.
- Masters of Business Administration, Suffolk University, U.S.A.
- Certified Public Accountant (non-practicing), State Board of Accountancy, New Hampshire, U.S.A.

PRESENT DIRECTORSHIPS
Listed companies
- Samsonite International S.A.

Others
- Ascendas-Singbridge Pte Ltd
- Changi Airport Group (Singapore) Pte Ltd
- CTM Property Trust (Steering Committee)
- Jilin Food Zone Pte. Ltd
- Knowledge City Pte. Ltd
- Optima Investment & Development Pte. Ltd
- Singapore-Sichuan Investment Holdings Pte Ltd
- Singbridge Pte. Ltd.
- Singbridge Holdings Pte. Ltd.
- Singbridge International Singapore Pte. Ltd.
- Singbridge Corporate Pte. Ltd.
- Singbridge CTM1 Pte. Ltd.
- Singbridge CTM9 Pte. Ltd.

MAJOR APPOINTMENTS
- Group CEO, Ascendas-Singbridge Pte Ltd

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
- Merlin Entertainments Group Ltd
- Royal Orchid Hotel Company Ltd

Others
- CDL Hotels Ltd Hong Kong
- City e-Solutions Hong Kong
- Millenium & Copthorne PLC
- Amarin Plaza Company Ltd
- Serm Suk (Pepsi-cola) Bottler Ltd
- Civil Aviation Authority Singapore (CAAS)
- Surbana Consultants Holdings Pte Ltd
- Delta Topco Limited (Formula One)

MR MANOHAR KHIATANI
Non-Executive Director

Date of appointment as Director:
10 June 2013

Length of service as Director:
2 years and 11 months

BOARD COMMITTEES SERVED ON:
- Investment 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 Investment Pte Ltd
- Ascendas Land International Pte Ltd
- Ascendas Land (Singapore) Pte Ltd
- Ascendas Frasers Pte Ltd
- Ascendas-Citramas Pte Ltd
- Nusajaya Tech Park Sdn Bhd
- Directorships in other Ascendas Group companies

MAJOR APPOINTMENTS
Deputy Group CEO, Ascendas-Singbridge Pte Ltd

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

MR CHAN PENGEE, ADRIAN
Independent Director

Date of appointment as Director:
1 December 2014

Length of service as Director:
1 year and 6 months

BOARD COMMITTEES SERVED ON
- Audit Committee (Chairman)
- Operational Risk Management Committee (Member)

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

PRESENT DIRECTORSHIPS
Listed companies
- Yoma Strategic Holdings Ltd
- Global Investments Limited
- Nobel Design Holdings Ltd
- Hong Fok Corporation Limited
- Azalea Asset Management Pte Ltd
- Astrea III Pte Ltd

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

MAJOR APPOINTMENTS
- 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
- Isetan (Singapore) Limited
- AEM Holdings Ltd
- Biosensors International Group, Ltd

MR TEO ENG CHEONG
Non-Executive Director

Date of appointment as Director:
10 August 2011

Length of service as Director:
4 years and 9 months

BOARD COMMITTEE SERVED ON:
- Audit 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
Listed companies
Nil

Others
- Surbana International Consultants (Myanmar) Company Limited
- Surbana International Consultants (Vietnam) Co. Ltd.

MAJOR APPOINTMENTS
CEO, International Surbana Jurong Pte Ltd

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

MR TEO CHOON CHYE, MARC
Independent Director

Date of appointment as Director:
18 September 2012

Length of service as Director:
3 years and 8 months

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

Others
Nil

MAJOR APPOINTMENTS
Head of Treasury, The Norinchukin Bank, Singapore

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

MR WONG YEW MENG

Independent Director

Date of appointment as Director:
1 November 2015

Length of service as Director:
7 months

BOARD COMMITTEE SERVED ON:

- Audit Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Bachelor of Science (Economics), London School of Economics London
- Fellow, Institute of Chartered Accountants in England and Wales
- Member, Institute of Singapore Chartered Accountants

PRESENT DIRECTORSHIPS

Listed companies

- Venture Corporation Limited

Others

- People's Association
- Land Transport Authority of Singapore
- Competition Commission of Singapore
- Singapore Deposit Insurance Corporation Limited
- Nanyang Technological University
- Kidney Dialysis Foundation Limited

MAJOR APPOINTMENTS

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS

Nil

MS CHONG CHIET PING

Independent Director

Date of appointment as Director:
1 November 2015

Length of service as Director:
7 months

BOARD COMMITTEES SERVED ON:

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

ACADEMIC & PROFESSIONAL QUALIFICATIONS:

- Diploma in Electronics and Electrical Engineering, Singapore Polytechnic

PRESENT DIRECTORSHIPS

Listed companies

Nil

Others

- Third Wave Power Pte Ltd
- Wisewater Pte Ltd
- Avetics Pte Ltd
- Lean Care Solutions Corporation Pte Ltd
- GreenMeadows Accelerator Pte Ltd
- Nucleus Dynamics Pte Ltd

MAJOR APPOINTMENTS

- Managing Partner, Small World Group Incubator Pte Ltd

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS

Nil

BOARD OF DIRECTORS

MS LIM SAU HOONG
Independent Director

Date of appointment as Director:
1 November 2015

Length of service as Director:
7 months

BOARD COMMITTEE SERVED ON:
- Nominating, Human Resource & Remuneration Committee (Member)

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Diploma in Education, Institute of Education
- Bachelor of Arts (Honours) in Chinese Studies, National University of Singapore

PRESENT DIRECTORSHIPS
Listed companies
Nil

Others
- 10AM Communications Pte Ltd
- Chinese Development Assistance Council
- Singapore Chinese Orchestra Company Limited

MAJOR APPOINTMENTS
- Member, Singapore50 Culture and Community Committee
- Member, Singapore Note and Coin Advisory Committee

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

MR CHIA NAM TOON
Executive Director, CEO

Date of appointment as Director:
1 April 2016

Length of service as Director:
2 months

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

ACADEMIC & PROFESSIONAL QUALIFICATIONS:
- Diploma in Commerce (Financial Accounting), Malaysia
- Member, Association of the Chartered Certified Accountants UK (FCCA)
- Member, Institute of Singapore Chartered Accountants

PRESENT DIRECTORSHIPS
Listed companies
Nil

Others
- Ascendas Investment Pte Ltd
- Ascendas Land International Pte Ltd
- Ascendas China Trustee Pte Ltd
- Sino-Singapore Guangzhou Knowledge City Investment and Development Co Ltd
- Ascendas Funds Management (Australia) Limited

MAJOR APPOINTMENTS
Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
- Non-Executive Director, Ascendas Hospitality Trust Management Pte. Ltd., the Trustee-Manager of Ascendas Hospitality Business Trust (“A-HBT”)
- Non-Executive Director, Ascendas Hospitality Fund Management Pte. Ltd., the Manager of Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”)

SGX-Mainboard listed Ascendas Hospitality Trust is a stapled group comprising A-HREIT and A-HBT

THE A-REIT TEAM

From left to right (standing):
Mr Ang Boon Peng, Ms Koo Lee Sze, Ms Chae Meng Kern, Mr Sasidharan Nair, Ms Karen Lee, Mr Matthew Meredith

From left to right (seated):
Ms Patricia Goh, Mr Chia Nam Toon, Ms Yeow Kit Peng

MR CHIA NAM TOON

Executive Director and Chief Executive Officer

Nam Toon was appointed CEO of the Manager of A-REIT on 1 April 2016, and is responsible for its overall management and operations. He was previously the Group CFO for Ascendas-Singbridge, responsible for leading the Group's finance organization and providing strategic financial leadership. His responsibilities include formulating financial policies, strategies and plans, and overseeing the financial and reporting functions.

Prior to the merger between Ascendas and Singbridge, Nam Toon was concurrently Ascendas' Group CFO and Assistant Group CEO, overseeing Ascendas' corporate services which include Strategy Management, Communications, Legal & Corporate Secretariat, Enterprise Risk Management, Information Management, and Finance.

Before joining Ascendas, Nam Toon was the Finance Director and Acting Chief Operating Officer of PEC Tech Group, an engineering and forestry services business division of a large regional conglomerate. He has extensive Asia Pacific experience having spent 12 years with ICI Plc, a major specialty chemical company in various senior roles in finance, corporate planning, and general management based in Kuala Lumpur, London and Singapore. He had also spent 4 years with F&N Coca-Cola in Malaysia.

Nam Toon is a Fellow of the Association of Chartered Certified Accountants UK (FCCA), a Fellow of the Institute of Certified Public Accountants of Singapore, and holds a Diploma in Commerce from Tunku Abdul Rahman College, Malaysia.

THE A-REIT TEAM

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 15 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.

MR MATTHEW MEREDITH

General Manager, Australia

Matthew is responsible for the overall management of Ascendas Funds Management (Australia) Pty Ltd, which has its business and operations in Australia. He manages the property assets in Ascendas REIT Australia trust, and sources for new assets to add to the trust.

Within the Australian manager, Matthew will be supported by a team of asset managers in Australia, and reports to the Chief Executive Officer of the Manager.

Matthew has 20 years of experience in Australia and Asia across agency, valuation, asset management and acquisition disciplines. He was previously Head of Industrial at AMP Capital where his responsibilities included ensuring the delivery of value adding investment performance. Prior to his current role, he spent two years in Singapore with AMP Capital as Head of Office & Industrial Asia and was formerly the inaugural Head of Industrial from 2005 to 2007. Prior to joining AMP Capital, Matthew was Senior Asset Manager and Investment Manager (Industrial) with Colonial First State Property.

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 11 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.

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 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 24 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.

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.

MR ANG BOON PENG

Deputy Head, Singapore Portfolio Operations

Boon Peng is responsible for operational performance of A-REIT's properties in Science Parks I & II and oversees the lease operations in its delivery of customer services.

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.

He has extensive experience in estate management and was with the Housing & Development Board for 12 years and later with EM Services Pte Ltd for 22 years managing Town Councils. Prior to joining the Manager, he was the General Manager of the East Coast Town Council, concurrently holding the post of Secretary of the Council. In addition, in his previous employment, Sasi has also been involved in engaging and briefing visiting foreign delegations on township management and in a consultancy project on township development and management in India.

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 wholly owned subsidiary of the Ascendas-Singbridge 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-Singbridge 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.

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.

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.

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

MR JEFFREY 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.

Jeffrey 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-Singbridge, Jeffrey 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.

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

MR AYLWIN TAN

Chief Customer Solutions Officer

Mr Aylwin Tan, as the Chief Customer Solutions Officer, is responsible for formulating and executing marketing and customer engagement strategies for the Ascendas-Singbridge 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-Singbridge, 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 FY15/16

Total Assets
+20.7%
FY15/16: S$9.9 billion
FY14/15: S$8.2 billion

Gross Revenue
+13.0%
FY15/16: S$761.0 million
FY14/15: S$673.5 million

Net Property Income (NPI)
+15.3%
FY15/16: S$533.7 million
FY14/15: S$462.7 million

Total Amount Available for Distribution
+7.7%
FY15/16: S$378.3 million
FY14/15: S$351.1 million

Distribution Per Unit (DPU)
+5.2%
FY15/16: 15.357 cents
FY14/15: 14.600 cents

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.
    - o In FY15/16, A-REIT embarked on 7 new asset enhancement initiatives with an estimated value of S$52.5 million and completed 5 projects worth about S$96.0 million
- Achieved positive rental reversion of 7.0% in FY15/16 as passing rental rates for most of the leases were still below the prevailing market rental rates
- Overall portfolio occupancy and multi-tenant properties occupancy stood at 87.6% and 80.5% respectively as at 31 March 2016

Portfolio Occupancy
FY15/16: 87.6%
FY14/15: 87.7%

Rental Reversion
FY15/16: 7.0%
FY14/15: 8.3%

Disciplined Value-Adding Investment and Divestment

- Acquired 28 properties in Singapore and Australia for a combined purchase consideration of S$1.5 billion:
    - o 27 prime logistics properties located on freehold land in the key Australian cities of Sydney, Melbourne, Brisbane and Perth for A$1.1 billion (S$1.1 billion)
    - o ONE@Changi City, a high-quality and well–located property within Changi Business Park in Singapore for S$420 million
- Completed two development projects
    - o DBS Asia Hub Phase 2 in Singapore for S$21.8 million, which is fully leased to DBS Bank
    - o A modern logistics facility in Jiashan, China, for RMB 105.2 million (S$22.1 million)
- Divested 26 Senoko Way and BBR Building for S$24.8 million and S$13.9 million respectively, realising total capital gains of S$15.7 million in FY15/16. Divested Four Acres Singapore for S$34.0 million, realising capital gains of S$0.6 million.

Capitalisation Rate (Singapore portfolio)
FY15/16: 6.30%
FY14/15: 6.46%

Capitalisation Rate (Australia portfolio)
FY15/16: 6.58%

Prudent Capital and Risk Management

- Aggregate leverage remained healthy at 37.3% as at 31 March 2016.
- Weighted average all-in borrowing cost was maintained at 2.8% per annum.
- Long debt maturity profile at 3.4 years.
- 71.9% of A-REIT's interest rate risk exposure is hedged with a weighted average duration of 3.3 years.

- Continued to enjoy good access to debt and equity markets:
    - o Issued S$150.0 million 7-year notes, S$230.0 million 5-year notes and HKD500.0 million (S$91.6 million) 10-year notes under the Medium Term Note Programme
    - o Secured A$564.3 million syndicated loan facilities for Australian portfolio acquisitions and S$150.0 million 5-year term loans.
    - o Strengthened balance sheet with equity funds raised through:
        - – S$300.0 million perpetual securities
        - – S$200.1 million private placement
        - – S$144.8 million preferential offering
        - – S$210.0 million consideration units

Aggregate Leverage	Average Debt Maturity	All-in Borrowing Cost (weighted average)
FY15/16: 37.3%	**FY15/16: 3.4 years**	**FY15/16: 2.8%**
FY14/15: 33.5%	FY14/15: 3.6 years	FY14/15: 2.7%

MAINTAIN STRONG CORPORATE GOVERNANCE CULTURE

- Winner of the "Most Transparent Company Award" in the REITs and business trusts category at the 2015 Securities Investors Association (Singapore) Investors' Choice Awards for the fifth consecutive year
- Runner-up of the "Singapore Corporate Governance Award" at the 2015 Securities Investors Association (Singapore) Investors' Choice Awards
- Achieved the Gold Award at the Singapore Corporate Awards 2015 for Best Annual Report

FINANCIAL PERFORMANCE

	FY15/16	FY14/15	Variance
Number of properties as at 31 March	133*	107	+26
Gross revenue (S$ million)	761.0	673.5	+13.0%
NPI (S$ million)	533.7	462.7	+15.3%
Total amount available for distribution (S$ million)	378.3	351.1	+7.7%
DPU for the financial year (cents)	15.357	14.600	+5.2%

* The land titles of both The Aries and The Gemini have been amalgamated subsequent to the completion of asset enhancement works for Sparkle, a link block connecting the two buildings. A-REIT will be reporting both buildings as a single property going forward.

Gross revenue increased 13.0% to S$761.0 million, due to full year income contribution from investments made in FY14/15 (mainly from Aperia, The Kendall and Hyflux Innovation Centre) and maiden contributions from investments made in FY15/16 (mainly from the 27 logistics properties in Australia and ONE@Changi City in Singapore).

Net property income increased 15.3% from S$462.7 million to S$533.7 million.

Total amount available for distribution grew 7.7% to S$378.3 million. Included in the amount available for distribution was approximately S$3.7 million (or DPU of 0.148 cents) of income support in relation to certain properties that was received and paid to Unitholders in FY15/16.

DPU grew 5.2% to 15.357 cents (after performance fees) in FY15/16 as compared with 14.600 cents in FY14/15. The Manager continued to pay out 100% of A-REIT's taxable income available for distribution.

As at 31 March 2016, A-REIT remained the largest business space and industrial REIT listed on the SGX-ST with total assets and market capitalisation of S$9.9 billion and S$6.4 billion respectively.

INVESTMENT HIGHLIGHTS

During the financial year, the Manager extended its mandate to explore investment opportunities in new developed markets. This is in line with A-REIT's strategy to own a diversified portfolio with a stable and predictable income stream and long-term growth prospects. In October and November 2015, A-REIT completed its maiden acquisition of a portfolio of 26 logistics properties in Australia for A$1,013 million. The properties are located in the key industrial cities of Sydney, Melbourne, Brisbane and Perth. Subsequently in February 2016, A-REIT completed the acquisition of its 27th logistics property in Australia for A$76.6 million.

The strategic investments have enabled A-REIT to gain immediate scale in a new market and establish itself as the eighth largest industrial landlord in Australia. Some of the attractive features of the investments include:

- Mature and transparent industrial real estate market in Australia provides opportunities for growth and strengthens A-REIT's ability to generate stable and predictable income streams and long term capital stability
- Freehold land which complements A-REIT's Singapore and China portfolio that are mainly on leasehold land
- High-quality, income producing assets with established tenants which strengthens and diversifies A-REIT's portfolio

MANAGER'S REPORT

- The portfolio comprises triple-net leases (where statutory outgoings and operating costs are recovered from the tenants), minimising operational demand. Leases also include annual rental escalation of 3.3% on a portfolio basis, which is generally higher than similar leases in Singapore.
- Weighted average lease expiry (WALE) of the 27 properties stood at 5.2 years as at 31 March 2016 compared to 3.5 years and 2.6 years for the Singapore and China portfolio respectively.

In March 2016, A-REIT acquired ONE@Changi City, a premium quality business park property for S$420.0 million. The property is A-REIT's 7th business park property within Changi Business Park and is part of the mixed-use development comprising Changi City Point (a suburban retail mall) and Capri by Fraser, Changi City (a hotel residence). ONE@Changi City is 97.8% occupied with high quality tenants such as Credit Suisse and J.P. Morgan.

Two development projects were completed during the year: 1) In April 2015, DBS Asia Hub Phase 2 was completed and fully leased to DBS Bank until 2020, 2) The single-storey logistics facility in Jiashan, China was completed in March 2016. The Manager is actively negotiating with potential tenants to lease the logistics space.

The Manager continues to take a proactive approach to improve portfolio returns via asset enhancement initiatives. Projects worth S$96.0 million across 5 properties were completed. This included the new 4-storey logistics block at 40 Penjuru Lane, Sparkle (a link block with additional amenities space connecting The Aries and The Gemini) as well as upgrading works at various properties to enhance building specifications.

During the year, the Manager embarked on 7 new asset enhancement initiatives with an estimated value of S$52.5 million. Two of which, Honeywell building and Cintech I to IV, were completed in September 2015 and February 2016 respectively. The remaining five projects are on-going as at 31 March 2016.

COMPLETED INVESTMENTS IN FY15/16

	Country	Purchase Price / Development Cost (S$m)	Completed
Acquisitions		**1,546.8**	
ONE@Changi City	Singapore	420.0	Mar-16
6-20 Clunies Ross Street, Pemulwuy	Australia (Sydney)	79.2^ (A$ 76.6m)	Feb-16
Australian Logistics Portfolio	Australia (Sydney, Melbourne, Brisbane, Perth)	1,047.6^ (A$ 1,012.9m)	Oct-15, Nov-15
Development Projects		**43.9**	
A-REIT Jiashan Logistics Centre	China (Jiashan)	22.1* (RMB 105.2m)	Mar-16
DBS Asia Hub Phase 2	Singapore	21.8	Apr-15
Asset Enhancement Initiatives		**96.0**	
Cintech I to IV	Singapore	12.7	Feb-16
40 Penjuru Lane	Singapore	35.7	Oct-15
Honeywell Building	Singapore	4.2	Sep-15
Techlink & Techview	Singapore	26.2	Jul-15
Sparkle (Gemini-Aries Link)	Singapore	17.2	Jun-15
TOTAL		**1,686.7**	

^ Based on exchange rate of A$1.00 : S$1.0342
* Based on exchange rate of RMB1.00: S$0.2097

ON-GOING PROJECTS AS AT 31 MARCH 2016

	Country	Value (S$m)	Estimated Completion
Asset Enhancement Initiatives			
2 Senoko South Road	Singapore	12.1	2Q 2016
Acer Building	Singapore	10.7	2Q 2016
The Kendall	Singapore	1.6	3Q 2016
AkzoNobel House	Singapore	6.5	4Q 2016
The Aries	Singapore	4.7	4Q 2016
TOTAL		**35.6**	

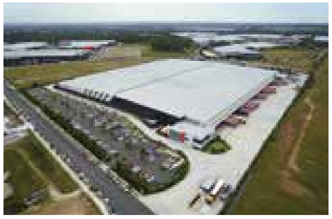
COMPLETED ACQUISITIONS

ONE@Changi City

ONE@Changi City is a nine-storey multi-tenant business park property located within Changi Business Park in Singapore. The property is easily accessible via the Pan-Island Expressway and East Coast Parkway. It is a short walking distance to Expo MRT station. The Property is sited on a land area of 46,969 sq m, which has remaining land lease tenure of approximately 53 years. It has a gross floor area (GFA) and net lettable area (NLA) of 71,158 sq m and 61,236 sq m respectively. The tenants at ONE@Changi City include Credit Suisse and J.P. Morgan. The property was acquired from Ascendas-Frasers Pte Ltd in March 2016.

6-20 Clunies Ross Street, Pemulwuy

6-20 Clunies Ross Street, located in Sydney, Australia, comprises a modern high clearance warehouse (36,220 sq m) and a freestanding two-storey office/laboratory facility (2,359 sq m) with a total GFA of 38,579sq m. The property was acquired from Deka Australia One GmbH in February 2016. The design and layout of the building is generic, functional and efficient for a wide range of users. The property is located approximately 28km west of Sydney Central Business District and strategically located within one of Sydney's premium logistics and distribution hubs – the Holroyd Local Government Area and the Greystanes Industrial precinct. The property also has good access to the major M4 and M7 motorways and is less than an hour to Port Botany shipping terminal and the Sydney Airport.



Australian Logistics Portfolio (Sydney, Melbourne, Brisbane, Perth)

The Australian Logistics Portfolio was acquired from the real estate arm of GIC and Frasers Property Australia Pty Limited through their controlled subsidiaries/affiliates. The portfolio has a total GFA of approximately 630,947 sq m across 26 prime institutional grade logistics properties on freehold land across Australia. The modern and mostly new properties are located in the core industrial markets of Sydney, Melbourne, Brisbane and Perth, within 40 kilometres from their respective central business districts. The properties are in close proximity to major transport networks including the M4 Motorway, Westlink M7 and M2 Motorway in Sydney; the Western Ring Road Eastlink, West Gate and Monash Freeways in Melbourne; Logan Motorway and Acacia Ridge Intermodal Terminal in Brisbane and the Roe Highway and Kwinana Freeway in Perth.

COMPLETED DEVELOPMENTS

DBS Asia Hub Phase 2

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 a GFA of 7,081 sq m. DBS Bank has leased the entire block until July 2020 to coincide with the lease expiry of the DBS Asia Hub.

A-REIT Jiashan Logistics Centre

The Manager completed the development of a new logistics property in Jiashan, China, for a total development cost (including land cost) of RMB105.2 million (or approximately S$22.1 million in March 2016. The property is a single-storey modern logistics facility, with a GFA of 35,729 sq m, located at the south western border of Shanghai. The land has an area of 57,513 sq m and a lease tenure of 50 years.

ASSET ENHANCEMENT INITIATIVES – COMPLETED

Cintech I to IV

The four Cintech buildings are located within Singapore Science Park I and were acquired from Ascendas Group in 2012. The asset enhancement works will enhance the properties' marketability and improve our tenants' experience within and around the properties. Drop-off points, lift lobbies, lift interiors and restrooms were upgraded and new sheltered walkways were built to connect the four buildings to the bus stop along the Ayer Rajah Expressway, Science Park Drive and The Rutherford. The enhancement works were completed in February 2016.

40 Penjuru Lane

40 Penjuru Lane is located in the Jurong Industrial Area and was acquired on a sale-and-leaseback basis in 2004. The enhancement works involved the construction of a new four-storey warehouse block with GFA of 24,062 sq m over the existing vacant open container yard. Completed in October 2015, the new block is connected to the existing 40 feet vehicular ramp and driveway, greatly improving the utilisation of the premises.

Honeywell Building

Honeywell Building is a six-storey business park building located within Changi Business Park. The asset enhancement works, which were completed in September 2015, has improved the existing building specifications and conditions to enhance the property's competitiveness and marketability. The main entrance foyer and drop-off point, lift lobby, restrooms, common corridors and mechanical and electrical equipment have been upgraded.

Sparkle (Part of The Aries, Sparkle & Gemini)

Located in Singapore Science Park II, both The Aries and The Gemini are four-storey research and development buildings. The Manager embarked on the project to maximise unutilised plot ratio and enhance connectivity between the buildings. Sparkle, a link block with amenities space of approximately 2,159 sq m was created to enhance vibrancy in the Park, benefit existing tenants and improve marketability of the properties within Singapore Science Park II. Sparkle was completed in June 2015.

Techlink & Techview

Techlink and Techview are multi-tenant high-specifications industrial properties located within the Kaki Bukit Industrial Estate. GFA at Techlink was increased by 1,820 sq m, 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, was 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 asset enhancement works were completed in July 2015.

ASSET ENHANCEMENT INITIATIVES – ON-GOING

2 Senoko South Road

Well-located within JTC Corporation's designated Food Zone in Senoko area, 2 Senoko South Road was converted from the existing single-tenant food factory into a multi-tenant light industrial food building. The proposed works involved 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 was completed in April 2016 (FY16/17).

Acer Building

Acer Building is well-located within International Business Park and Jurong Lake District, which has been earmarked as a major regional centre in the western part of Singapore. The enhancement works will improve and upgrade existing building specifications. Restrooms, corridors, lift lobbies and lift interiors will be upgraded and a covered link way will be built to improve accessibility to the nearest bus stop. The facade of the building will also be enhanced to allow more natural lighting into the building and a new central drop-off will improve our tenants' experience. The enhancement works are expected to complete within 2Q 2016.

The Kendall

The Kendall is a six-storey multi-tenant building located within the Singapore Science Park II. The enhancement work involves upgrading the building facade and restrooms to improve tenant's experience and improve the marketability of the building. The enhancement works are expected to complete within 3Q 2016.

The Aries

Located in Singapore Science Park II, The Aries is a four-storey multi-tenant building housing several tenants in the research and development sector. The enhancement works include improving the internal finishes such as light fittings and lift modernisation, upgrading restrooms and lift lobbies and repainting of the facade. The enhancement works are expected to complete within 4Q 2016.

AzkoNobel House

AkzoNobel House is a six-storey business park building located within Changi Business Park. The objectives of the enhancement are to improve marketability of the space and tenant's experience. Some areas within the building will be reconfigured to introduce natural lighting whilst restrooms, lift lobbies and the main lobby will be upgraded. Connectivity will also be improved by creating a sheltered walkway from the building to the Park's existing sheltered walkway. The enhancement works are expected to complete within 4Q 2016.

DIVESTMENT

During the financial year, the Manager completed its fourth and fifth divestments. In April 2015, 26 Senoko Way was divested to JTC Corporation for S$24.8 million and in September 2015, BBR Building was sold to BBR Holdings (S) Ltd for S$13.9 million. Total capital gains of S$15.7 million were realised over the original costs of investments, after transaction costs.

In April 2016, the Manager also sold Four Acres Singapore to Unilever Asia Pacific Private Limited for S$34.0 million realising capital gains of S$0.6 million over the development cost of the built-to-suit project.

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.

COMPLETED DIVESTMENTS TO DATE

	Sale Price (S$m)*	Completed
6 Pioneer Walk	32.0	Jun-13
Block 5006 Techplace II	38.0	Mar-14
1 Kallang Place	12.6	May-14
26 Senoko Way	24.8	Apr-15
BBR Building	13.9	Sep-15
Four Acres Singapore	34.0	Apr-16
TOTAL	155.3	

* In accordance to A-REIT's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the Property.

CAPITAL AND RISK MANAGEMENT

As at 31 March 2016, A-REIT's balance sheet remained healthy with its aggregate leverage at 37.3%. A-REIT is well-positioned to seize investment opportunities when they arise.

A-REIT's weighted average term of debt is 3.4 years as at 31 March 2016 with a weighted average all-in borrowing cost of 2.8% per annum. In addition to fixed rate debt issued, interest rate swaps are used to manage the interest rate exposure of its floating rate borrowings. About 71.9% of interest rate exposure of A-REIT's borrowing is hedged with a weighted average term of 3.3 years.

Immediately after 31 March 2016, A-REIT issued S$130.0 million 5-year Notes and exchanged S$14.0 million Exchangeable Collateralised Securities issued by Ruby Assets Pte Ltd (ECS) for new Units. Accordingly, pro forma aggregate leverage, average term of debt and borrowing hedge ratio further improve to 37.1%, 3.5 years and 75.4% respectively.

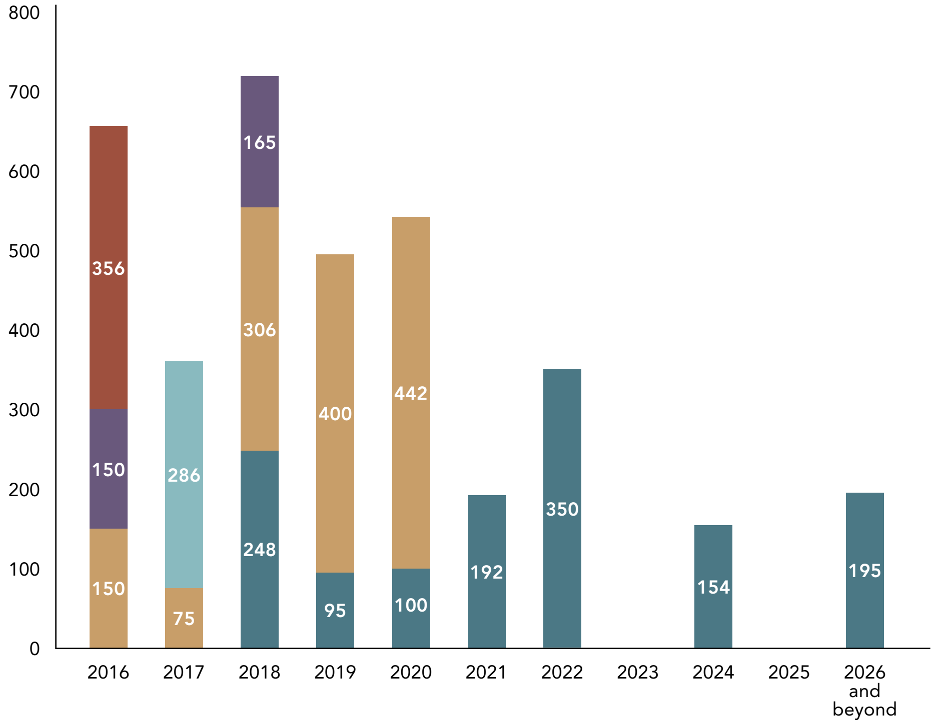
During the year, the Manager continued to diversify its funding sources. A-REIT obtained A$564.3 million secured syndicated facilities to fund acquisitions of 26 logistics properties in Australia; and refinanced S$150.0 million and CNY69.0 million borrowings with unsecured term loans. Including the S$130.0 million 5-year Notes issued on 7 April 2016, A-REIT issued total S$471.6 million worth of Notes (comprising S$150.0 million 7-year Notes, S$230.0 million 5-year Notes, HKD500.0 million 10-year Notes) under its Medium Term Note Programme. All the notes were competitively priced and were used to refinance existing borrowings and to fund new acquisitions.

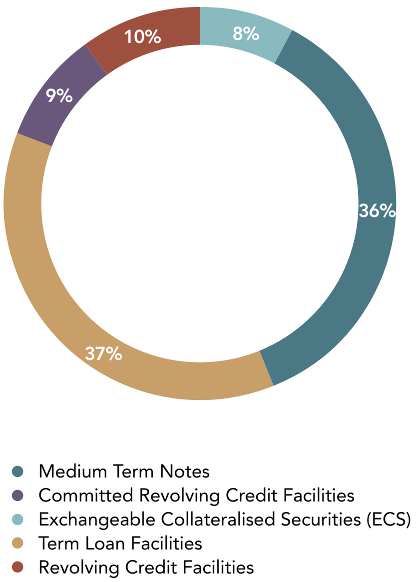
As at the date of this report, S$286.0 million of S$300.0 million ECS remains outstanding. ECS holders can exchange their ECS for new A-REIT Units at an exchange price of S$2.0187 per Unit. Any ECS that are not exchanged will be redeemed at par on 1 February 2017.

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

MANAGER'S REPORT

Debt Maturity Profile and Sources of Debt (as at 31 March 2016)





The charts above illustrate the debt profile post-issuance of MTN#13 and conversion of S$14.0m ECS

Key Debt Funding Indicators

Indicators	As at 31 March 2016	As at 31 March 2015
Aggregate leverage	37.3%	33.5%
Total debt^ (S$m)	3,678	2,735
Fixed debt as a % of total debt	71.9%	68.2%
Weighted average all-in borrowing cost	2.8%	2.7%
Weighted average tenure of debt outstanding (years)	3.4	3.6
Weighted average tenure of fixed debt outstanding (years)	3.3	3.7
Interest cover ratio	5.5x	6.1x
Total debt / EBITDA	7.9x	6.5x
Unencumbered properties as % of total investment properties#	77.2%	86.1%

^ 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.

The Manager further strengthened A-REIT's balance sheet with S$854.9 million equity funds raised through perpetual securities and new Unit issue exercises.

The S$300.0 million perpetual securities, issued in October 2015, were unsecured and subordinated, and confer the holders a right to receive non-cumulative distribution payments of 4.75% per annum for the first 5 years at the Manager's discretion. Proceeds from issue of perpetual securities were swapped into AUD and used to fund the acquisitions of 26 logistics properties in Australia.

During the financial year, a total of 249.8 million new Units were issued through a) an S$200.1 million private placement in December 2015; b) an S$144.8 million preferential offering in January 2016; and c) an issue of S$210.0 million worth of consideration units to Ascendas Lands (Singapore) Pte Ltd, raising gross proceeds of S$554.9 million. Proceeds were fully deployed in accordance with the intended use.

On 13 May 2016, Moody's Investor Services re-affirms A-REIT's A3 issuer rating.

Actual use of proceeds	(S$m)
To fund the acquisition of ONE@Changi City, together with the plant and property therein and the associated costs	434.7
To fund the acquisition of 6-20 Clunies Ross Street, Pemulwuy, located in Sydney, Australia and the associated costs	82.0
To fund debt repayment	35.4
To pay the fees and expenses incurred by A-REIT in connection with new Unit issuances	2.8
TOTAL	554.9

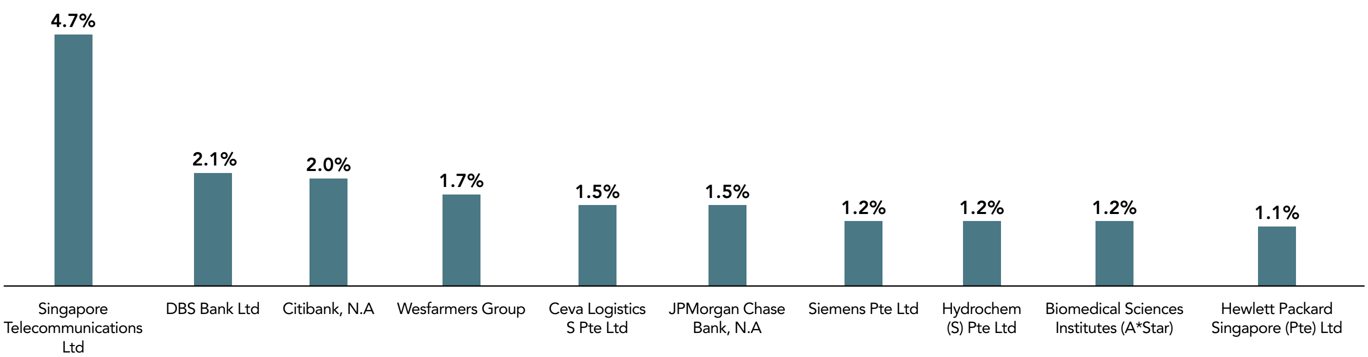
CUSTOMER CREDIT & CONCENTRATION RISK MANAGEMENT

To minimise tenant credit risk, a credit evaluation process has been established to assess the creditworthiness of A-REIT's tenants. 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 five months to eleven months of rental income equivalent. The average security deposit for the portfolio is approximately 4 months of rental income.

With a tenant base of around 1,470 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 10 tenants accounted for not more than 18.2% 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 5.4% 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 2016)



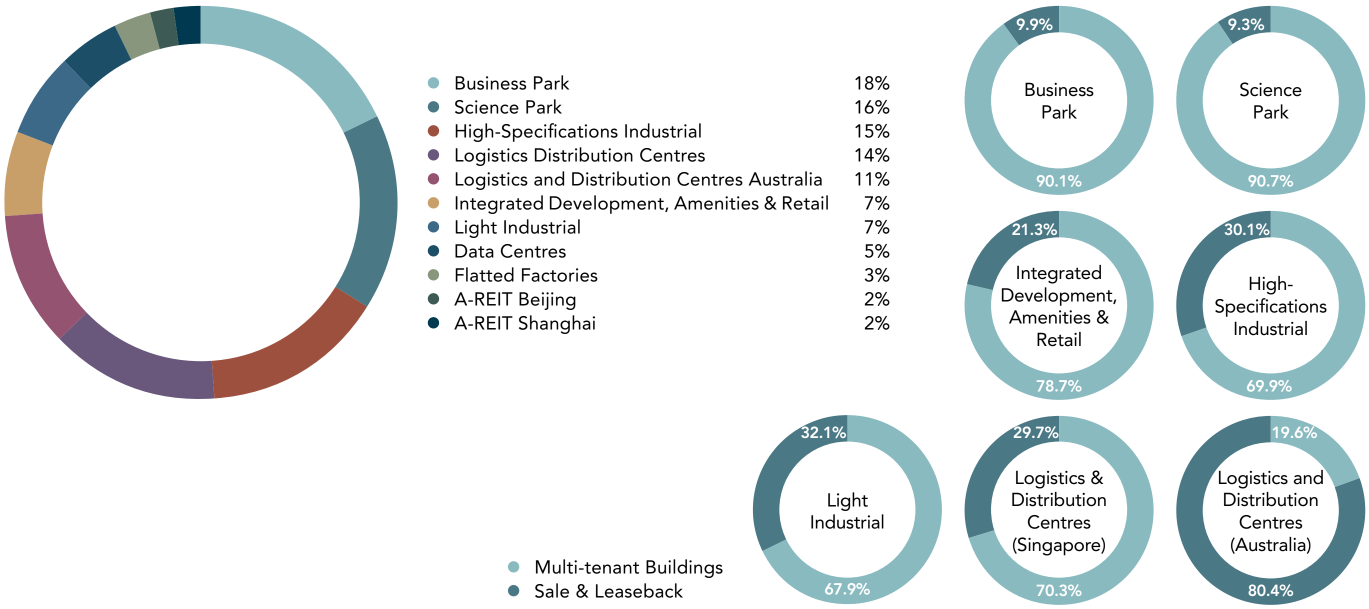
PORTFOLIO MANAGEMENT & PERFORMANCE

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

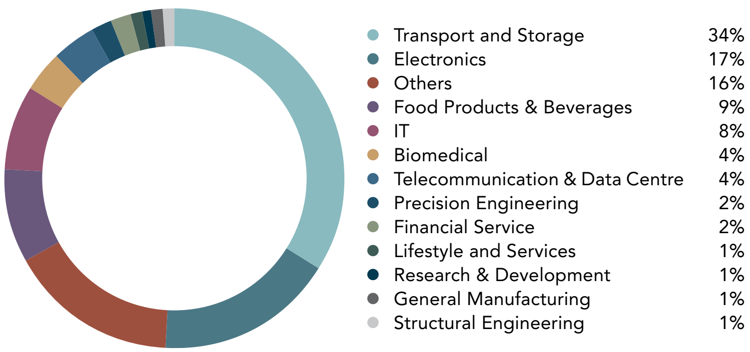
As at 31 March 2016, A-REIT has 103 properties in Singapore, 27 properties in Australia and 3 properties in China. These properties serve the spatial requirements of various segments of the economy. In FY15/16, sources of new demand continued to be broad based ranging from conventional space requirements 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 10.1% 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.

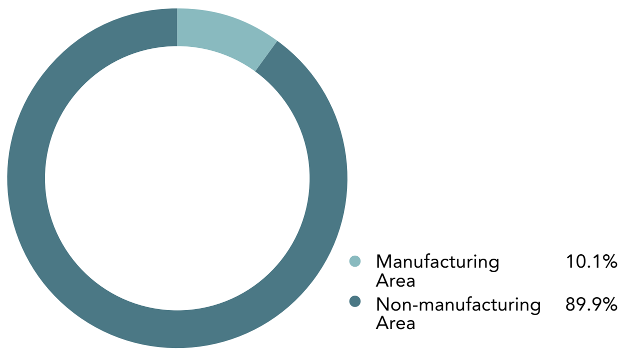
Well Diversified Portfolio by Asset Value (as at 31 March 2016)



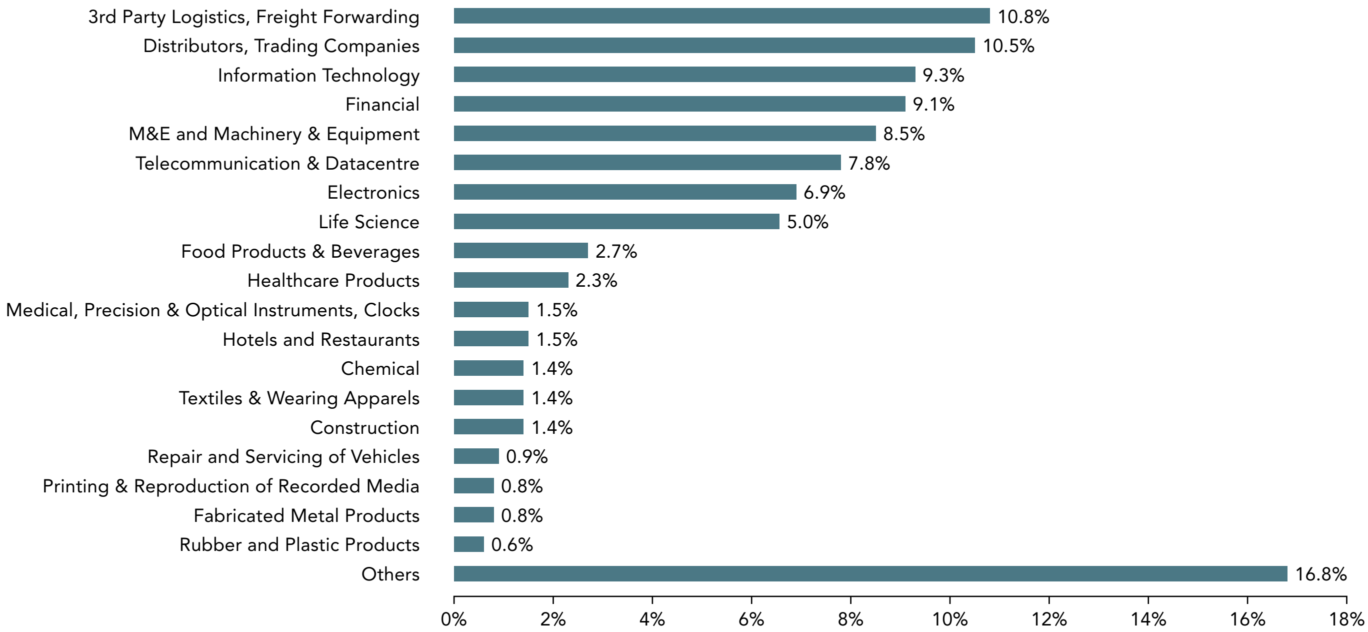
Sources of New Demand in FY15/16 by Net Lettable Area



Low Exposure to Conventional Manufacturing by Net Lettable Area (as at 31 March 2016)



Tenant's Industry Diversification by Gross Rental Income



POSITIVE RENTAL REVERSION

For FY15/16, A-REIT's portfolio achieved positive rental reversions of between 4.5% and 9.6% across the various property segments, with a weighted average rental reversion of 7.0% for the leases renewed during the year.

Achieved Positive Rental Reversion in FY15/16

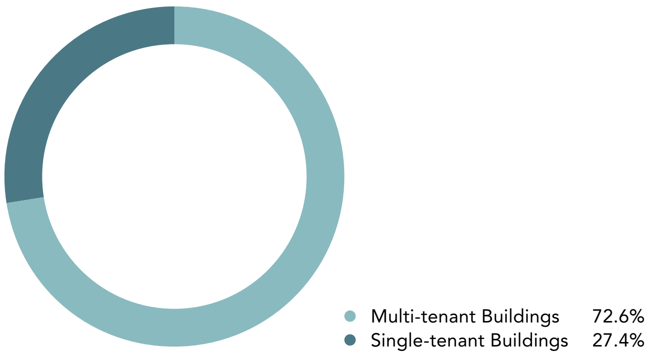
Multi-tenant properties[1]	As at 31 March 2016		FY15/16 Increase in renewal rates[2]
	Net lettable Area (sq m)	Vacant space (sq m)	
Business & Science Park	509,838	65,346	9.6%
High-Specifications Industrial	332,225	61,799	4.5%
Light Industrial	309,390	30,903	6.1%
Logistics & Distribution Centres – Singapore	549,988	131,541	6.5%
Weighted Average			**7.0%**

Notes:
(1) A-REIT's Singapore portfolio only. There were no renewals in Australia in FY15/16.
(2) Increase in renewal rental rates for leases renewed in FY15/16 versus previous contracted rates.

LEASE STRUCTURE AND PROFILE

About 27.4% of A-REIT's portfolio comprises long-term leases in single-tenant properties. These leases provide stability in earnings growth as 25.5% of such leases have rental escalation pegged to the Consumer Price Index with a fixed rate floor and 74.5% incorporate fixed rate adjustments. The remaining 72.6% of A-REIT's portfolio 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.

Split of Single-tenant Buildings and Multi-tenant Buildings by Asset Value (as at 31 March 2016)



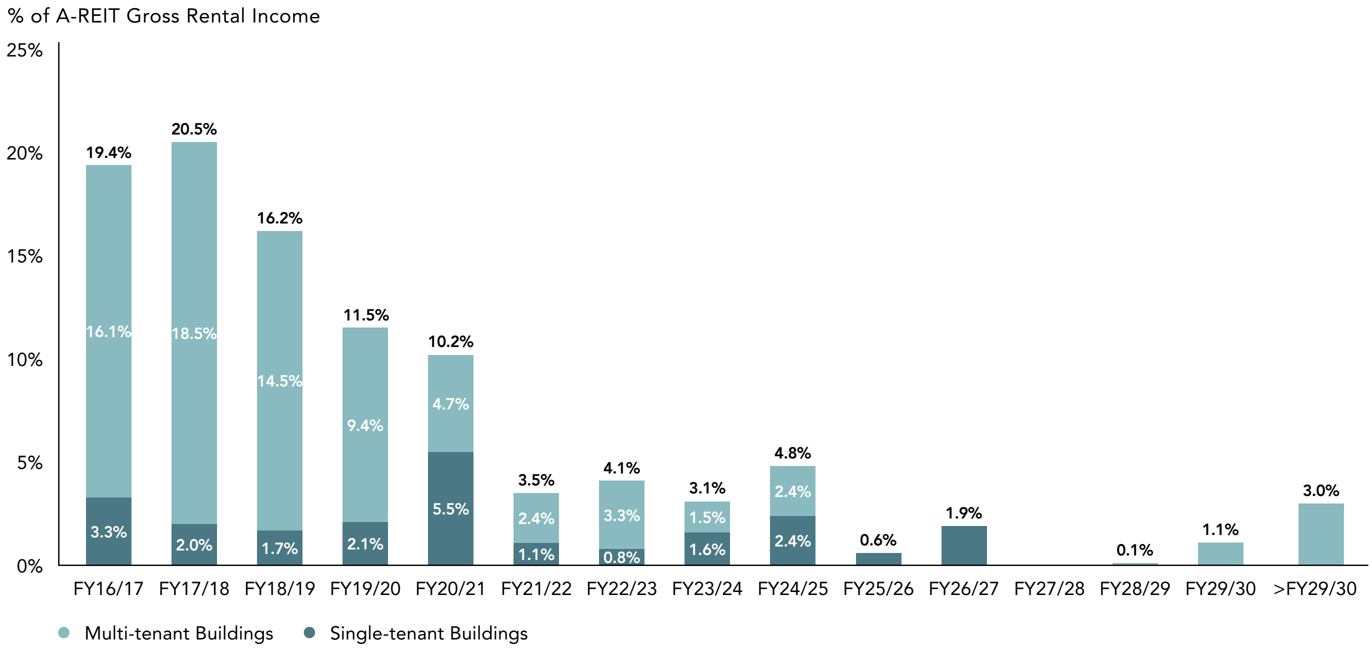
The weighted average lease to expiry (WALE) for the portfolio is 3.7 years as at 31 March 2016. In Australia, leases tenures are generally longer than those in Singapore at 5.2 years. Weighted average lease term of new leases signed in FY15/16 was 3.4 years and they accounted for 7.9% of total gross rental income for FY15/16.

Weighted Average Lease to Expiry by Gross Rental Income (as at 31 March 2016)

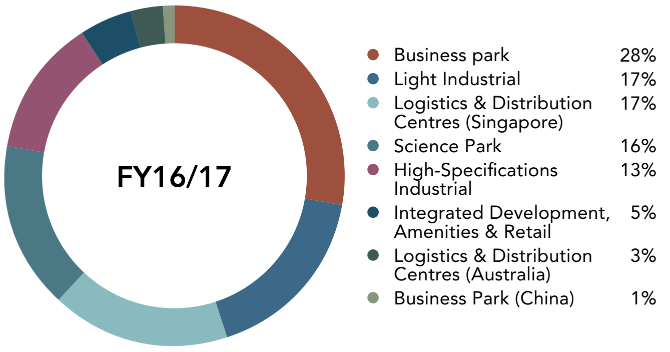
WALE (in years)	31 March 2016	31 March 2015
Singapore	3.5	3.8
Australia	5.2	–
China	2.6	3.1
Portfolio	**3.7**	**3.8**

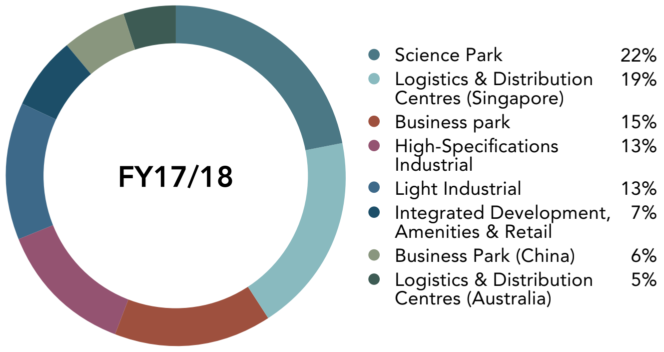
About 19.4% of A-REIT's gross rental income is due for renewal in FY16/17. 3.3% are leases of single-tenant buildings and 16.1% are leases of multi-tenant buildings. The Manager is proactively working on the renewal of these leases.

A-REIT's Portfolio Lease Expiry Profile (as 31 March 2016)



Breakdown of Expiring Leases for FY16/17 and FY17/18 by Gross Rental Income (as at 31 March 2016)

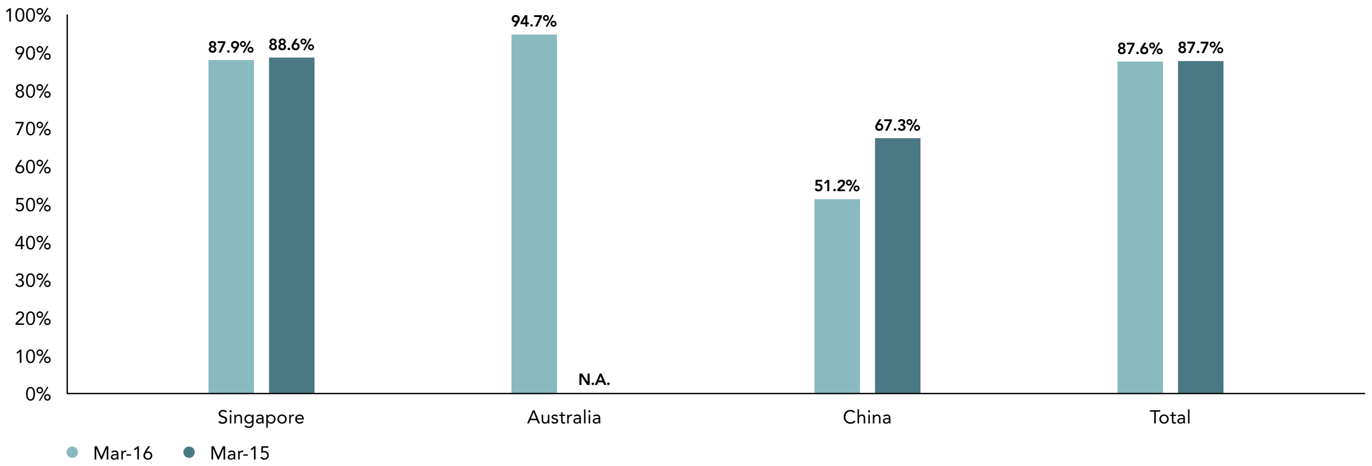




OCCUPANCY

As at 31 March 2016, the occupancy rate for A-REIT's overall portfolio stood at 87.6% (from 87.7% as at 31 March 2015). With proactive marketing and leasing of space in properties such as Aperia, occupancy rate of the Singapore portfolio stands at 87.9% (from 88.6% as at 31 March 2015). On a same-store basis, multi-tenant occupancy declined from 86.5% to 85.4%.

Overview of Portfolio Occupancy



Singapore Portfolio Occupancy

As at	31 Mar 2016	31 March 2015	Percentage Change
Total Singapore portfolio GFA (sqm)	2,967,777[(1)(2)]	2,904,336[(1)]	2.2%
Singapore portfolio occupancy (same-store) [(3)]	88.9%	90.8%	-1.9%
Singapore MTB occupancy (same-store) [(3)]	85.4%	86.5%	-1.1%
Overall Singapore portfolio occupancy	87.9%	88.6%	-0.7%
Singapore MTB occupancy	83.2%	84.0%	-0.8%

(1) Excludes 2 Senoko South Road which has been decommissioned for asset enhancement works.
(2) Excludes 26 Senoko Way and BBR Building which was divested in April and September 2015 respectively.
(3) Same-store occupancy rates for 31 March 2016 and 31 March 2015 are computed with the same list of properties as at 31 March 2016, excluding new investment completed in the last 12 months, divestments and changes in classification of buildings from single-tenant buildings to multi-tenant buildings.

The Australia portfolio is 94.7% occupied whilst the China portfolio is 51.2% occupied. We will continue to exploit our leasing capabilities to improve occupancy within the portfolio to achieve organic growth for the portfolio.

MANAGER'S REPORT

ANNUAL REVALUATION

It is a mandatory requirement to revalue the portfolio once a year. The total valuation of A-REIT portfolio is S$9.7 billion as at 31 March 2016. This comprised of S$8.2 billion (84.9%) of investment properties in Singapore, S$1.1 billion (11.2%) in Australia, and S$0.4 billion (3.9%) in China. As at 31 March 2016, certain investment properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2015 due to challenging market conditions. For details on the movement in valuation of the investment properties, please refer to page 54 to 69.

Weighted average land lease to expiry for the portfolio of properties (excluding freehold properties) is 45.8 years. 74% of A-REIT's portfolio has a remaining land lease tenure of between 30 to 60 years. As at 31 March 2016, 63 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 (by Country)

As at 31 March 2016	Singapore S$m	Australia S$m	China S$m	Total S$m	Total %
< 30 years left (2016 to 2046)	460	–	–	460	5%
< 60 years left (2046 to 2075)	6,766	–	374	7,140	74%
>60 years left (Beyond 2075)	900	–	–	900	9%
Freehold	77	1,082	–	1,159	12%
Total	**8,203**	**1,082**	**374**	**9,659**	**100%**

Land Lease Expiry Profile (by Property Type)

Land Tenure Expiry as at 31 Mar 2016	Business & Science Park#		Hi-Specs Industrial		Light Industrial		Logistics & Distribution Centres		Integrated Development, Amenities and Retail*		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 (2016 to 2046)	1	60	–	–	4	129	1	120	2	151	8	460
< 40 years left (2047 to 2056)	5	638	6	552	20	669	13	890	–	–	44	2,749
< 50 years left (2057 to 2066)	10	969	9	568	6	188	7	226	–	–	32	1,951
< 60 years left (2067 to 2076)	9	1,524	2	236	–	–	3	121	1	559	15	2,440
>60 years left (Beyond 2077)	3	363	3	537	–	–	–	–	–	–	6	900
Freehold	–	–	1	77	–	–	27	1,082	–	–	28	1,159
Total	**28**	**3,554**	**21**	**1,970**	**30**	**986**	**51**	**2,439**	**3**	**710**	**133**	**9,659**

Includes China's Ascendas Z-link and A-REIT City @Jinqiao
* Includes Australia's 27 logistics properties and China's A-REIT Jiashan Logistics Centre

SUSTAINABILITY REPORT

The Manager of A-REIT, is pleased to publish A-REIT's fourth sustainability report this year and is proud to be one of the first S-REITs to publish a sustainability report since 2013. A-REIT is well-prepared for SGX upcoming 'comply or explain' regulation for listed companies on sustainability reporting.

In 2015, the second materiality assessment with key representatives from the Manager and the Property Manager was conducted. The exercise enabled them to re-identify and prioritise issues deemed material to both internal and external stakeholders. The top three issues identified were high standards of corporate governance, stakeholder communications, and business ethics and employee conduct.

The Manager is committed to uphold best practices in corporate transparency and disclosures. This year, A-REIT is again recognised for its good corporate practices, winning the SIAS 'Most Transparent Company Award' and was the runner-up for the 'Singapore Corporate Governance Award'. Every year, surveys are conducted with the investment community to assess the Manager's performance and improvements were made where possible.

Faced with an increasingly competitive business environment, there is the need to differentiate A-REIT further through the delivery of exceptional customer experience. The Manager redesigned their customer approach by addressing their customer's physical and emotional needs from an outside–in perspective, aligned it to our brand's definition and worked on instilling pride and passion amongst employees to deliver the exceptional experience to customers. Following the success of the pilot focus group sessions to understand brand perceptions and challenges in the service delivery at A-REIT properties located in one-north and the science parks, the project was rolled out to all A-REIT properties in 2015.

On supply chain management, the Manager has tightened their internal procurement processes to ensure that suppliers meet our stringent financial, health and safety standards. They hold meetings with the management of key suppliers to engage and provide them with feedback on their performance.

Guided by their core values, the Manager is committed to providing high-quality and environmentally-friendly business and industrial spaces to tenants. Recent acquisitions such as ONE@Changi City and the high-quality logistics portfolio in Australia attest to this commitment.

The Manager will continue to actively engage stakeholders through various channels to understand their concerns and expectations. This will enable them to build a sustainable business model that will positively serve their large and diverse groups of stakeholders over the long term.

This year's sustainability report is produced in both hardcopy and in electronic format. PDF versions of the sustainability reports can also be downloaded from A-REIT's corporate website at www.a-reit.com.

OUTLOOK

FY16/17 is expected to be challenging, with significant new supply and tepid economic growth both in Singapore and globally.

19.4% of A-REIT's gross revenue is due for renewal in FY16/17 and another 12.4% of vacant space exists in the portfolio. Although average passing rental rates are close to current market rates, modest rental reversion can be expected as slight gaps still remain. The Manager will continue to improve the quality of A-REIT's portfolio through repositioning and asset enhancement works to serve the needs of current and prospective tenants and to generate potential upside when vacant spaces are leased. With access to the Ascendas-Singbridge Group's pipeline of more than S$1 billion worth of business and science park properties, the Manager will also continue to selectively seek growth opportunities as and when they arise in order to maintain A-REIT's market leading portfolio.

In Australia, A-REIT has gained a strategic footprint with the acquisition of 27 logistics properties in Australia, worth about A$1.1 billion. Demand for logistics space is expected to be strong, backed by a healthy jobs market, low interest rates and firm consumer spending. The Manager believes in adopting a focused approach and will continue to evaluate and expand the depth of its portfolio in the Australian market.

Barring any unforeseen events and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2017.

INVESTOR RELATIONS

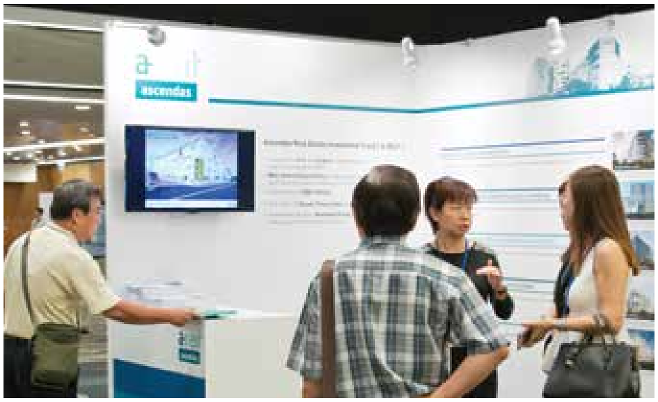
ENGAGING THE INVESTMENT COMMUNITY

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. The Manager also organised site visits for investors and analysts to facilitate 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 were organised for the media and analysts and these were helmed by the Chief Executive Officer, Head of Capital Markets & Corporate Development and Head of Reporting, Compliance and Corporate Services of the Manager. Additional briefings were also conducted for key corporate announcements such as the briefing held for A-REIT's announcement of its maiden acquisition in Australia in September 2015. The Manager's intention was to share its rationale for entering a new market and to address any concerns that the investment community had.

Other than video recordings of the briefings, the Manager has started to provide transcripts of the Question and Answer segments for greater transparency and accessibility. The recordings and transcripts are all archived on A-REIT's website.



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 the 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.

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 2015. This is the eleventh time that A-REIT has been recognised for its transparency since the inauguration of the award in 2004, and the fifth consecutive year it has been named the winner. In addition, A-REIT was also the runner-up of the 'Singapore Corporate Governance Award' in the REITs and business trusts category.

In recognition of its good financial and business disclosures, A-REIT received the Gold Award for Best Annual Report in the REITs and business trusts category at the prestigious Singapore Corporate Governance Awards 2015.

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

UNITHOLDERS' ENQUIRIES

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

1 Fusionopolis Place
#10-10 Galaxis
Singapore 138522
Phone : (65) 6774 1033 Fax : (65) 6775 2813
Email : a-reit@ascendas-singbridge.com
Website : www.a-reit.com

A-REIT is well-covered by more than 20 research houses in Singapore. The list of research houses and analysts are available on the corporate website.

INVESTOR & MEDIA RELATIONS ACTIVITIES FY15/16

1st Quarter

- Media & Analysts' Results Briefing for Full Year FY14/15 Financial Results
- FY14/15 Full Year Results Investors' Lunch hosted by Bank of America Merrill Lynch
- Kuala Lumpur non-deal roadshow hosted by CIMB
- Hong Kong non-deal roadshow hosted by Deutsche Bank
- Deutsche Bank Access Asia Conference 2015 (Singapore)
- Nomura Investment Forum Asia 2015 (Singapore)
- Citi Asean Investor Conference (Singapore)

2nd Quarter

- 1Q FY15/16 Financial Results Investors' Lunch hosted by Citi
- Teleconference with investors hosted by Citi (Expansion of investment mandate)
- Citi-REITAS Singapore REITs & Sponsors Form 2015 (Singapore)
- UBS Asean Conference 2015 (Singapore)
- Media & Analysts' Briefing (Acquisition of Australian portfolio)

3rd Quarter

- Media & Analysts' Results Briefing for 2Q FY15/16 Financial Results
- 2Q FY15/16 Financial Results Investors' Lunch hosted by J.P. Morgan
- Morgan Stanley Fourteenth Annual Asia Pacific Summit (Singapore)
- UBS Global Real Estate CEO/CFO Conference 2015 (London)
- Amsterdam non-deal roadshow hosted by UBS

4th Quarter

- DBS Pulse of Asia Conference (Singapore)
- Analysts and Investors' Results Briefing for 3Q FY15/16 Financial Results
- Daiwa REIT Day 2016 (Singapore)

INVESTOR RELATIONS

FINANCIAL CALENDAR

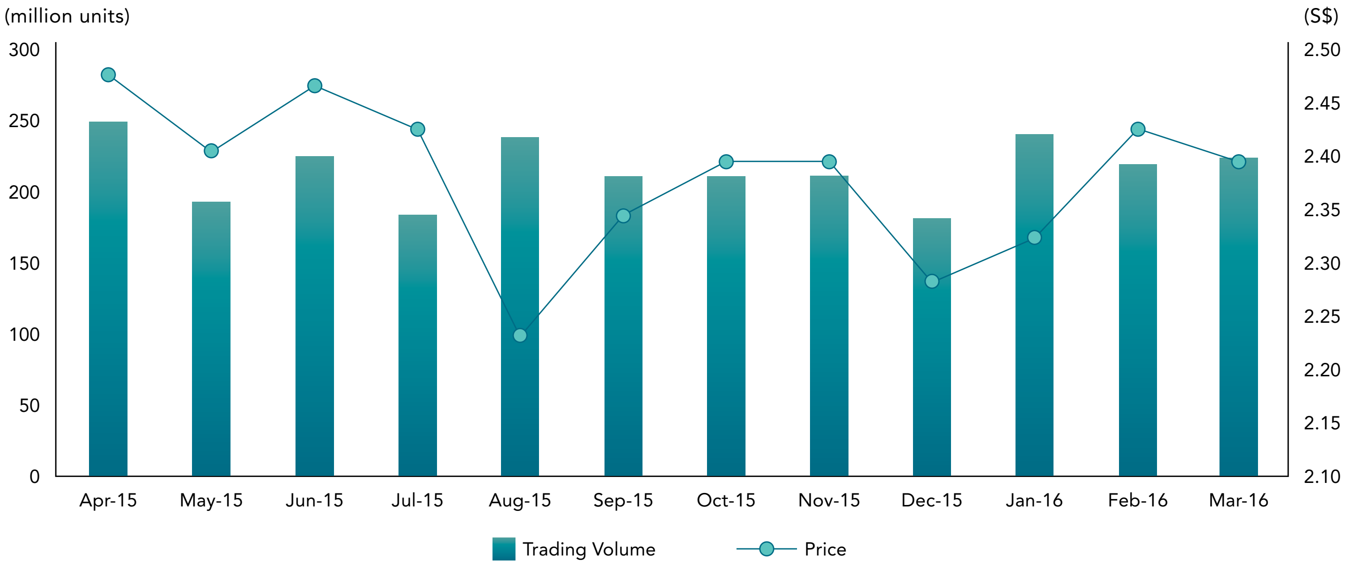
	FY15/16	FY16/17 (Tentative)
1st quarter results announcement	22 July 2015	July 2016
2nd quarter and half-year results announcement	22 October 2015	October 2016
3rd quarter results announcement	22 January 2016	January 2017
Full year results announcement	5 May 2016	April 2017
Annual Unitholders' Meeting	28 June 2016	June 2017

A-REIT UNIT PRICE PERFORMANCE

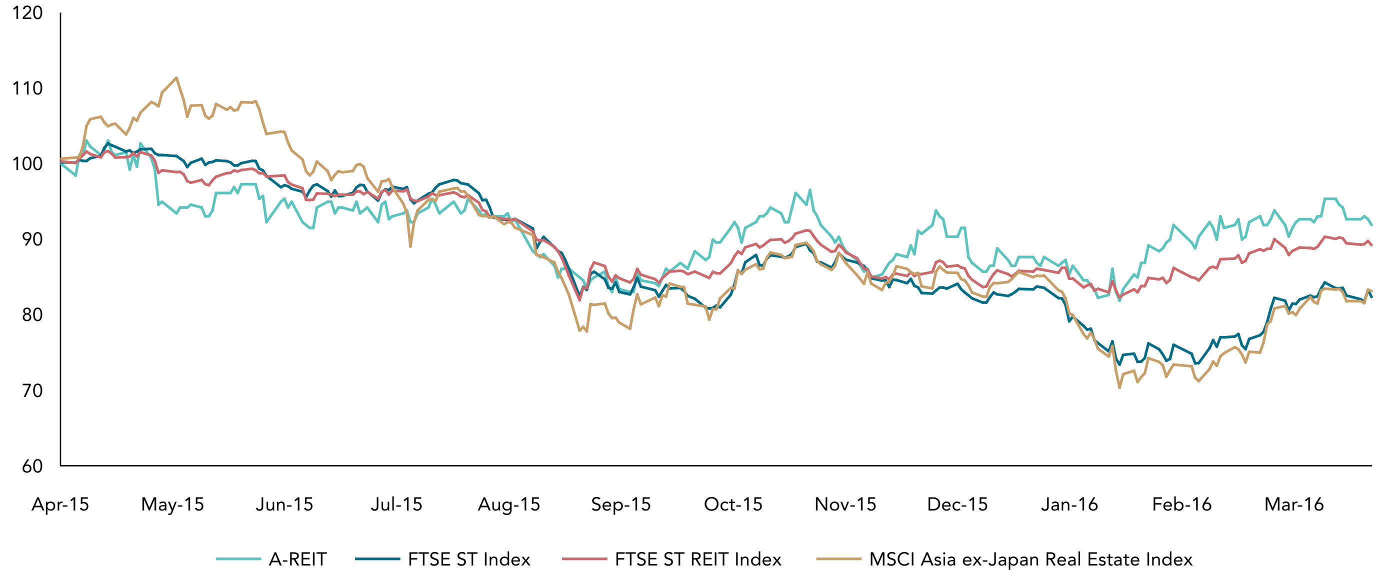
	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Opening Price (S$)	2.00	2.01	2.60	2.26	2.60
Closing Price (S$)	2.02	2.60	2.26	2.59	2.39
High (S$)	2.16	2.72	2.86	2.63	2.68
Low (S$)	1.81	1.98	2.06	2.19	2.13
Trading Volume (m units)	1,429	1,486	2,045	1,862	2,544
% of S-REIT trading volume	10.3%	8.1%	10.2%	9.4%	12.3%
Market capitalisation (S$'m)[1]	4,212	6,237	5,430	6,231	6,371

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

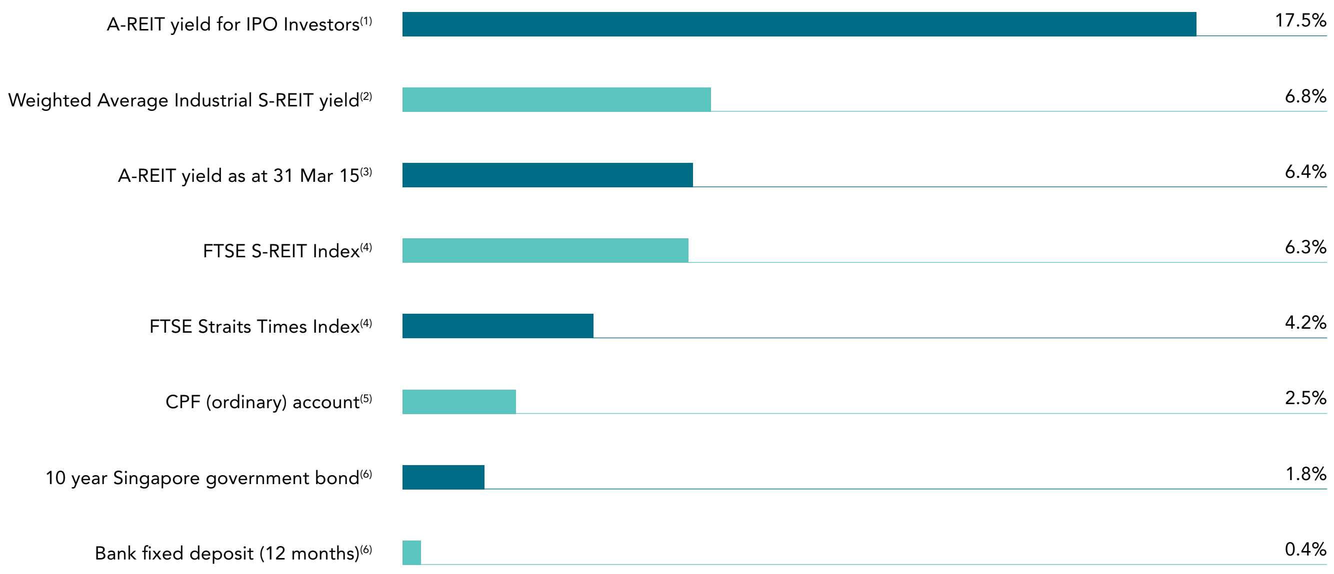
A-REIT MONTHLY TRADING PERFORMANCE IN FY15/16



A-REIT UNIT PRICE PERFORMANCE IN FY15/16 VS MAJOR INDICES



COMPETITIVE YIELD RETURNS

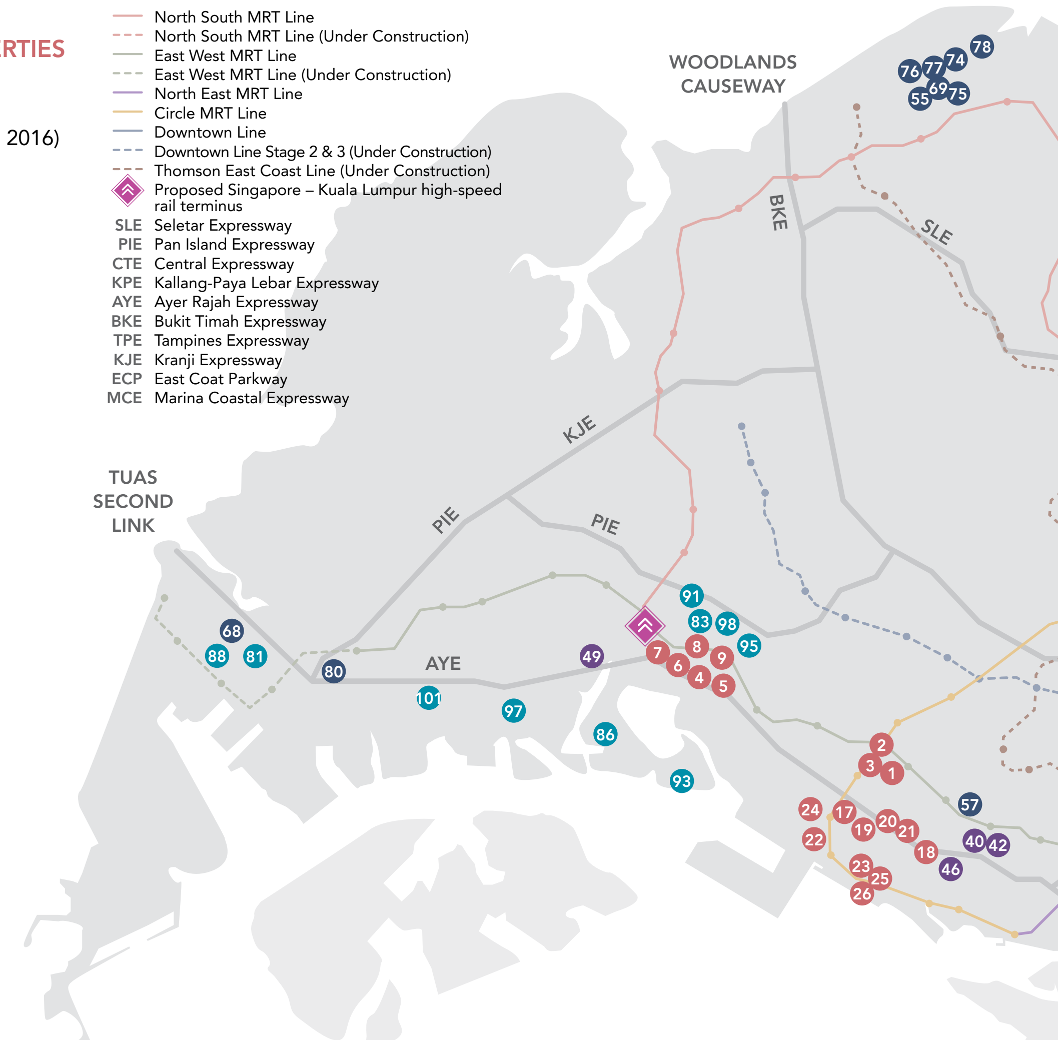


NOTES:
(1) Based on A-REIT's IPO price of S$0.88 per unit and DPU of 15.357 cents for FY15/16
(2) Based on A-REIT's internal research and Bloomberg
(3) Based on A-REIT's closing price of S$2.39 per unit as at 31 Mar 2016 and DPU of 15.357 cents for FY15/16
(4) Based on dividend yield computed by Bloomberg as at 31 March 2016
(5) Based on interest paid on Central Provident Fund (CPF) ordinary account from 1 Jan to 31 Mar 16. Source: CPF Website
(6) Based on bond yields and rates published on the Monetary Authority of Singapore website as at 31 Mar 2016. Source: MAS Website

A-REIT'S PORTFOLIO
(AS AT 31 MARCH 2016)

SINGAPORE
BUSINESS & SCIENCE PARK PROPERTIES

1. Neuros & Immunos
2. Four Acres Singapore (divested on 29 Apr 2016)
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. ONE@Changi City
17. PSB Science Park Building
18. The Rutherford & Oasis
19. Cintech I
20. Cintech II
21. Cintech III & IV
22. The Alpha
23. The Aries, Sparkle & Gemini
24. The Capricorn
25. The Galen
26. The Kendall



SINGAPORE
INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

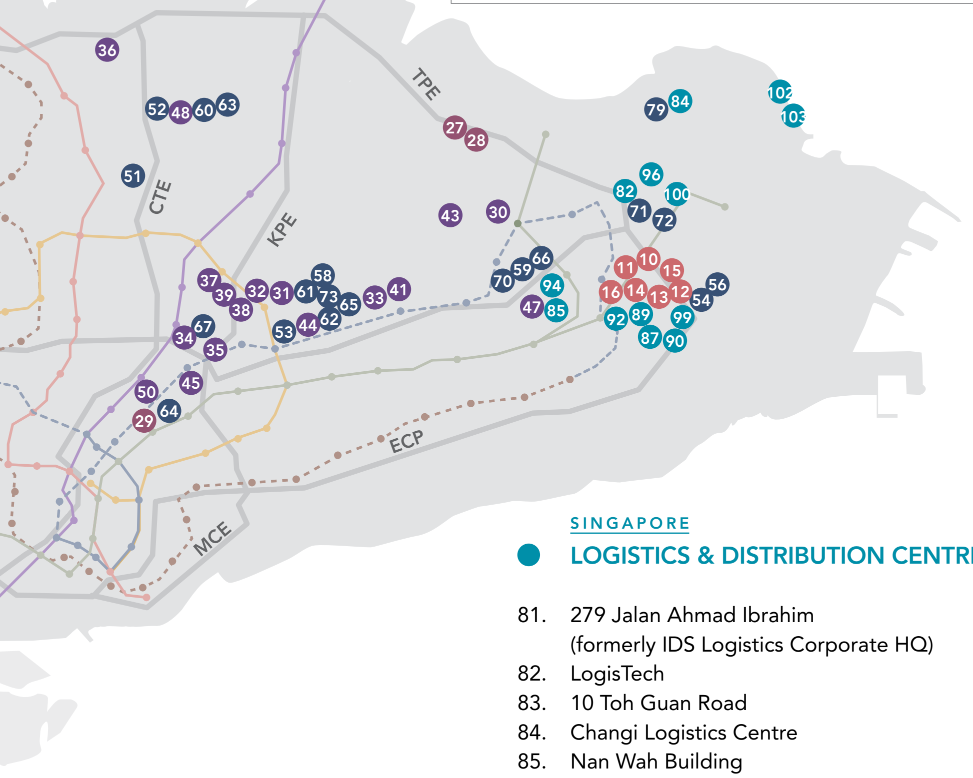
27. Courts Megastore
28. Giant Hypermart
29. Aperia

SINGAPORE
HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

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

SINGAPORE
LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

51. Techplace I
52. Techplace II
53. Osim Headquarters
54. 41 Changi South Avenue 2
55. 12 Woodlands Loop
56. SB Building
57. 247 Alexandra Road
58. 5 Tai Seng Drive
59. Volex Building
60. 53 Serangoon North Avenue 4
61. 3 Tai Seng Drive
62. 27 Ubi Road 4
63. 52 Serangoon North Avenue 4
64. Hyflux Building
65. 25 Ubi Road 4
66. Tampines Biz-Hub



67. 84 Genting Lane
68. Hoya Building
69. NNB Industrial Building
70. 37A Tampines Street 92
71. Hamilton Sundstrand Building
72. Thales Building (I & II)
73. Ubi Biz-Hub
74. 2 Senoko South Road
75. 18 Woodlands Loop
76. 9 Woodlands Terrace
77. 11 Woodlands Terrace
78. FoodAxis @ Senoko
79. 8 Loyang Way 1
80. 31 Joo Koon Circle

SINGAPORE

LOGISTICS & DISTRIBUTION CENTRES

81. 279 Jalan Ahmad Ibrahim (formerly IDS Logistics Corporate HQ)
82. LogisTech
83. 10 Toh Guan Road
84. Changi Logistics Centre
85. Nan Wah Building
86. 40 Penjuru Lane
87. Xilin Districentre Building A&B
88. MacDermid Building
89. Xilin Districentre Building D
90. 9 Changi South Street 3
91. 5 Toh Guan Road East
92. Xilin Districentre Building C
93. Senkee Logistics Hub (Phase I & II)
94. 1 Changi South Lane
95. Logis Hub @ Clementi
96. Serial I-Tech Building (formerly GSH Centre)
97. 21 Jalan Buroh
98. 30 Old Toh Tuck Road
99. Sim Siang Choon Building
100. 15 Changi North Way
101. Pioneer Hub
102. 71 Alps Avenue
103. 90 Alps Avenue

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

SYDNEY, NEW SOUTH WALES

104. 484-490 Great Western Highway
105. 494-500 Great Western Highway
106. 1A & 1B Raffles Glade
107. 7 Grevillea Street
108. 5 Eucalyptus Place
109. Lot 4 Honeycomb Drive
110. 1-15 Kellet Close
111. 94 Lenore Drive
112. 1 Distribution Place
113. 6-20 Clunies Ross Street

MELBOURNE, VICTORIA

114. 676-698 Kororoit Creek Road
115. 700-718 Kororoit Creek Road
116. 14-28 Ordish Road
117. 35-61 South Park Drive
118. 2-34 Aylesbury Drive
119. 81-89 Drake Boulevard
120. 9 Andretti Court
121. 31 Permas Way
122. 162 Australis Drive

BRISBANE, QUEENSLAND

123. 62 Sandstone Place
124. 92 Standstone Place
125. 62 Stradbroke Street
126. 82 Noosa Street
127. 2-56 Australand Drive
128. 77 Logistics Place
129. 99 Radius Drive

PERTH, WESTERN AUSTRALIA

130. 35 Baile Road

CHINA

BUSINESS PARK & LOGISTICS PROPERTIES

131. Ascendas Z-Link
132. A-REIT City @Jinqiao
133. A-REIT Jiashan Logistics Centre

SINGAPORE

BUSINESS & SCIENCE PARK PROPERTIES

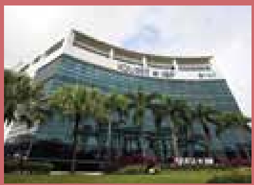

1. Neuros & Immunos


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

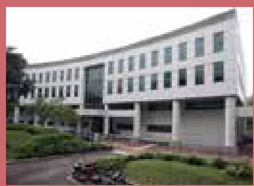

13. 1, 3 & 5 Changi Business Park Crescent


14. DBS Asia Hub


15. AkzoNobel House


16. ONE@Changi City


17. PSB Science Park Building


18. The Rutherford & Oasis


19. Cintech I


20. Cintech II

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

Financial	25.0%
Life Science	14.7%
Information Technology	9.1%
M&E and Machinery & Equipment	6.9%
Distributors, Trading Company	6.8%
Electronics	4.3%
Chemical	3.7%
Telecommunication & Datacentre	2.7%
Healthcare Products	2.2%
Hotels and Restaurants	1.5%
Food Products & Beverages	1.4%
Printing & Reproduction of Recorded Media	1.2%
Construction	1.0%
3rd Party Logistics, Freight Forwarding	0.8%
Medical, Precision & Optical Instruments, Clocks	0.6%
Textiles & Wearing Apparels	0.6%
Fabricated Metal Products	0.2%
Others	17.3%

21. Cintech III & IV

22. The Alpha

23. The Aries, Sparkle & Gemini

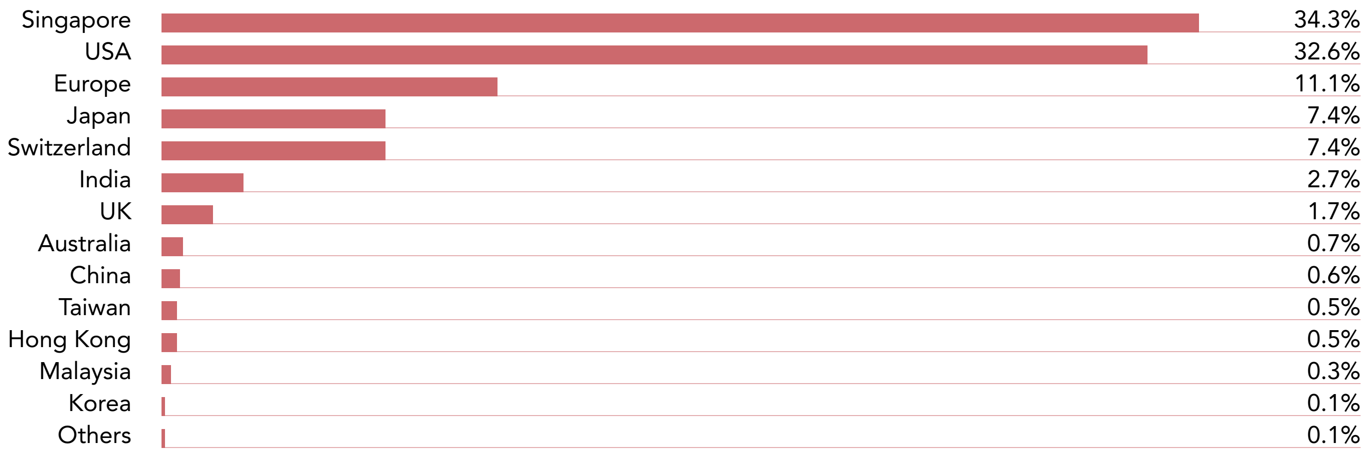
24. The Capricorn

25. The Galen

26. The Kendall

Business & Science Park Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	23	3	26
No. of Customers	434	3	437
GFA (sqm)	665,493	87,040	752,533
Gross Income (S$m)	226.5	20.7	247.2
Valuation as at 31 March 2016 (S$m)	2,895.5	310.2	3,205.7

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



BUSINESS & SCIENCE PARK PROPERTIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)
	One-North			
1	Neuros & Immunos#**	31 Mar 11	125.6	121.4
2	Four Acres Singapore^	23 Apr 13	30.7	60.0
3	Nexus @one-north	04 Sep 13	181.3	191.4
	Total (one-north Properties)		**337.6**	**372.8**
	International Business Park			
4	Techquest#	05 Oct 05	7.5	25.4
5	13 International Business Park**	10 Oct 06	20.0	22.4
6	iQuest@IBP	12 Jan 07	18.6	35.9
7	Acer Building**	19 Mar 08	75.0	83.0
8	31 International Business Park	26 Jun 08	246.8	227.7
9	Nordic European Centre**	08 Jul 11	121.6	113.2
	Total (International Business Park Properties)		**489.5**	**507.6**
	Changi Business Park			
10	Honeywell Building#	19 Nov 02	32.8	73.5
11	1 Changi Business Park Avenue 1**	30 Oct 03	18.0	43.0
12	Hansapoint@CBP	22 Jan 08	26.1	90.7
13	1, 3 & 5 Changi Business Park Crescent**	16 Feb 09 25 Sep 09 31 Dec 10	200.9	312.4
14	DBS Asia Hub#	31 Mar 10	137.8	168.2
15	AkzoNobel House**	08 Dec 11	80.0	62.5
16	ONE@Changi City#	01 Mar 16	420.0	439.0
	Total (Changi Business Park Properties)		**915.6**	**1,189.3**
	Science Park I			
17	PSB Science Park Building	18 Nov 05	35.0	82.0
18	The Rutherford & Oasis#	26 Mar 08	51.5	91.3
19	Cintech I#	29 Mar 12	47.1	56.9
20	Cintech II#	29 Mar 12	35.3	46.4
21	Cintech III & IV#	29 Mar 12	100.7	128.5
	Total (Science Park I Properties)		**269.6**	**405.1**
	Science Park II			
22	The Alpha#**	19 Nov 02	52.3	115.3
23	The Aries, Sparkle & Gemini**	19 Nov 02	129.2	205.1
24	The Capricorn#	19 Nov 02	71.8	129.5
25	The Galen#	25 Mar 13	126.0	153.3
26	The Kendall#	30 Mar 15	112.0	127.7
	Total (Science Park II Properties)		**491.3**	**730.9**
	Total (Business & Science Park Properties)		**2,503.6**	**3,205.7**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.
# Acquired from Ascendas-Singbridge Group.
^ Four Acres Singapore was divested on 29 April 2016.
Purchase Price excludes transaction cost associated to the purchase of the property.
** As at 31 March 2016, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2015.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
36,931	26,035	8/8A Biomedical Grove	19.9	99.7%
9,170	9,170	6 & 9 to 18 Nepal Park	4.3	100.0%
25,511	20,669	1 & 3 Fusionopolis Link	14.6	99.1%
71,612	**55,874**		**38.8**	**99.5%**
9,079	6,723	7 International Business Park	2.4	75.0%
10,116	6,986	13 International Business Park	1.5	53.2%
12,143	9,123	27 International Business Park	2.6	55.3%
29,185	19,903	29 International Business Park	7.4	78.5%
61,720	49,010	31 International Business Park	20.7	80.4%
28,378	21,817	3 International Business Park	10.9	86.7%
150,621	**113,562**		**45.5**	**77.3%**
18,123	14,488	17 Changi Business Park Central 1	7.4	95.5%
11,555	8,922	1 Changi Business Park Avenue 1	2.8	55.0%
19,448	16,417	10 Changi Business Park Central 2	9.0	100.0%
74,660	62,977	1, 3 & 5 Changi Business Park Crescent	27.0	89.9%
45,857	38,172	2 & 2A Changi Business Park Crescent	12.3	100.0%
19,225	13,228	3 Changi Business Park Vista	5.4	75.0%
71,158	61,236	1 Changi Business Park Central 1	2.9	97.8%
260,026	**215,440**		**66.8**	**92.7%**
32,013	21,689	1 Science Park Drive	4.1	100.0%
26,283	18,811	87/89 Science Park Drive	6.9	75.4%
14,943	10,531	73 Science Park Drive	5.3	85.8%
13,552	7,915	75 Science Park Drive	4.3	94.4%
25,622	18,593	77 & 79 Science Park Drive	11.8	95.0%
112,413	**77,539**		**32.4**	**90.3%**
28,533	20,788	10 Science Park Road	8.9	73.8%
49,851	36,438	41, 45 & 51 Science Park Road	17.0	84.2%
28,602	20,531	1 Science Park Road	11.1	85.5%
30,685	21,829	61 Science Park Road	14.3	94.8%
20,190	16,870	50 Science Park Road	12.4	95.6%
157,861	**116,456**		**63.7**	**86.2%**
752,533	**578,871**		**247.2**	**88.7%**

SINGAPORE

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

27. Courts Megastore

28. Giant Hypermart

29. Aperia

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

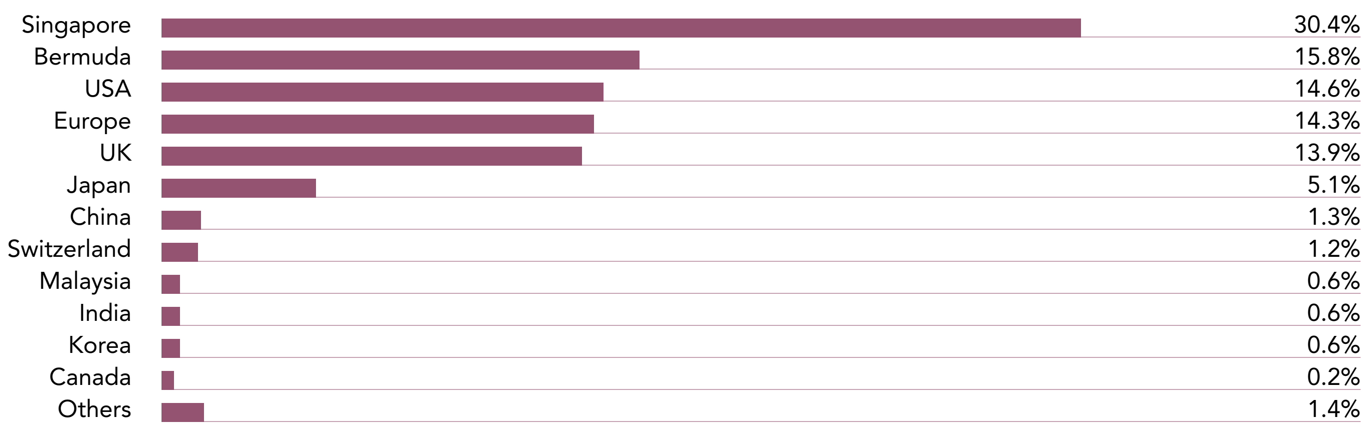
Distributors, Trading Company	20.0%
Information Technology	16.5%
Hotels and Restaurants	6.7%
Construction	4.1%
M&E and Machinery & Equipment	2.9%
Food Products & Beverages	1.9%
Financial	1.8%
Telecommunication & Datacentre	1.1%
Electronics	0.4%
Chemical	0.3%
Others	44.3%

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)	GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
27	Courts** Megastore	30 Nov 06	46.0	65.3	28,410	28,410	50 Tampines North Drive 2	6.9	100.0%
28	Giant Hypermart	06 Feb 07	65.4	86.0	42,193	42,178	21 Tampines North Drive 2	8.1	100.0%
29	Aperia	08 Aug 14	458.0	558.6	86,696	68,735	8, 10, 12 Kallang Avenue	43.0	92.9%
	Total (Integrated Development, Amenities & Retail Properties)		**569.4**	**709.9**	**157,299**	**139,323**		**58.0**	**96.5%**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis
* Purchase price excludes transaction costs.
** As at 31 March 2016, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2015.

Integrated Development, Amenities & Retail Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	1	2	3
No. of Customers	102	2	104
GFA (sqm)	86,696	70,603	157,299
Gross Income (S$m)	43.0	15.0	58.0
Valuation as at 31 March 2016 (S$m)	558.6	151.3	709.9

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

30. Telepark

31. Kim Chuan Telecommunications Complex

32. 38A Kim Chuan Road

33. Techlink

34. Siemens Centre

35. Infineon Building

36. Techpoint

37. Wisma Gulab

38. KA Centre

39. KA Place

40. Pacific Tech Centre

41. Techview

42. 1 Jalan Kilang

43. 30 Tampines Industrial Avenue 3

44. 31 Ubi Road 1

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

Telecommunication & Datacentre	28.8%
M&E and Machinery & Equipment	19.2%
Electronics	18.8%
Information Technology	6.5%
Medical, Precision & Optical Instruments, Clocks	3.9%
Textiles & Wearing Apparels	3.3%
Distributors, Trading Company	2.6%
Financial	1.7%
Life Science	1.1%
Chemical	1.1%
Fabricated Metal Products	0.8%
Construction	0.7%
Hotels and Restaurants	0.6%
Printing & Reproduction of Recorded Media	0.4%
3rd Party Logistics, Freight Forwarding	0.3%
Food Products & Beverages	0.3%
Rubber and Plastic Products	0.1%
Healthcare Products	0.1%
Others	9.7%

45. 50 Kallang Avenue

46. 138 Depot Road

47. 2 Changi South Lane

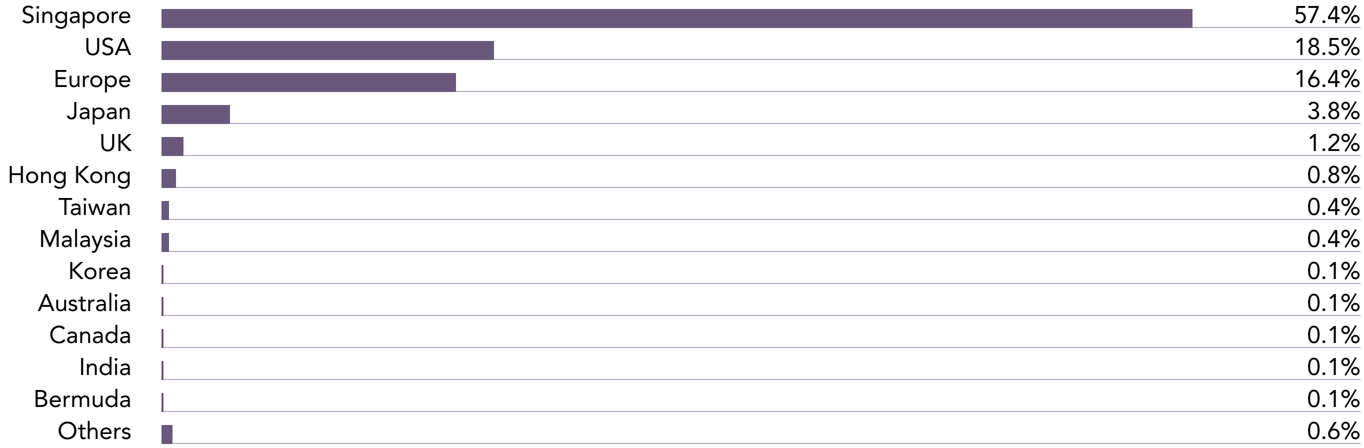
48. CGG Veritas Hub

49. Corporation Place

50. 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	252	8	260
GFA (sqm)	450,828	187,337	638,165
Gross Income (S$m)	127.1	49.7	176.8
Valuation as at 31 March 2016 (S$m)	1,376.4	593.0	1,969.4

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES & DATA CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)
	Data Centres			
30	Telepark	02 Mar 05	186.0	271.9
31	Kim Chuan Telecommunications Complex	02 Mar 05	100.0	142.0
32	38A Kim Chuan Road^	11 Dec 09	98.4	123.1
	Total (Data Centres)		**384.4**	**537.0**
	High-Specifications Industrial Properties			
33	Techlink#	19 Nov 02	69.8	124.0
34	Siemens Centre	12 Mar 04	65.8	102.9
35	Infineon Building#	01 Dec 04	50.9	85.0
36	Techpoint#**	01 Dec 04	75.0	149.7
37	Wisma Gulab	01 Dec 04	55.7	77.0
38	KA Centre	02 Mar 05	19.2	45.2
39	KA Place	02 Mar 05	11.1	20.7
40	Pacific Tech Centre	01 Jul 05	62.0	91.0
41	Techview#	05 Oct 05	76.0	138.5
42	1 Jalan Kilang	27 Oct 05	18.7	27.3
43	30 Tampines Industrial Avenue 3	15 Nov 05	22.0	36.1
44	31 Ubi Road 1	21 Feb 06	23.0	35.0
45	50 Kallang Avenue	27 Feb 06	28.6	42.2
46	138 Depot Road#	15 Mar 06	42.3	69.5
47	2 Changi South Lane	01 Feb 07	30.0	36.6
48	CGG Veritas Hub#	25 Mar 08	18.3	23.7
49	Corporation Place	08 Dec 11	99.0	116.0
50	Hyflux Innovation Centre	30 Jun 14	191.2	212.0
	Total (High-Specifications Industrial Properties & Data Centres)		**1,343.0**	**1,969.4**

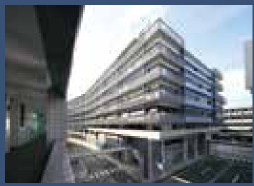
Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.
# Acquired from Ascendas-Singbridge Group.
^ Property was valued by independent valuer at S$185.5 million. A-REIT has recorded the property at S$185.5 million comprising S$123.10 million in land and building and S$62.40 million in M&E equipment.
** As at 31 March 2016, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2015.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
40,555	24,596	5 Tampines Central 6	19.5	99.3%
35,456	25,129	38 Kim Chuan Road	10.7	100.0%
33,745	32,885	38A Kim Chuan Road	11.5	100.0%
109,756	**82,610**		**41.7**	**99.8%**
49,837	36,340	31 Kaki Bukit Road 3	12.4	76.6%
36,529	27,781	60 MacPherson Road	10.7	96.6%
27,278	27,278	8 Kallang Sector	7.4	100.0%
56,107	41,232	10 Ang Mo Kio Street 65	16.1	85.6%
15,557	11,821	190 MacPherson Road	5.0	100.0%
19,638	13,555	150 Kampong Ampat	4.9	91.4%
10,163	6,652	159 Kampong Ampat	2.5	95.2%
25,718	19,619	1 Jalan Kilang Timor	7.1	80.8%
50,985	37,645	1 Kaki Bukit View	12.6	75.4%
7,158	6,075	1 Jalan Kilang	1.7	72.9%
9,593	9,593	30 Tampines Industrial Avenue 3	2.7	100.0%
15,934	13,043	31 Ubi Road 1	3.2	62.7%
18,584	14,208	50 Kallang Avenue	3.1	48.3%
29,626	26,485	138 Depot Road	7.3	100.0%
26,300	20,939	2 Changi South Lane	2.4	100.0%
9,782	8,671	9 Serangoon North Avenue 5	2.7	100.0%
76,185	56,303	2 Corporation Road	14.3	72.5%
43,435	35,175	80 Bendemeer Road	19.0	93.1%
638,165	**495,025**		**176.8**	**87.5%**

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

51. Techplace I



52. Techplace II

53. Osim Headquarters

54. 41 Changi South Avenue 2

55. 12 Woodlands Loop

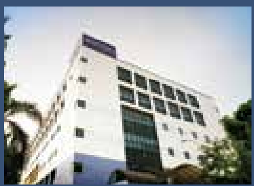
56. SB Building

57. 247 Alexandra Road

58. 5 Tai Seng Drive

59. Volex Building

60. 53 Serangoon North Avenue 4

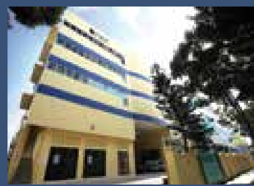


61. 3 Tai Seng Drive

62. 27 Ubi Road 4

63. 52 Serangoon North Avenue 4

64. Hyflux Building



65. 25 Ubi Road 4

66. Tampines Biz-Hub

67. 84 Genting Lane

68. Hoya Building

69. NNB Industrial Building

70. 37A Tampines Street 92

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

M&E and Machinery & Equipment	14.8%
Electronics	9.3%
Food Products & Beverages	9.1%
Construction	5.2%
Repair and Servicing of vehicles	5.2%
Distributors, Trading Company	5.1%
Healthcare Products	4.8%
Information Technology	4.8%
Fabricated Metal Products	4.2%
Rubber and Plastic Products	3.4%
Medical, Precision & Optical Instruments, Clocks	2.9%
Hotels and Restaurants	2.5%
3rd Party Logistics, Freight Forwarding	1.5%
Life Science	1.3%
Printing & Reproduction of Recorded Media	1.3%
Textiles & Wearing Apparels	1.2%
Financial	0.9%
Telecommunication & Datacentre	0.7%
Others	21.8%

71. Hamilton Sundstrand Building

72. Thales Building (I & II)

73. Ubi Biz-Hub

74. 2 Senoko South Road

75. 18 Woodlands Loop

76. 9 Woodlands Terrace

77. 11 Woodlands Terrace

78. FoodAxis@Senoko

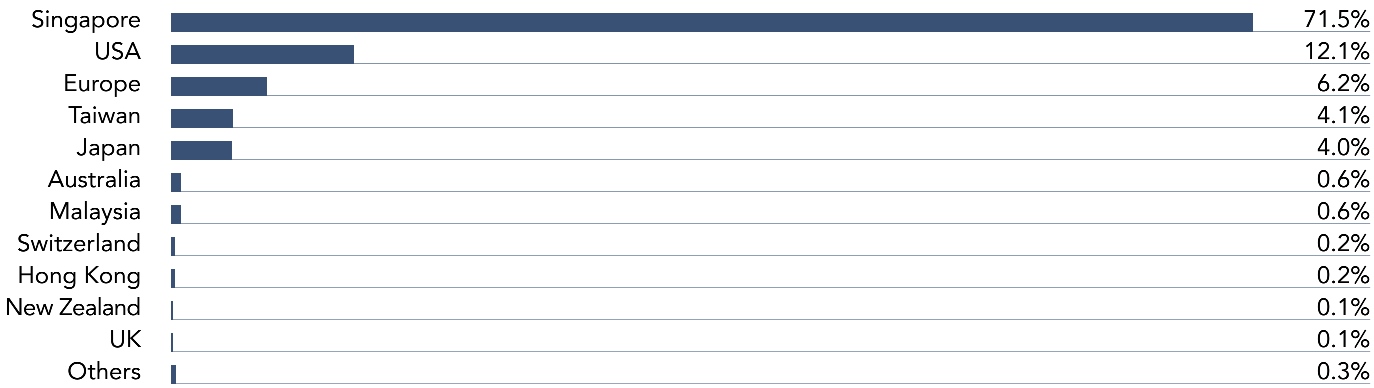
79. 8 Loyang Way 1

80. 31 Joo Koon Circle

Light Industrial Properties & Flatted Factories	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	16	14	30
No. of Customers	453	14	467
GFA (sqm)	415,722^	175,161	590,883^
Gross Income (S$m)	64.3	29.1	93.1
Valuation as at 31 March 2016 (S$m)	669.3	316.5	985.8

^ Includes GFA from 2 Senoko South Road which has been decommissioned for asset enhancement works.

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



LIGHT INDUSTRIAL PROPERTIES & FLATTED FACTORIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)
	Flatted Factories			
51	Techplace I#	19 Nov 02	105.3	141.9
52	Techplace II#**	19 Nov 02	128.9	191.0
	Total (Flatted Factories)		234.2	332.9
	Light Industrial Properties			
53	Osim Headquarters	20 Jun 03	35.0	39.5
54	41 Changi South Avenue 2**	13 Oct 03	13.5	11.9
55	12 Woodlands Loop	29 Jul 04	24.8	28.2
56	SB Building**	26 Nov 04	17.8	22.5
57	247 Alexandra Road	01 Dec 04	44.8	66.0
58	5 Tai Seng Drive**	01 Dec 04	15.3	18.9
59	Volex Building**	01 Dec 04	9.4	12.9
60	53 Serangoon North Avenue 4	27 Dec 04	14.0	14.1
61	3 Tai Seng Drive**	01 Apr 05	19.5	19.1
62	27 Ubi Road 4	01 Apr 05	12.6	13.5
63	52 Serangoon North Avenue 4	04 Apr 05	14.0	21.6
64	Hyflux Building	04 Apr 05	19.0	21.7
65	25 Ubi Road 4**	16 May 05	9.0	11.0
66	Tampines Biz-Hub	05 Oct 05	16.8	23.5
67	84 Genting Lane	05 Oct 05	10.0	15.8
68	Hoya Building#	05 Oct 05	5.3	7.8
69	NNB Industrial Building	05 Oct 05	12.0	16.8
70	37A Tampines Street 92**	01 Dec 05	12.3	16.5
71	Hamilton Sundstrand Building#	09 Dec 05	31.0	39.0
72	Thales Building (I & II)#	03 Jan 06 & 20 Mar 08	5.8	11.3
73	Ubi Biz-Hub	27 Mar 06	13.2	19.5
74	2 Senoko South Road^	08 Jan 07	33.5	37.8
75	18 Woodlands Loop	01 Feb 07	17.2	29.9
76	9 Woodlands Terrace	01 Feb 07	1.9	3.6
77	11 Woodlands Terrace	01 Feb 07	1.9	4.6
78	FoodAxis @ Senoko^^	15 May 07 16 Feb 12	57.8	83.3
79	8 Loyang Way 1	05 May 08	25.0	23.6
80	31 Joo Koon Circle	30 Mar 10	15.0	19.0
	Total (Light Industrial Properties & Flatted Factories)		741.6	985.8

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.
\# Acquired from Ascendas-Singbridge Group.
^ NLA of 2 Senoko South Road's has been decommissioned for asset enhancement works to convert the property from a single-tenant building to a multi-tenanted food factory.
^^ FoodAxis @ Senoko (previously known as 1 Senoko Avenue) was first acquired on 15 May 2007 for S$11.2m and was subsequently redeveloped to maximise the allowable plot ratio. The redevelopment was completed on 16 February 2012.
** As at 31 March 2016, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2015.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
81,981	59,531	Blk 4008 - 4012 Ang Mo Kio Avenue 10	13.6	95.3%
115,162	83,250	Blk 5000 - 5014 Ang Mo Kio Avenue 5	15.9	80.3%
197,143	**142,781**		**29.5**	**86.6%**
17,683	15,068	65 Ubi Avenue 1	3.2	100.0%
8,046	6,118	41 Changi South Avenue 2	1.3	95.2%
19,887	16,077	12 Woodlands Loop	2.5	100.0%
13,998	11,895	25 Changi South Street 1	2.7	100.0%
13,699	12,803	247 Alexandra Road	5.1	100.0%
12,930	11,273	5 Tai Seng Drive	1.8	80.0%
8,931	8,000	35 Tampines Street 92	1.5	100.0%
10,589	7,763	53 Serangoon North Avenue 4	2.0	95.1%
14,929	11,845	3 Tai Seng Drive	2.6	100.0%
9,087	7,227	27 Ubi Road 4	1.5	97.2%
14,767	11,047	52 Serangoon North Avenue 4	2.0	80.0%
20,465	16,980	202 Kallang Bahru	1.8	100.0%
7,998	6,207	25 Ubi Road 4	1.3	82.4%
18,086	14,458	11 Tampines Street 92	3.1	94.8%
11,917	9,737	84 Genting Lane	1.9	87.7%
6,505	6,282	455A Jalan Ahmad Ibrahim	1.1	100.0%
11,537	9,794	10 Woodlands Link	2.0	100.0%
12,011	9,716	37A Tampines Street 92	2.2	100.0%
17,737	16,744	11 Changi North Rise	3.4	100.0%
7,772	7,772	21 Changi North Rise	1.4	100.0%
12,978	10,725	150 Ubi Avenue 4	2.4	86.9%
23,457	17,839	2 Senoko South Road	0.0	0.0%
18,422	16,056	18 Woodlands Loop	2.9	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	9.8	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%
590,883	**482,352**		**93.4**	**89.9%**

LOGISTICS & DISTRIBUTION CENTRES

81. 279 Jalan Ahmad Ibrahim (formerly IDS Logistics Corporate HQ)

82. LogisTech

83. 10 Toh Guan Road

84. Changi Logistics Centre

85. Nan Wah Building

86. 40 Penjuru Lane

87. Xilin Districentre Building A&B

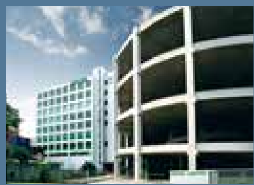
88. MacDermid Building

89. Xilin Districentre Building D

90. 9 Changi South Street 3

91. 5 Toh Guan Road East

92. Xilin Districentre Building C



93. Senkee Logistics Hub (Phase I & II)

94. 1 Changi South Lane

95. Logis Hub@Clementi

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

3rd Party Logistics, Freight Forwarding	46.7%
Distributors, trading company	21.4%
Information Technology	10.1%
Financial	2.9%
Electronics	1.7%
Healthcare Products	1.6%
M&E and Machinery & Equipment	0.8%
Medical, Precision & Optical Instruments, Clocks	0.5%
Hotels and restaurants	0.2%
Construction	0.2%
Printing & Reproduction of Recorded Media	0.1%
Others	13.8%

96. Serial I-Tech Building (formerly GSH Centre)

97. 21 Jalan Buroh

98. 30 Old Toh Tuck Road

99. Sim Siang Choon Building

100. 15 Changi North Way

101. Pioneer Hub

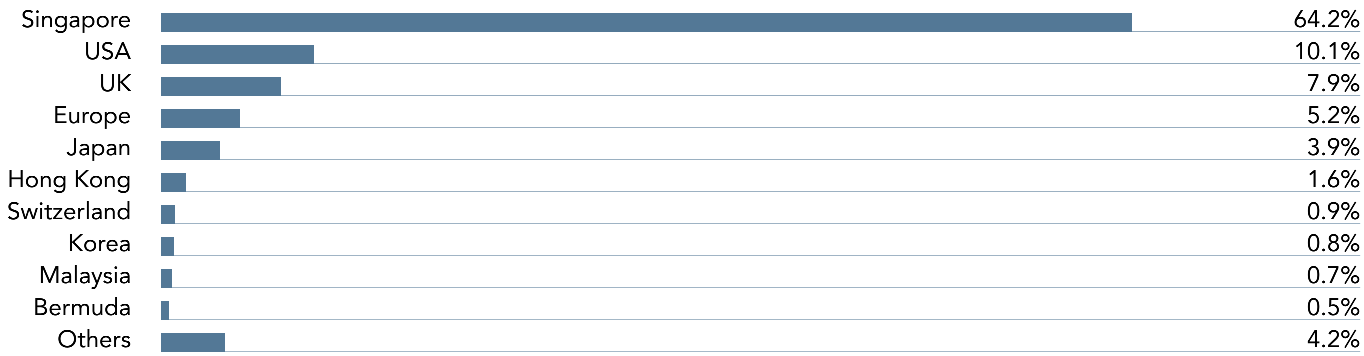
102. 71 Alps Avenue

103. 90 Alps Avenue

Logistics & Distribution Centres	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	16	7	23
No. of Customers	176	8	184
GFA (sqm)	629,963^	222,392	852,355^
Gross Income (S$m)	101.2	29.1	130.3
Valuation as at 31 March 2016 (S$m)	976.8	355.1	1,331.9

^ Includes GFA from 247 Jalan Ahmad Ibrahim (previously known as IDS Logistics Corporate HQ) which has been decommissioned for asset enhancement works.

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)
	Logistics & Distribution Centres			
81	279 Jalan Ahmad Ibrahim (formerly IDS Logistics Corporate HQ)^	19 Feb 04	50.0	40.8
82	LogisTech	04 Mar 04	32.0	49.8
83	10 Toh Guan Road	05 Mar 04	92.0	126.7
84	Changi Logistics Centre**	09 Mar 04	45.6	86.2
85	Nan Wah Building**	31 May 04	23.3	27.4
86	40 Penjuru Lane	21 Jul 04	225.0	246.9
87	Xilin Districentre Building A&B	02 Dec 04	31.1	34.9
88	MacDermid Building	02 Dec 04	5.5	7.4
89	Xilin Districentre Building D**	09 Dec 04	33.5	25.3
90	9 Changi South Street 3	28 Dec 04	32.0	39.9
91	5 Toh Guan Road East**	28 Dec 04	36.4	30.3
92	Xilin Districentre Building C	05 May 05	30.6	26.4
93	Senkee Logistics Hub (Phase I & II)	23 Sep 05 & 01 Feb 08	105.2	124.8
94	1 Changi South Lane	05 Oct 05	34.8	44.7
95	Logis Hub @ Clementi#	05 Oct 05	18.1	33.7
96	Serial I-Tech Building (formerly GSH Centre)**	18 Nov 05	11.0	16.4
97	21 Jalan Buroh	14 Jun 06	58.4	78.7
98	30 Old Toh Tuck Road	14 Jun 06	19.6	21.9
99	Sim Siang Choon Building	19 Mar 08	31.9	29.0
100	15 Changi North Way	29 Jul 08	36.2	48.4
101	Pioneer Hub	12 Aug 08	79.3	119.8
102	71 Alps Avenue	02 Sep 09	25.6	22.1
103	90 Alps Avenue	20 Jan 12	37.9	50.4
	Total (Logistics & Distribution Centres)		**1,095.0**	**1,331.9**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.
\# Acquired from Ascendas-Singbridge Group.
^ NLA of 279 Jalan Ahmad Ibrahim (previously known as IDS Logistics Corporate HQ) has been decommissioned for asset enhancement works to maximise the allowable plot ratio of the land.
** As at 31 March 2016, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2015.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
23,751	21,883	279 Jalan Ahmad Ibrahim	3.8	0.0%
30,332	30,144	3 Changi North Street 2	6.2	79.1%
52,147	40,044	10 Toh Guan Road	13.5	66.3%
51,742	39,460	19 Loyang Way	10.4	86.4%
18,794	15,323	4 Changi South Lane	2.7	85.8%
160,938	153,607	40 Penjuru Lane	18.6	67.8%
24,113	20,788	3 Changi South Street 2	4.7	91.3%
5,085	5,085	20 Tuas Ave 6	1.0	100.0%
18,619	15,610	6 Changi South Street 2	3.2	96.1%
28,648	24,070	9 Changi South Street 3	4.8	79.7%
29,741	23,607	5 Toh Guan Road East	3.7	59.4%
18,708	13,035	7 Changi South Street 2	3.3	87.0%
87,842	71,749	19 & 21 Pandan Avenue	8.8	100.0%
25,768	23,528	1 Changi South Lane	4.6	100.0%
26,505	23,071	2 Clementi Loop	4.1	84.5%
10,107	9,494	11 Changi North Way	1.1	100.0%
48,139	48,167	21 Jalan Buroh	6.1	100.0%
16,353	14,103	30 Old Toh Tuck Road	1.9	83.6%
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	80,664	15 Pioneer Walk	15.0	96.0%
12,756	11,053	71 Alps Avenue	0.7	53.2%
26,277	26,277	90 Alps Avenue	5.4	100.0%
852,355	**752,717**		**130.3**	**82.5%**

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

104. 484-490 Great Western Highway

105. 494-500 Great Western Highway

106. 1A & 1B Raffles Glade

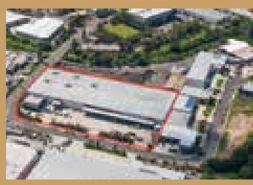
107. 7 Grevillea Street

108. 5 Eucalyptus Place

109. Lot 4 Honeycomb Drive

110. 1-15 Kellet Close

111. 94 Lenore Drive



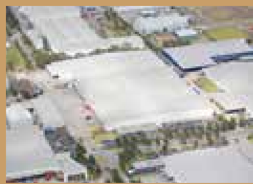
112. 1 Distribution Place

113. 6-20 Clunies Ross Street

114. 676-698 Kororoit Creek Road

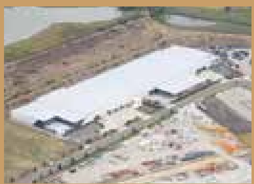
115. 700-718 Kororoit Creek Road

116. 14-28 Ordish Road



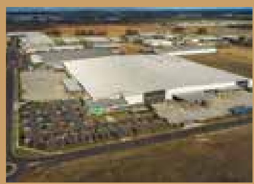
117. 35-61 South Park Drive

118. 2-34 Aylesbury Drive



119. 81-89 Drake Boulevard

120. 9 Andretti Court



121. 31 Permas Way

122. 162 Australis Drive

123. 62 Sandstone Place

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

3rd Party Logistics, Freight Forwarding	33.0%
Distributors, trading company	25.3%
Food Products & Beverages	9.6%
Healthcare Products	8.5%
Textiles & Wearing Apparels	4.4%
Repair and Servicing of vehicles	2.6%
Printing & Reproduction of Recorded Media	2.2%
Information Technology	1.2%
Others	13.2%


124. 92 Sandstone Place


125. 62 Stradbroke Street


126. 82 Noosa Street


127. 2-56 Australand Drive

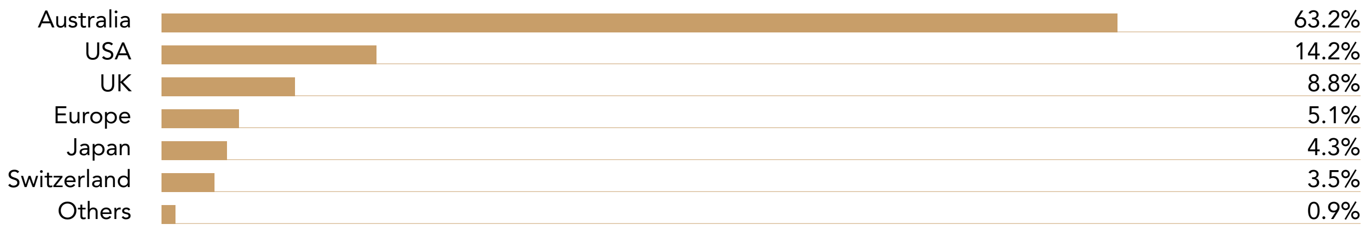

128. 77 Logistics Place


129. 99 Radius Drive


130. 35 Baile Road

Logistics & Distribution Centres (Australia)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	6	21	27
No. of Customers	10	21	31
GFA (sqm)	144,907	524,619	669,525
Gross Income (S$m)	4.3	24.9	29.2
Valuation as at 31 March 2016 (S$m)	242.4	839.7	1,082.1

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)
	Australia, New South Wales			
104	484-490 Great Western Highway	23 Oct 15	19.9	20.2
105	494-500 Great Western Highway	23 Oct 15	33.4	33.4
106	1A & 1B Raffles Glade	18 Nov 15	42.9	40.1
107	7 Grevillea Street	18 Nov 15	104.8	116.3
108	5 Eucalyptus Place	18 Nov 15	21.8	23.2
109	Lot 4 Honeycomb Drive	18 Nov 15	33.1	36.7
110	1-15 Kellet Close	18 Nov 15	44.7	43.4
111	94 Lenore Drive	18 Nov 15	42.0	38.9
112	1 Distribution Place	18 Nov 15	28.6	28.6
113	6-20 Clunies Ross Street	22 Feb 16	76.6	82.6
	Australia, Victoria			
114	676-698 Kororoit Creek Road	23 Oct 15	52.3	57.4
115	700-718 Kororoit Creek Road	23 Oct 15	34.8	30.8
116	14-28 Ordish Road	18 Nov 15	53.2	47.4
117	35-61 South Park Drive	18 Nov 15	39.1	36.9
118	2-34 Aylesbury Drive	18 Nov 15	21.3	18.8
119	81-89 Drake Boulevard	18 Nov 15	17.1	16.7
120	9 Andretti Court	18 Nov 15	26.6	28.2
121	31 Permas Way	18 Nov 15	48.2	46.2
122	162 Australis Drive	18 Nov 15	25.0	25.4
	Australia, Queensland			
123	62 Sandstone Place	23 Oct 15	22.8	22.1
124	92 Sandstone Place	23 Oct 15	28.6	25.9
125	62 Stradbroke Street	23 Oct 15	35.9	30.7
126	82 Noosa Street	23 Oct 15	66.0	57.1
127	2-56 Australand Drive	23 Oct 15	76.8	83.0
128	77 Logistics Place	18 Nov 15	28.4	27.7
129	99 Radius Drive	18 Nov 15	29.0	24.9
	Australia, Western Australia			
130	35 Baile Road	23 Oct 15	36.6	39.5
	Total (Logistics & Distribution Centres)		**1089.5**	**1,082.1**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase price excludes transaction costs.
^ Gross income from acquisition date to 31 March 2016 only.

GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
13,304	13,304	484-490 Great Western Highway, Arndell Park	0.7	100.0%
25,256	25,256	494-500 Great Western Highway, Arndell Park	1.4	100.0%
21,694	21,694	1A & 1B Raffles Glade, Eastern Creek	1.2	100.0%
51,709	51,709	7 Grevillea Street, Eastern Creek	2.8	100.0%
8,284	8,284	5 Eucalyptus Place, Eastern Creek	0.6	100.0%
19,918	19,918	Lot 4, Honeycomb Drive, Eastern Creek	0.9	100.0%
23,267	23,267	1-15 Kellet Close, Erskine Park	1.3	100.0%
21,143	21,143	94 Lenore Drive, Erskine Park	1.1	100.0%
13,555	13,555	1 Distribution Place, Seven Hills	0.8	100.0%
38,579	38,579	6 - 20 Clunies Ross Street, Pemulway	0.7	100.0%
44,036	44,036	676-698 Kororoit Creek Road, Altona North	1.8	100.0%
28,020	28,020	700-718 Kororoit Creek Road, Altona North	1.1	100.0%
28,189	28,189	14-28 Ordish Road, Dandenong South	1.2	100.0%
32,167	32,167	35-61 South Park Drive, Dandenong South	1.1	100.0%
17,513	17,513	2-34 Aylesbury Drive, Altona	0.6	100.0%
14,099	14,099	81-89 Drake Boulevard, Altona	0.5	100.0%
24,140	24,140	9 Andretti Court, Truganina	0.8	100.0%
44,540	44,540	31 Permas Way, Truganina	1.1	100.0%
23,252	23,252	162 Australis Drive, Derrimut	0.4	53.4%
9,260	9,260	62 Sandstone Place, Parkinson	0.7	100.0%
13,738	13,738	92 Sandstone Place, Parkinson	1.0	100.0%
24,811	24,811	62 Stradbroke Street, Heathwood	0.0	0.0%
38,000	38,000	82 Noosa Street, Heathwood	2.1	100.0%
41,318	41,318	2-56 Australand Drive, Berrinba	2.5	100.0%
14,296	14,296	77 Logistics Place, Larapinta	0.7	100.0%
14,543	14,543	99 Radius Drive, Larapinta	0.8	100.0%
20,895	20,895	35 Baile Road, Canning Vale	1.3	100.0%
669,525	**669,525**		**29.2^**	**94.7%**

CHINA

BUSINESS PARK & LOGISTICS CENTRES

131. Ascendas Z-Link

132. A-REIT City@Jinqiao

133. A-REIT Jiashan Logistics Centre

TENANTS' INDUSTRY MIX AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)

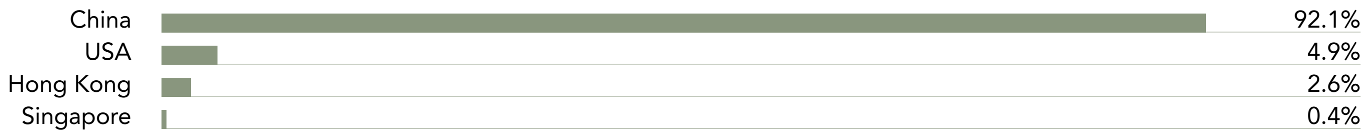
Information Technology	55.5%
Telecommunication & Datacentre	22.2%
Financial	6.5%
Rubber and Plastic Products	5.5%
M&E and Machinery & Equipment	5.0%
Medical, Precision & Optical Instruments, Clocks	2.5%
Electronics	1.4%
Food Products & Beverages	0.6%
Chemical	0.5%
Others	0.3%

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$m)	Valuation as at 31 March 2016 (S$m)	GFA (sqm)	NLA (sqm)	Address	Gross Income for FY15/16 (S$m)	Occupancy Rate as at 31 March 2016
131	Ascendas Z-Link#	03 Oct 11	61.8	144.7	31,427	27,595	17 Zhongguancun Software Park No. 8 West Dongbeiwang Road, Hainan District, Beijing, China	10.9	100.0%
132	A-REIT City @Jinqiao	12 Jul 13	122.3	204.0	79,880	81,994	No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District, Shanghai, China	11.1	56.7%
133	A-REIT Jiashan Logistics Centre	17 Mar 16	21.3	25.2	35,729	35,206	No. 137 Wan Tai Road, Yao Zhuang Town, Jia Shan County, Zhejiang Province, China	0.0	0.0%
	Total (Business Park & Logistics Properties)		**205.4**	**373.9**	**147,036**	**144,795**		**22.0^**	**51.2%**

Business Park & Logistics Centres (China)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	3	0	3
No. of Customers	40	0	40
GFA (sqm)	147,036	0	147,036
Gross Income (S$m)	22.0	0	22.0
Valuation as at 31 March 2016 (S$m)	373.9	0	373.9

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.
^ The total Gross Income of China Properties exclude the incentive payment for A-REIT City @Jinqiao, amounting to S$4.0 million.

TENANT'S COUNTRY OF ORIGIN AS AT 31 MARCH 2016 (BY GROSS RENTAL INCOME)



INDEPENDENT MARKET STUDY

By DTZ Debenham Tie Leung (SEA) Pte Ltd

Economic Outlook

The MTI expects Singapore's economy to grow by 1.0% to 3.0% in 2016. As both the US and Mainland China focus on their domestic markets, export-oriented economies, such as Singapore, is expected to be affected. Subdued global economic conditions and prolonged weakness in commodity prices are expected to continue to weigh on the manufacturing sector.

Notwithstanding the slower economic growth, regional and global trading initiatives are expected to underpin medium-to-long term healthy performance of manufacturing and logistics sector. Established on 31 December 2015, the ASEAN Economic Community (AEC) is a single economic region with free movement of goods, services, investment, skilled labour and freer flow of capital will be gradually materialised over time. Meanwhile, the Trans-Pacific Partnership (TPP), which was formalised in February 2016, is expected to enable industrialists in Singapore to tap on both resources supplies and new market competitively, especially when many tariffs in member countries will be reduced or eliminated.

1.0 Industrial Property Market Highlights

Government Measures and Policies

Policies and measures were introduced since 2013 to ensure a sustainable industrial property market. These included the imposition of a Sellers' Stamp Duty (SSD) on industrial properties, Total Debt Servicing Ratio (TDSR) framework and Assignment Prohibition Period.

To align with Jurong Town Corporation's (JTC) subletting restrictions implemented in October 2014, the Housing Development Board (HDB) announced on 30 March 2015 that new and existing tenants of HDB industrial properties would not be allowed to sublet their industrial properties from 1 June 2015. Tenants with existing approved subletting agreements are allowed to renew their subletting agreements up to 31 December 2017. The HDB also implemented subletting cap on Gross Floor Area (GFA). With effect from 1 January 2016, industrial land lessees may sublet up to 30% of the GFA, while REITs are allowed to sublet 100% of the GFA, whereby 70% of the GFA must be sublet to anchor tenants.

The government has scaled back the Industrial Government Land Sales (IGLS) programme to pace demand since 2014. Notably, the total site area of the land parcels released in the H1 2016 Confirmed and Reserve Lists were 12.24 ha, lower compared with that in H2 2015 (14.30 ha). Majority of the sites in the Confirmed List are small (less than 1.0 ha) and suitable for industrialist to build their own facilities.

Industrial Prices and Investment Market

According to JTC, industrial property prices declined slightly by 1.7% in 2015, after a moderate growth of 3.5% in 2014. Overall industrial sales transaction value fell sharply by 35% from $3.1 billion in 2014 to $2.0 billion in 2015. Majority of the transactions were for investments below $50 million. Table 1.1 highlights the major industrial investment transactions in 2015.

Table 1.1: Major Industrial Investment Transactions in 2015

Development	Address	Tenure	NLA (sq m)	Vendor	Buyer	Transacted Price ($ million)	Units Price[1] ($ per sq ft/$ per sq m)
One@Changi City	1 Changi Business Park Central	53 years remaining	71,158	Ascendas Development and Fraser Centrepoint	Ascendas REIT	420	5,902/ 548
Starhub Green	Ubi Avenue 1	42 years remaining	37,661	Blackstone	AEP Investment Management	260	6,904/ 641
The Kendall	50 Science Park Road	64 years remaining	16,824	Ascendas Group	Ascendas REIT	112	6,657/ 618

Source: DTZ Consulting & Research, March 2016

While there were no major policies implemented in 2015, those introduced since 2012 are still in place. The TDSR framework (June 2013) continued to impact on strata-titled industrial transactions. Caveats lodged for industrial transactions fell by 28%, from 1,364 in 2014 to 977 in 2015.

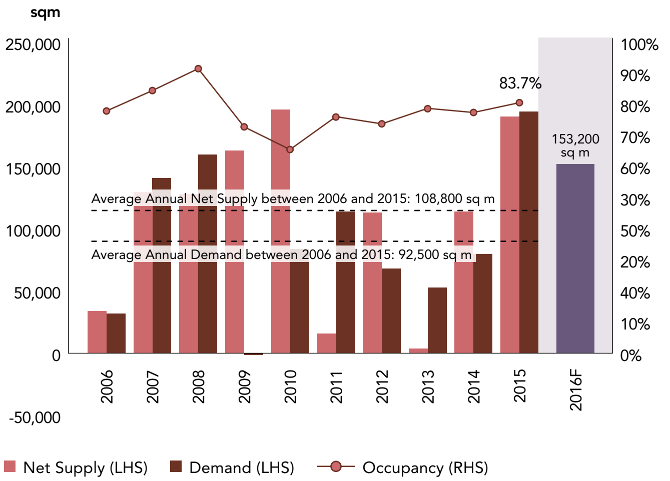
1 Based on transacted price and NLA. Figures do not add up due to rounding off.

2.0 Business and Science Parks[2]

Existing Supply[3]

Private[4] business park stock rose by 13.7% (190,000 sq m) in 2015, the highest since 2011 (Figure 2.1). All completions in 2015 were single-user Build-to-Suit (BTS) facilities.

Figure 2.1: Net Supply, Demand and Occupancy (Private Business Park)



Source: JTC, Urban Redevelopment Authority (URA), DTZ Consulting & Research, March 2016

Notably, Rigel Technology obtained Temporary Occupation Permit (T.O.P.) for its headquarters, Rigel Innovation Hub (13,000 sq m), in Changi Business Park. Also located in Changi Business Park, DBS Asia Hub Phase 2 (5,800 sq m) and Soo Kee Jewellery Research Facility (10,700 sq m) were completed. Other completions included DSO National Laboratories Phase II (37,200 sq m) in Singapore Science Park and Mediacorp Campus (63,700 sq m) at Ayer Rajah Avenue in one-north.

As at Q4 2015, there was 1.6 million sq m of private business park space, constituting only about 4% of private industrial stock in Singapore (39.1 million sq m). Majority is located in the Central Region (844,000 sq m, 53%[5]), while the remaining is distributed evenly across the East Region (393,000 sq m, 25%) and West Region (342,000 sq m, 22%).

Potential Supply

About 153,000 sq m of business park space, of which 85,000 sq m is in Mapletree Business City Phase II, is expected to complete in 2016. All potential supply is located in the Central Region. There is no known potential supply of business park space in 2017 and 2018.

Demand and Occupancy

Despite slowdown in the overall industrial market, the business park market remained healthy. Demand increased significantly by 143% to 194,000 sq m in 2015. In H1 2015, demand for business parks was supported by companies which qualified for business park space. Examples included Canon and Oracle, which relocated from Keppel Bay Tower and Suntec City respectively to Galaxis in one-north. Pharmaceutical and Infocomm sectors were two sectors that contributed to the demand for business parks in H2 2015. Investment in the pharmaceutical sector is supported by the entry of medical technology accelerators such as Israel-based Trendlines and Incubator of China.

On the back of strong leasing activities, islandwide occupancy for business parks increased by 2.6%-points to 83.7% in Q4 2015. Occupancy in the East Region (e.g. Changi Business Park) increased the fastest by 5.7%-points, followed by 2.6%-points in the Central Region (e.g. Singapore Science Park and one-north) and 0.3%-points in the West Region (e.g. International Business Park).

Rents

The quality of business parks and significant cost savings are attractive propositions for companies to move their qualifying activities e.g. back offices, research & development from offices to business parks. Office rental growth, particularly in H1 2015, provided momentum to rental growth in business parks, as business parks and office rents are closely related. Whilst the rental gap between business parks and office has been largely consistent over the last five years, business park rentals fluctuate less historically, giving more stability and predictability to occupiers. The URA median monthly rents[6] for private business parks trended upwards by 4.9% to $4.29 per sq ft ($46 per sq m) in 2015 (Figure 2.2).

2 According to JTC, science parks where the primary activity is R&D are included in the Business Park category from Q3 2002.
3 All supply and demand figures are in terms of Net Lettable Area (NLA), unless stated otherwise.
4 This report focuses on private industrial and office space.
5 Some figures in this report may not add up due to rounding off.
6 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.

INDEPENDENT MARKET STUDY BY DTZ

Figure 2.2: URA Rental Trend (Private Business Parks)

Source: JTC, Urban Redevelopment Authority (URA), DTZ Consulting & Research, March 2016

Outlook

The impetus for occupiers who qualify to move to business parks may weaken in the short term, given the short-term office oversupply. Average annual completion of office space between 2016 and 2020 (152,400 sq m) is significantly higher than historical demand between 2006 and 2015 (67,600 sq m), and is expected to add downward pressure in the office rental market.

With subdued business confidence and softening of office rents in 2016, rents of business parks are expected to ease by 4% to 6% over the same period. Notwithstanding, with competitive rentals, business parks with good building specifications are expected to retain occupiers with qualifying activities. Business park space will continue to attract companies which adopt medium-to-longer term strategies to manage the level and volatility of their accommodation costs.

3.0 Light[7] and High-Specs[8] Industrial

Existing Supply

Light industrial stock (single and multiple-user factory, excluding high-specs industrial) grew at 2.9% (769,000 sq m), from 26.3 million sq m in 2014 to 27.1 million sq m in 2015. Major completions include Eco-Tech @ Sunview at Sunview Road (57,700 sq m), Mandai Connection at Mandai Link (45,800 sq m), Bukit Batok Connection at Bukit Batok Avenue 6 (30,800 sq m), North View Bizhub at Yishun Ave 9 (24,100 sq ft) and TAG A at Tagore Lane (15,200 sq m).

Meanwhile, DTZ estimates that high-specs industrial stock in Singapore rose by about 8.7% (140,000 sq m), from about 1.6 million sq m in 2014 to 1.7 million sq m in 2015. Notable high-specs completions include 10 Tukang Innovation Drive (20,300 sq m) and CT Hub 2 (29,300 sq m) at Lavender Street. Another significant completion was Equinix SG3 IBX Data Centre (29,300 sq m) at one-north, which will be Equinix's third data centre in Singapore and its largest in Asia Pacific.

Potential Supply

DTZ estimates that there is approximately 1.9 million sq m of private factory space in the pipeline from 2016 to 2018. Annual expected completion averages at 617,600 sq m, significantly lower than the average annual supply in the past decade (870,000 sq m). There are two types of private factory space - single and multiple-user factory space. Most (89%; 641,000 sq m) of the multiple-user factories in the pipeline are strata-titled for sale, with some units less than 500 sq m in size.

Approximately 14% of overall potential supply for private factory space between 2016 and 2018 are high-specs industrial developments. Many of the high-specs industrial developments are data centres. These include DC West (43,300 sq m) and BTS-Hewlett Packard phases 1 and 2 (62,800 sq m), which are expected to complete in 2016, and Telin-3 (16,400 sq m), scheduled to complete in 2018.

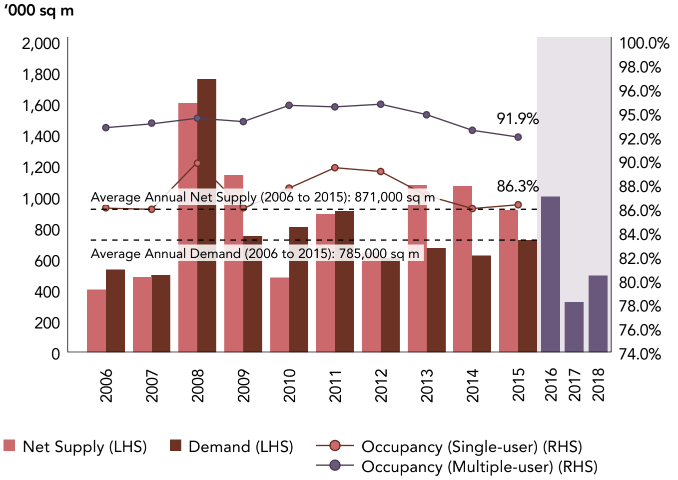
Demand and Occupancy[9]

Demand for private factory space increased by 16% YOY (99,000 sq m), from 618,000 sq m in 2014 to 717,000 sq m in 2015 (Figure 3.1). Net supply for private factory space moderated to 909,000 sq m in 2015, 15% lower than the 1,064,000 sq m in 2014. However, net supply continues to exceed demand in 2015.

On the back of further reduction in output arising from a sluggish manufacturing sector, occupancy rate of single-user factory dipped by 0.6%-points to 91.9% as at Q4 2015. While occupancy rate for multiple-user factory inched up by 0.3% to 86.3% in 2015, the growth in occupancy was limited. The weak oil and gas industry contributed to a 3.1%-points fall in occupancy rates for multiple-user factories in the West Region, where many oil and gas companies are located, to 87.1% in Q4 2015.

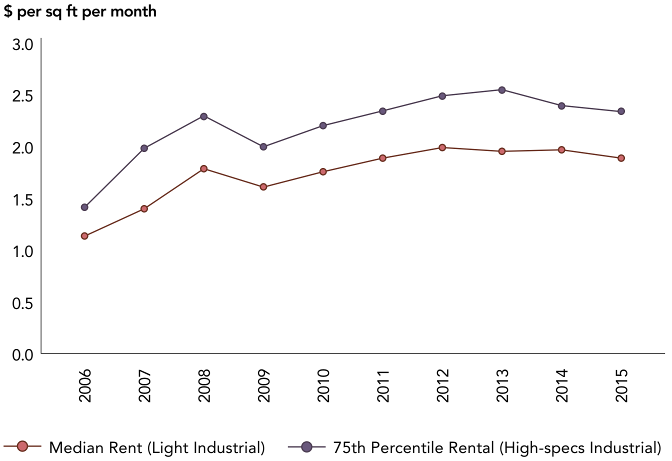
7 Light industrial refers to all single-user and multiple-user factory space, excluding high-specs industrial, as defined by DTZ.
8 There is currently no official definition for high-specs industrial space. According to A-REIT, they are typically vertical corporate campuses with high office content combined 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.
9 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.

Figure 3.1: Net Supply, Demand and Occupancy (Single and Multiple-user Factory)



Source: URA, JTC, DTZ Consulting & Research, March 2016

Figure 3.2: URA Rental Trend (Single and Multiple-user Factory)



Source: URA, DTZ Consulting & Research, March 2016

By end-2015, the total number of data centres in Singapore rose to more than 50. This has positioned Singapore as the leading data centre hub of Southeast Asia, a result of robust infrastructure, strong connectivity, and policies and initiatives by the Government to propel Singapore to be a global-Asia tech hub. According to the Infocomm Development Authority of Singapore, Singapore currently accounts for about 60% of data centre capacity in Southeast Asia.

Rents[10]

Weak market conditions led to companies downsizing their production capacity. Coupled with the tightening labour supply, industrialists were more cost-sensitive and cautious on their space requirements. The URA median rental, a proxy of private light industrial rent, fell by 3.1%, from $1.95 per sq ft ($21 per sq m) in 2014 to $1.89 per sq ft ($20 per sq m) in 2015. Meanwhile, the 75th percentile rental, a proxy of high-specs industrial rent, experienced a decline of 3.3%, easing from $2.39 per sq ft ($26 per sq m) in 2014 to $2.31 per sq ft ($25 per sq m) in 2015 (Figure 3.2).

Outlook

While outlook of most manufacturing clusters in Singapore is expected to be subdued, that for the biomedical manufacturing industry is expected to be relatively optimistic. In particular, the export demand in the medical technology segment is strong and there are plans to introduce new products in the pharmaceuticals segment. The biomedical cluster will also experience healthy capital investments over the next five years. For instance, in July 2015, Japan's Chugai Pharmaceutical announced a $355 million investment by 2021 to increase its research and development capabilities in Singapore.

Taking the overall weaknesses and pockets of opportunities in the manufacturing sector into consideration, private light industrial rents are expected to decline by 8% to 10% in 2016. However, with only 10.1% of occupiers being in manufacturing activities in 2015, the rents in the A-REIT portfolio is likely to be more resilient.

Subject to the URA 60:40 rule for industrial properties[11], high-spec industrial spaces are lower cost alternatives for ancillary offices. Despite limited potential supply of high-specs industrial space in the next three years, rentals are expected to decline by between 4% and 6% in 2016. While short-term challenges in industrial sector are present, medium-to-longer term outlook for high-spec industrial are positive as Singapore transforms itself to a future hub for value-adding and value-creating industries with the growth of Infocomm industry and data centres.

10 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.

11 Under the URA 60:40 rule for industrial properties, 60% of the property's Gross Floor Area (GFA) should be used for industrial activities (e.g. manufacturing, warehousing and storage). The remaining 40% can be used for ancillary offices, showrooms, neutral area and common facilities.

INDEPENDENT MARKET STUDY BY DTZ

4.0 Logistics and Distribution Centres[12]

Existing Supply

Private warehouse stock rose by 5.7% (472,000 sq m) from 8.3 million sq m in 2014 to 8.8 million sq m in 2015. Many of the completed warehouses were built-to-suit logistics facilities developed by third-party logistics[13] companies, as well as industrialists and Small-and-Medium Enterprises (SMEs) requiring logistics and storage facilities. These include Space@Tampines (57,000 sq m), a warehouse developed by Warehouse Logistics Net Asia (52,000 sq m), a ramp-up logistics facility developed by CWT Project Logistics (51,000 sq m), DHL Supply Chain Advanced Regional Centre (75,000 sq m) at Tampines LogisPark, and Kuehne + Nagel (43,000 sq m) at Pioneer Crescent.

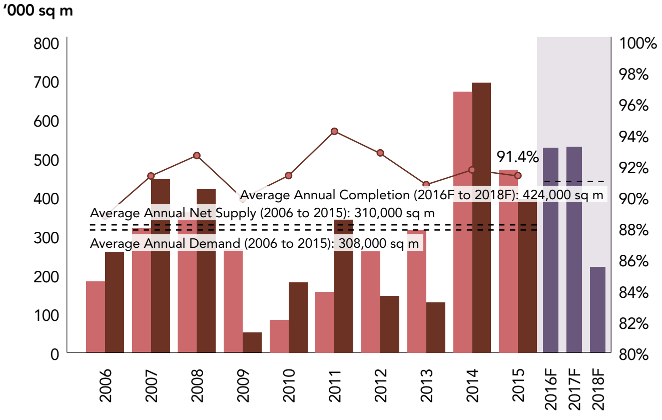
Potential Supply

About 1.3 million sq m of private warehouse space is in the pipeline from 2016 to 2018. The average annual supply between 2016 and 2018 (424,000 sq m) is higher than average annual supply of 310,000 sq m in the past decade. Pipeline supply is predominantly single-user warehouse (85%, 966,000 sq m), including facilities developed by major logistics players, e.g. Hankyu Hanshin Express and Singapore Post. The logistics industry, especially logistics providers, will remain one of the largest demand drivers for warehouses in Singapore.

Demand and Occupancy

Reflecting the muted growth in transport & storage sector in 2015, net demand (398,000 sq m) was lower than net supply (472,000 sq m). This led to a slight decline in occupancy by 0.4%-points, from 91.8% in Q4 2014 to 91.4% in Q4 2015 (Figure 4.1).

Figure 4.1: Net Supply, Demand and Occupancy (Private Warehouse Space)



Source: JTC, URA, DTZ Consulting & Research, March 2016

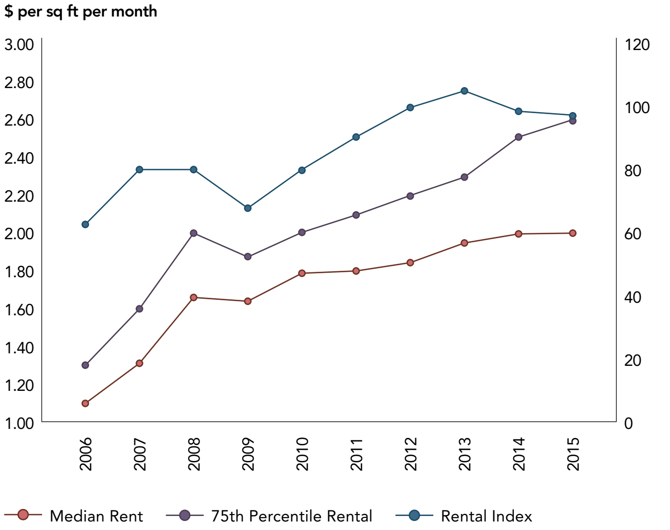
While weakness in the manufacturing sector weighed down the growth of the warehouse market, the logistics and distribution segment received support from the government. In 2015, the government announced pilot programmes to boost productivity in the logistics sector. This includes a $20 million grant to support integrated and shared delivery systems, with emphasis placed on the "last mile" of delivery.

Rents

JTC's warehouse rental index fell marginally by 1.6% in 2015, in line with a slight decline of 0.4%-points in occupancy (Figure 4.2). However, many older warehouses in the rental index are not suited for modern logistics and distribution operations, which may have led to slight rental decline in overall warehouse rental index. Meanwhile, rental market for logistics warehouse is generally more resilient compared to conventional warehouses. This is evident as the 75th percentile warehouse monthly rentals[14] (a proxy for logistics warehouse rentals) rose by 3.2% to $2.59 per sq ft ($28 per sq m), while the median rental (a proxy of conventional warehouse rental) remained unchanged at $2.00 per sq ft ($22 per sq m) in 2015. The rental gap between median and 75th percentile warehouse monthly rentals also increased slightly from $0.51 per sq ft ($5.5 per sq m) in 2014 to $0.59 per sq ft ($6.4 per sq m) in 2015.

12 There are no official statistics on logistics and distribution centres in Singapore. The report primarily uses private warehouse data from JTC.
13 Various logistics companies have engaged third-party facility providers for the development of their logistics facilities.
14 JTC's 75th percentile warehouse rentals are adopted as a proxy for logistics and distribution facilities, which are better specified than conventional warehouses.

Figure 4.2: URA Rental Trend (Private Warehouse Space)



Source: JTC, URA, DTZ Consulting & Research, March 2016

Outlook

While potential supply pressure is expected to be relatively moderate, demand for traditional storage and distribution facilities is likely to be tempered, given the subdued outlook of the transport and storage sector. Private warehouse median rents are expected to decline by about 4% to 6% in 2016. Newer and better equipped warehouse facilities, e.g. those with ramp-up facilities, are likely to face a smaller decrease in rents, compared to traditional warehouses.

Nonetheless, there are opportunities in e-commerce. Many traditional storage and distribution facilities are morphing into fulfilment centers, taking advantage of rising consumerism and untapped potential in Asia. This will benefit the demand for warehouse space in Singapore, as Singapore grows into a regional logistics hub with leading logistics groups expanding their footprint. The recent opening of DHL Supply Chain Advanced Regional Centre and Kuehne + Nagel's Singapore Logistics Hub further underscore the commitment of major players to house their operations in Singapore to support a diverse range of industries in Asia. With the challenging economic outlook, rentals for logistics and distribution facilities are expected to ease in 2016. Over the longer term, growing global and regional trade ties stemming from AEC and TPP will benefit Singapore logistics businesses through wider market access.

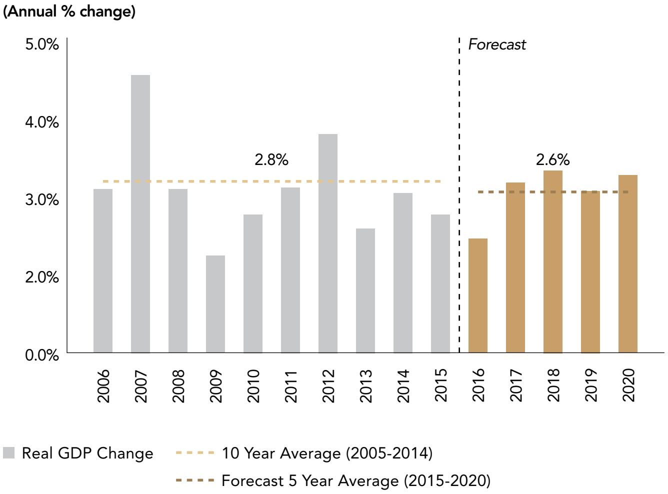
INDEPENDENT MARKET STUDY

By Jones Lang Lasalle (NSW) Pty Limited

Australian economy and outlook

The Australian economy has expanded for 24 consecutive years without recession. Gross Domestic Product (GDP) expanded by 0.6% in the December 2015 quarter to be up 3.0% over the year. This was above the 10-year annual average growth rate of 2.8% p.a. As the mining investment boom slows down, the consumer and public sectors are gaining healthy momentum and are supporting Australian GDP growth.

Figure 1: Australian Real GDP Growth Forecast to 2020



Source: Deloitte Access Economics Business Outlook December 2015, JLL Research

The outlook is for further steady growth outcomes in the near term. Real GDP is forecast to grow 2.6% p.a. in the five years to 2020 (Figure 1). Growth is projected to be supported by steady household consumption growth and ongoing residential housing construction activity.

Population Growth

Population growth is a major underlying driver of consumption spending and supports demand for retail goods (both traditional and e-Commerce). Australia continues to benefit from relatively strong population growth for a developed country.

Over the ten years from June 2005 through June 2015 Australia's population increased by 3.6 million people, an average growth rate of 1.6% p.a. and is expected to grow at 1.3% p.a. over the five years to 2020.

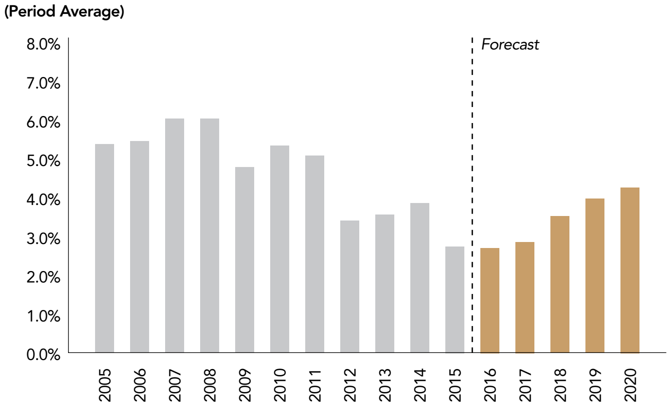
Inflation, Interest Rates and Bond Yields

Australian Consumer Price Index (CPI) inflation at 1.5% headline in December 2015 remains below the Reserve Bank of Australia (RBA) target band of 2.0% to 3.0% p.a. Forecasts have inflation remaining benign at 1.9% in 2016, before rising moderately and averaging 2.3% p.a. over the 2015-2020 forecast period.

The RBA last cut the official interest rate by 25 basis points to 2.00% in May 2015. In total, rates have been cut 275 basis points since the easing cycle began in November 2011. Recent policy decision statements have adopted a further easing bias.

According to the RBA, the Commonwealth Government 10-Year Bond rate averaged 2.73% in January 2016 and 2.72% over the year to January 2016. Deloitte Access Economics forecast the Australian Government 10-Year Bond Yield to remain low over the next year, averaging 2.73% in 2016 (Figure 2). Bond yields are then forecast to rise gradually as economic growth is expected to improve, resulting in tighter monetary policy settings being adopted by the RBA, and as global interest rates begin to rise, initially in the United States, and eventually more widely.

Figure 2: Australian Government 10-Year Bond Yield



Source: Deloitte Access Economics Business Outlook December 2015, JLL Research

Port Activities

Australia's major city population bases are heavily reliant on imported goods for consumption. Growth in imported consumption goods is a key driver of occupier demand for industrial warehouse and distribution space.

The total value of goods imports (A$b current prices) have increased 5.6% p.a. on average between 1995 and 2015 (Deloitte Access Economics). Further steady growth in goods imports is expected to provide a solid base for growth in demand for warehouse and logistics facilities. Goods imports are forecast to increase 3.6% p.a. in the five years to 2020.

Infrastructure

In the 2015 Federal Budget the government made an A$50 billion dollar commitment to improving road and rail linkages in every state. Infrastructure will support Australia's economic growth in the near term and boost productivity over the long term.

In 2015, work began on approximately 55 new major projects. In New South Wales, some of the major infrastructure projects the Commonwealth Government has committed to include the Western Sydney Airport at Badgerys Creek (A$2.9 billion over 10 years) and the WestConnex (A$1.5 billion). They have also committed to the Perth Freight Link (A$866 million) and Gateway WA (A$675 million) in Western Australia, whilst in Queensland the state government is currently seeking A$558 million in Commonwealth funding for the Ipswich Motorway Upgrade.

The impact of e-commerce and international retailers

Two more recent drivers of the industrial sector have been: 1) the rapid rise of e-commerce operators and growth in the share of online retail sales and 2) the flow of international retailers that have established new operations in Australia. Both factors have been highly complementary to the industrial sector.

The impact of online retail on the industrial property sector is two-fold: 1) direct demand for warehouse and distribution solutions from online retailers and domestic retailers with an online platform; 2) demand for distribution space from third party logistics providers for their parcel handling operations. E-commerce penetration has reached a relatively mature 7%+ share of total retail spending, and growth has now stabilised at a lower rate.

International retailers perhaps have the most direct impact on the industrial occupier markets. International retailers with large format stores have generally utilised third-party logistics providers for their warehouse and distribution functions. As international retailers roll out new stores across Australia, new or extended contracts will be awarded to third-party logistics providers (3PLs) resulting in greater demand for industrial space.

Sydney industrial market

The Sydney industrial market fundamentals are among the best of all industrial markets at present. Sydney is benefiting from urban renewal and infrastructure development projects being coordinated by the government to increase the population density of inner ring suburbs and the efficiency of the Sydney transport and freight network. As such, many mature industrial markets are being rezoned to allow for mixed use or residential projects.

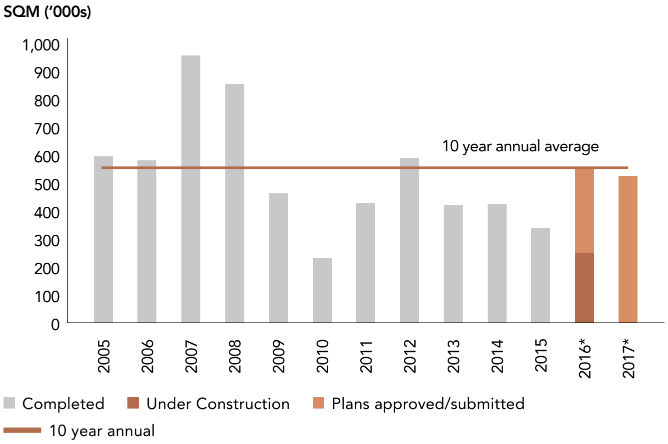
This activity is creating a cascade of occupier activity that will impact the market for some time, creating immediate demand for existing stock, decreasing vacancy and placing upward pressure on market rents. This will also result in demand for larger distribution facilities in the Western Sydney growth precincts as existing market rents increase and larger users look to grow into more modern facilities.

Supply

Around 342,300 sqm of new supply was completed across Sydney in 2015, significantly below the 10 year annual average of 557,000 sqm. Only approximately 9% of new supply (by area) in 2015 was completed without known tenant commitments.

The forward pipeline indicates that supply will increase over the next 12 months. There is currently 255,200 sqm of new supply under construction and another 301,500 sqm at the planning stages for 2016 (Figure 3). More than 68% of this supply has a known tenant commitment. Based on the current projects in the 2016 supply pipeline, the average development size is expected to increase to 19,200 sqm, above the 5 year average of 16,300 sqm.

Figure 3: Sydney industrial supply pipeline



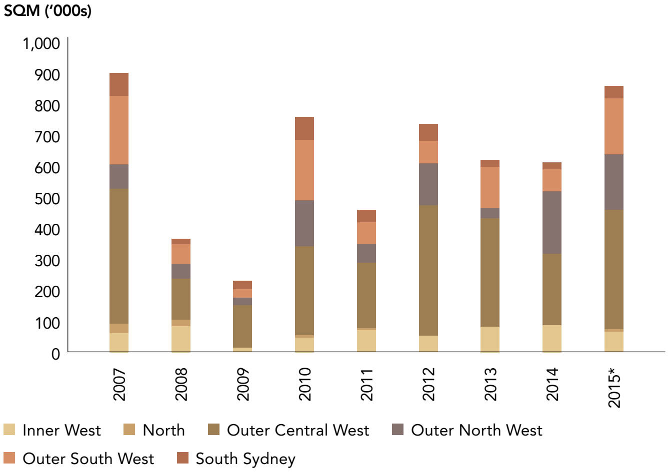
* As at Q4/2015

Source: JLL Research

Demand

Occupier demand improved significantly in 2015 with gross take-up reaching 859,500 sqm, well above the 10 year annual average of 607,000 sqm (Figure 4). Major storm cell activity in May 2015 damaged multiple Outer Central West buildings, resulting in more than 125,000 sqm of occupier relocations. Vacancy tightened significantly in western Sydney as a result.

Figure 4: Sydney industrial occupier gross take-up by precinct



* As at Q4/2015

Source: JLL Research

The outer western precincts of Sydney have captured the majority of occupier take-up since 2007, with the Outer Central West accounting for 47% of gross take-up since 2007, much of which has been developed in this period. The Outer South West has accounted for 19% of take-up, while the Outer North West has accounted for 16% of take-up since 2007.

Figure 5: Sydney gross take-up by industry sector: 2013 to 2015

* As at Q4/2015

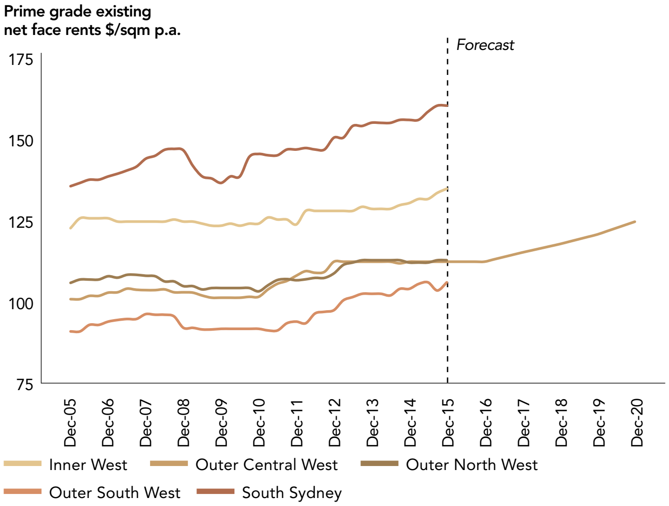
Source: JLL Research

The transport and storage sector (37%) has accounted for the major share of occupier take-up in Sydney since 2013 (Figure 5). Wholesale trade (13%) and retail trade (15%) have accounted for a further 28% of take-up combined, followed by the manufacturing sector with 24%.

Rents[1]

Figure 6 shows that existing prime net rents in the Outer Central West of Sydney have increased by 1.1% p.a. in the 10 years to December 2015. Growth in the last five years has been stronger at 2.0% p.a. Meanwhile, prime rents in the Outer North West have increased 0.6% p.a. and 1.8% p.a. in the last 10 and 5 years respectively.

Figure 6: Sydney prime grade net rents



* As at Q4/2015

Source: JLL Research

Increased occupier activity in the Outer West precincts and a diminishing stock base in the Inner West and South are expected to support rents over the short term. Over the next five years, prime grade net rents are expected to grow 2.1% p.a. in the Outer Central West.

Outlook – Fundamentals

Demand for prime grade space is expected to remain relatively strong, driven by organic growth, lease expiry, the consolidation of operations and new 3PL contracts. Strong activity recorded in the new build market in 2015 signified the demand for prime industrial space, which is expected to continue over the next 12-24 months. Occupier demand for secondary space is expected to be supported by the ongoing withdrawal of older stock for residential development in urban activation precincts.

The supply pipeline over the next two years has been enhanced by occupiers committing to purpose built facilities. Developers have a number of new or extended estates for 2016, expanding the variety of participants in the development market.

Infrastructure projects will also have a significant impact on Sydney's industrial precincts. The WestConnex motorway will provide increased connectivity to the port for existing occupiers in the outer west via this major arterial road upgrade.

Outlook – Investment

Strong investment activity is expected to continue into 2016 in Sydney as current investor demand outweighs the investment opportunities. Sydney is the largest market in Australia and a large number of investors continue to seek assets in the Sydney industrial market, particularly domestic fund managers that retain underweight allocations to the Sydney market. Sydney properties are also highly sought after by offshore groups and offshore mandates through third parties.

1 JLL Research produces an average net rent for each industry market. The rents quoted in this report do not account for tenant incentives. Leave incentives are typically expressed as a percentage of the net rent and generally average around 10% for existing buildings. Industrial lease incentives are typically taken as rent free periods.

INDEPENDENT MARKET STUDY

Melbourne industrial market

Large corporations have always viewed Melbourne as a strategic location for national or regional distribution centres. Overall real estate costs are generally lower in Melbourne than in other states due to its lower relative land costs, while distance to the shipping port, as well as links to road and rail to interstate and national networks make Melbourne an ideal location for distribution centres.

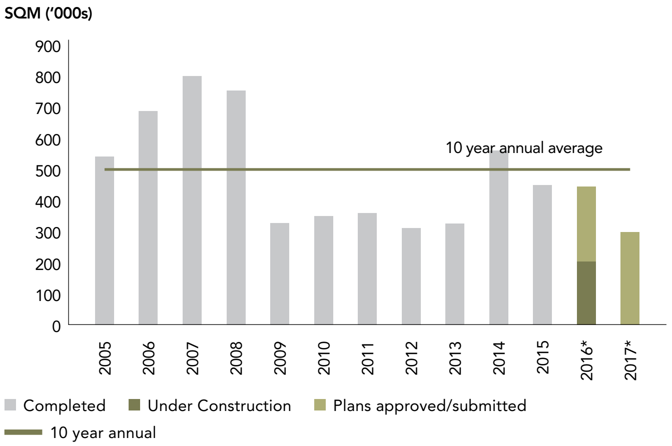
The Melbourne industrial market also benefits from the Port of Melbourne being the busiest containerised, automotive and general cargo shipping port in Australia with the highest TEU volume per year.

Supply

Approximately 451,300 sqm of new supply was completed in Melbourne in 2015, only slightly below the 10-year annual average. Approximately 45% of total new supply was in the West precinct, followed by the North at 32%, and the South East at 21%. Overall, more than 82% of new supply in 2015 had a known pre-commitment.

The forward pipeline indicates that 207,200 sqm of new supply is under construction and expected to be delivered to the market in 2016, and another 240,500 sqm is at the planning stages (Figure 7). Currently, more than 95% of the space under construction in Melbourne has a known tenant commitment.

Figure 7: Melbourne industrial supply pipeline



* As at Q4/2015

Source: JLL Research

The average development size was 14,900 sqm in 2014 and 14,600 sqm in 2015. However, based on the current supply pipeline the average scale of developments across Melbourne will increase to 19,500 sqm in 2016 due to a number of very large, purpose-built facilities that were committed in 2015.

Demand

Melbourne continues to have one of the most stable environments for industrial occupier take-up. Occupier gross take-up in 2015 reached 694,900 sqm, the highest annual figure recorded since 2006 and 20% ahead of the 10 year annual average of 577,000 sqm (Figure 8). Prelease and design and construct activity continues to be a driving factor with 87% of gross take-up in 2015 negotiated in the new build market, emphasising the preference of tenants to be located in core markets and in modern space.

Figure 8: Melbourne industrial occupier gross take-up by precinct

* As at Q4/2015

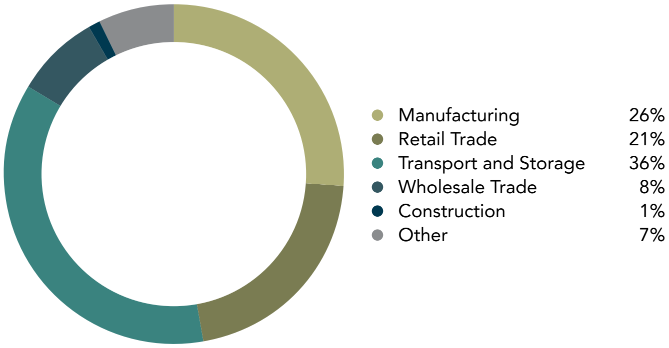
Source: JLL Research

The West precinct of Melbourne has captured 45% of major occupier take-up since 2007, owing to its cheaper development land base and more readily available development land supply. Over the same period 34% of take-up was in the South East precinct.

Take-up in the North declined somewhat during 2011-2013 due to an inactive development market. However, recent activity around Tullamarine Airport has lifted occupier activity in this precinct. Overall, the North precinct has accounted for 18% of gross occupier take-up since 2007. Meanwhile, the City Fringe precinct accounted for only 3% of major occupier take-up over the same period.

The transport and storage sector has accounted for 36% of occupier take-up in Melbourne between 2013 and 2015, followed by the manufacturing industry (26%), retail trade (21%) and wholesale trade with 8% (Figure 9).

Figure 9: Melbourne gross take-up by industry sector: 2013 to 2015



* As at Q4/2015

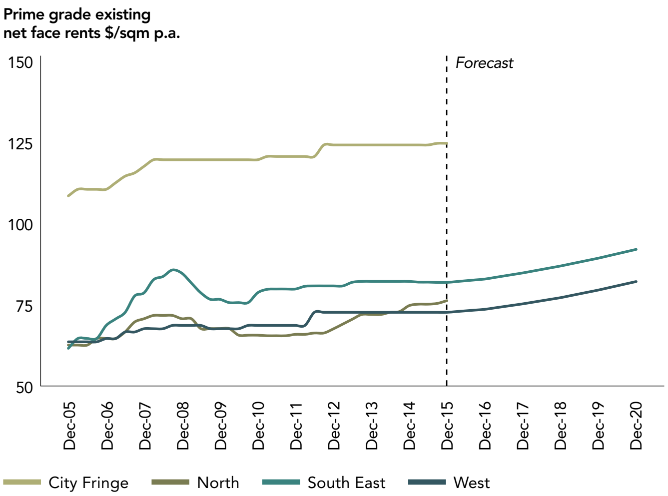
Source: JLL Research

Rents

In the 10 years to December 2015, prime net rents increased by 1.3% p.a. in the West, 2.9% p.a. in the South East, 2.0% p.a. in the North and 1.4% p.a. in the City Fringe precinct of Melbourne in the 10 years to December 2015. Given the lower land supply in the South East, occupier fundamentals are more positive and rental growth has been stronger in this sub-precinct.

As evident in Figure 10, rental growth has been more subdued in the most recent five years, attributable to a competitive development environment and a higher rate of speculative development activity in Melbourne. For example, prime rental growth was 0.8% p.a. in the South East and 1.1% p.a. in the West in the five years to December 2015.

Figure 10: Melbourne prime grade net rents



* As at Q4/2015

Source: JLL Research

Over the five years to 2020, rental growth is expected to average 2.3% p.a. in the South East precinct and 2.4% p.a. in the West.

Outlook – Fundamentals

Indications are that tenant demand continues to improve and that known tenant briefs in the market will see further solid take-up outcomes in the near term. Occupier activity is expected to continue to be driven by the new build market through pre lease and Design & Construct transactions, with significant zoned land competing for tenants.

There is expected to be some ongoing shift from the South East to the West precinct where tenants are not required to be in the South East, as well as some shuffling of location by car component and aftermarket manufacturers when domestic vehicle manufacturing plants cease operating in the next two years.

Retailers and 3PL operators are expected to drive demand, while some manufacturing users may relocate from manufacturing space to distribution focused space. New supply is likely to remain broadly steady in the short term and be driven by tenant demand rather than speculative activity.

Outlook – Investment

Strong investment volumes are expected to continue into 2016 as the strong level of supply added to the market over the past 18 months provides opportunities for investors looking for prime grade, large format assets with strong lease covenants as some owners (particularly developers) look to decrease allocations to Melbourne.

Brisbane industrial market

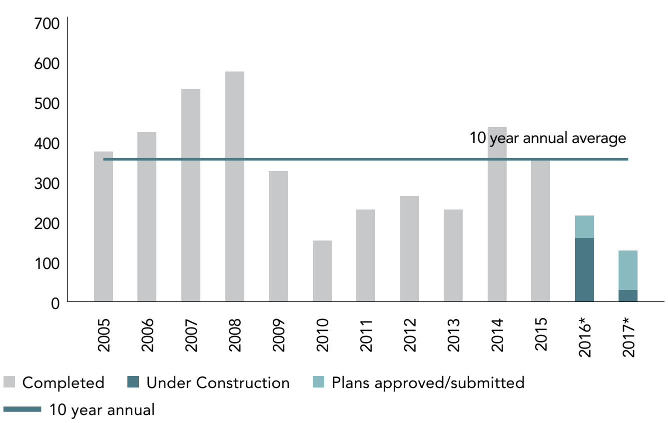
Brisbane has undergone a steady occupier recovery in recent years led by large corporate occupiers upgrading facilities, consolidating operations or creating a major Brisbane distribution centre for the first time. The Brisbane market has had favourable underlying dynamics due to the very strong population growth in Queensland in the last two decades and the strong economic expansion in regional Queensland related to resource investments. As a result, the South East Queensland resident population base has grown considerably, creating a strong case for industrial occupiers to grow.

Supply

Approximately 354,400 sqm of new supply was completed in Brisbane in 2015, in line with the 10 year annual average of 357,000 sqm (> 3,000 sqm projects). Higher levels of speculative development have occurred recently, with more than 33% of supply completing speculatively in 2015. Large corporates, particularly in logistics and manufacturing, continue to drive pre lease and design and construct projects due to their somewhat specialised space requirements.

The forward pipeline indicates that supply will be more subdued in 2016 with only 163,100 sqm under construction and a further 52,700 sqm at the planning stages (Figure 11). Almost 27% of supply currently under construction is speculative. Over the past five years, the average development size in Brisbane has ranged between 10,000 sqm and 12,500 sqm. Based on the current supply pipeline, this trend is expected to continue in 2016 with the average development size sitting at 11,400 sqm.

Figure 11: Brisbane industrial supply pipeline



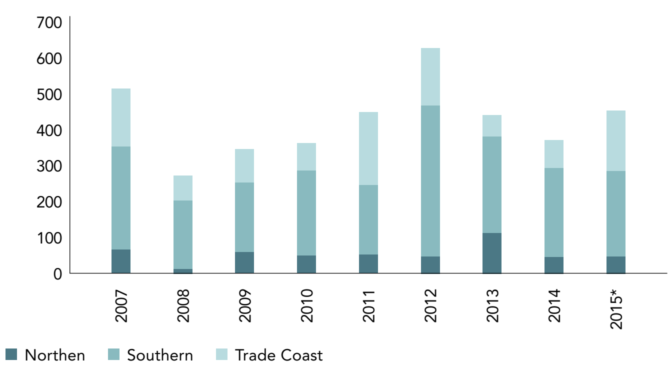
* As at Q4/2015

Source: JLL Research

Demand

Gross occupier take-up in Brisbane was 453,700 sqm in 2015 (> 3,000 sqm deals), slightly above the 10 year average of 446,000 sqm p.a. (Figure 12). Occupier activity in 2015 has been concentrated in the new build market with more than 54% of take-up by area reflecting a pre-lease or a design and construct deal.

Figure 12: Brisbane industrial occupier gross take-up by precinct

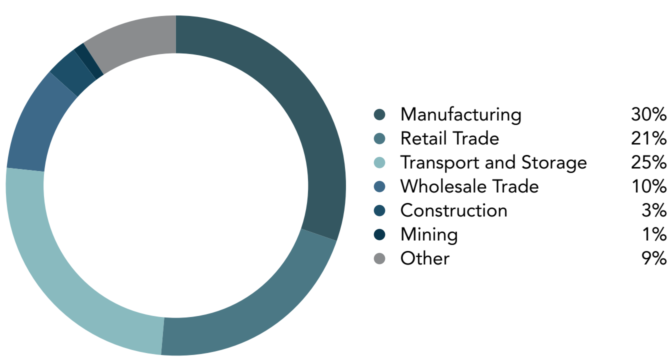


* As at Q4/2015

Source: JLL Research

The Southern precinct has captured the largest proportion (59%) of major occupier take-up in Brisbane since 2007, owing to its larger geographical coverage, more development land and strategic exposure to the Logan Motorway. The Trade Coast precinct followed, with 28% of take-up over the same period. Land supply has been constrained in the Trade Coast, particularly freehold land, resulting in lower construction activity in this period. Meanwhile, the Northern precinct has only accounted for 14% of major gross occupier take-up since 2007.

Figure 13: Brisbane gross take-up by industry sector: 2013 to 2015



* As at Q4/2015

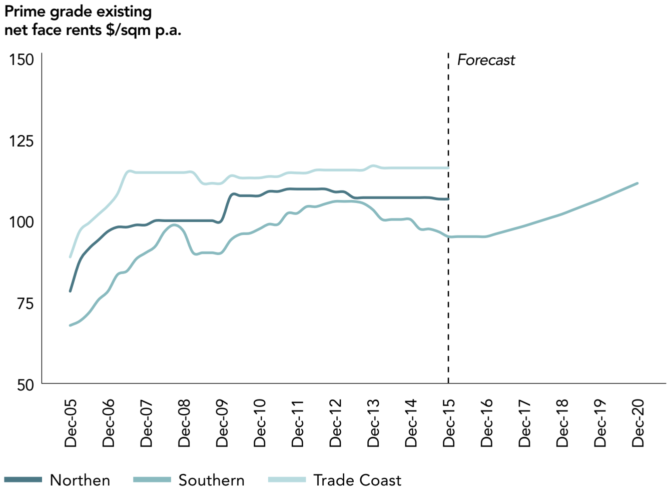
Source: JLL Research

As Figure 13 highlights, the transport and storage sector has accounted for 25% of gross take-up in Brisbane between 2013 and 2015. This is relatively consistent with the occupier mix in both Sydney and Melbourne. The manufacturing industry accounted for 30% of take-up, followed by retail trade with 21% and wholesale trade with 10%. Meanwhile, the mining sector accounted for only 1% of total gross take-up, indicating that the industrial property sector's direct exposure to the mining and resource sector is minimal.

Rents

In the 10 years to December 2015, prime net rents have increased by 2.1% p.a. in the Southern precinct, 2.0% p.a. in the Northern precinct and 1.8% p.a. in the Trade Coast precinct of Brisbane (Figure 14). Rental growth has declined somewhat in the Southern precinct in the last two years due to greater development competition, higher speculative development and a moderately higher vacancy level. As a result, rental growth over the last five years has averaged -0.3% p.a.

Figure 14: Brisbane prime grade net rents



* As at Q4/2015

Source: JLL Research

Upward pressure on rents is expected from 2017 in line with the projected recovery in the broader economy. Rental growth in the Southern precinct of Brisbane is forecast to average 2.2% p.a. over the five years to 2020.

Outlook – Fundamentals

While in recent years the economic growth profile of Queensland has been below trend, the market is poised for a recovery with demand supported by the early stages of a housing investment cycle, improvement in tourism and net exports as the LNG cycle moves from the investment to the production stage.

Manufacturers linked to the housing sector along with logistics providers are leading demand for industrial space across the Brisbane market. Manufacturers of household goods and housing construction materials are benefitting from the growth of residential development in South East Queensland. Meanwhile logistics companies are being supported by the continual growth of retailers and third party logistic providers. Logistic providers are also aiming to improve operational efficiencies by securing newer facilities in strategic locations while leasing conditions are favourable.

New estates have been activated along the Logan Motorway corridor in the last 12 months and strong competition for tenants has ensued. The leasing market is expected to remain competitive for landlords in the short term due to a weaker economy and the take-up of speculative space. This may result in elevated tenant incentives or longer letting up periods.

Outlook – Investment

Interest in Brisbane core industrial assets remains very strong with well-leased assets continuing to achieve excellent sale outcomes. However, a lack of opportunities is forcing investors to look further up the risk curve, expecting that an improvement in the economy will support leasing demand across the asset quality spectrum.

INDEPENDENT MARKET STUDY

Perth industrial market

Perth has undergone a transformation in the last decade as a result of the mining investment boom. Population growth has been among the strongest in the country, while wages and household asset values have also grown strongly during this time.

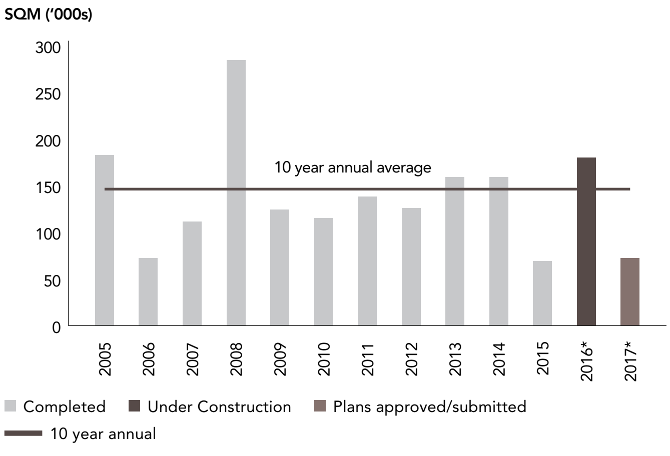
The impact on the Perth industrial sector has been profound. Major retail brands, third-party logistics providers and other corporates have grown strongly in the Perth market during this time. Despite the mining investment booms, take-up in the direct market by mining industry occupiers in Perth was only 7% of the total between 2007 and 2015 (> 3,000 sqm spaces).

The Perth market is not heavily institutionalised and the land market is tightly held by private developers. As a result, speculative construction is scarce and market rents have grown strongly in the last decade.

Supply

Approximately 71,700 sqm of supply was completed in 2015, well below the 10 year annual average of 149,000 sqm. However, there is a stronger pipeline of industrial supply expected in 2016. There is currently 181,800 sqm under construction and due to complete in 2016 (Figure 15). Approximately 97% of these projects are pre-committed and are led by major retail and wholesale groups moving to purpose-built facilities, including ALDI, CEVA Logistics, Mainfreight, Kmart and Hitachi. As a result, the average development size in 2016 is expected to increase to 22,700 sqm, more than double the five year average of 9,000 sqm.

Figure 15: Perth industrial supply pipeline



* As at Q4/2015

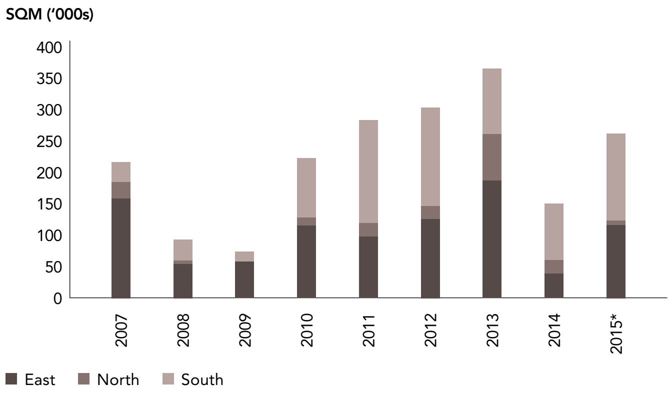
Source: JLL Research

Demand

The Perth market has undergone an above average demand cycle since around 2010 as a result of commitments to new facilities as businesses have grown their operations and required new warehouse and distribution facilities. After a subdued tenant environment in 2014, occupier gross take-up reached 262,700 sqm in 2015 (> 3,000 sqm deals), which is 29% above the 10 year average of 203,000 sqm p.a. (Figure 16).

Vacancy has reportedly increased in the past year or two due to some engineering and mining services related businesses downsizing and rising backfill opportunities. Active tenants in Perth now have more options than in previous years, while some tenants that had previously located in the East are now assessing cheaper land/rent options in the South in an effort to reduce costs.

Figure 16: Perth industrial occupier gross take-up by precinct



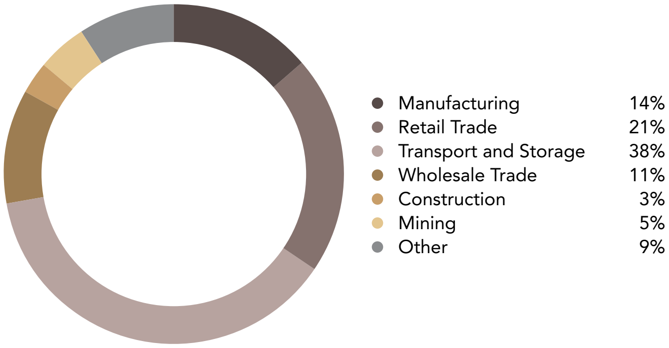
* As at Q4/2015

Source: JLL Research

The East precinct has captured 49% of major occupier take-up in Perth since 2007, having been one of the more active land development markets since 2006 and its strategic proximity to the Airport and access to the Port and Perth CBD. Less development sites in the East going forward should be positive for owners of modern existing stock.

Take-up in the South has improved since 2010 due to new land releases. As a result, the South precinct has accounted for 42% of gross take-up since 2007.

Figure 17: Perth gross take-up by industry sector: 2013 to 2015



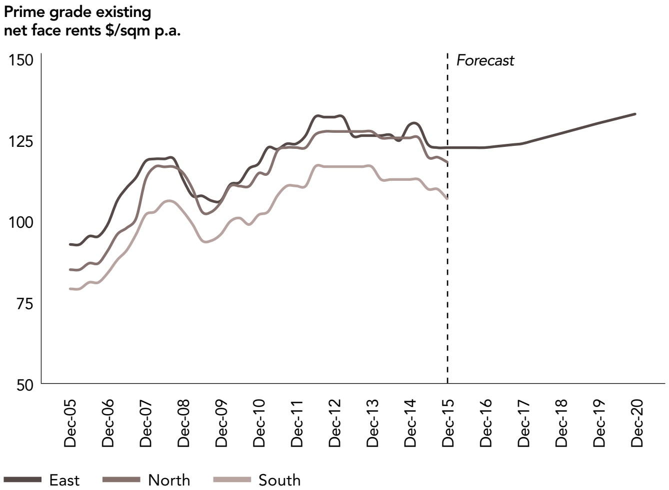
* As at Q4/2015
Source: JLL Research

The transport and storage sector has accounted for 38% of gross take-up in Perth between 2013 and 2015. This is consistent with other markets. Similarly, retail trade (21%), manufacturing (14%) and wholesale trade (11%) are the major users in the Perth market (Figure 17).

Rents

As Figure 18 shows, prime net rents have increased by 2.8% p.a. in the East precinct, 3.1% p.a. in the South and 3.4% p.a. in the North in the 10 years to December 2015.

Figure 18: Perth prime grade net rents



* As at Q4/2015
Source: JLL Research

Average rents in the East precinct are forecast to remain steady in much of 2016 and 2017. Over the five years to 2020, prime rents are forecast to grow by only 1.6% p.a. in the Perth East market.

Outlook – Fundamentals

Looking ahead, housing construction is expected to be one positive driver of activity in Perth. Low interest rates, strong growth in household net wealth and more stable consumer confidence are also expected to stimulate a recovery in retail spending growth in the medium term and flow on to demand from traditional industrial occupiers.

Leasing enquiry for prime space remains steady, though occupiers are taking extended periods to make relocation decisions. Drawn out negotiating periods are expected to continue as occupiers adopt a "wait-and-see" approach given the uncertainty in the economic environment. Encouragingly, demand from new sources such as the pharmaceuticals and medical equipment groups have emerged. Furthermore, demand for hardstand space may increase as mining construction projects complete and machinery returns to Perth from construction sites in the North of Western Australia. Other sources of new activity are groups looking to consolidate multiple operations and 3PL's that have been awarded new contracts.

CORPORATE DIRECTORY

THE MANAGER

Ascendas Funds Management (S) Limited
Company registration number:
200201987K

REGISTERED OFFICE

1 Fusionopolis Place
#10-10 Galaxis
Singapore 138522
Phone: (65) 6774 1033
Fax: (65) 6775 2813
Email: a-reit@ascendas-singbridge.com
Website: www.a-reit.com

BOARD OF DIRECTORS

Mr Koh Soo Keong,
Chairman (Independent Director)
Mr Miguel Ko,
Vice Chairman (Non-executive Director)
Mr Manohar Khiatani,
Non-executive Director
Mr Chan Pengee, Adrian,
Independent Director
Mr Teo Eng Cheong,
Non-executive Director
Mr Teo Choon Chye, Marc,
Independent Director
Mr Wong Yew Meng,
Independent Director
Ms Chong Chiet Ping,
Independent Director
Ms Lim Sau Hoong,
Independent Director
Mr Chia Nam Toon,
Executive Director & CEO

COMPANY SECRETARIAT

Ms Mary Judith de Souza,
Company Secretary
Mr Hon Wei Seng,
Company Secretary

AUDIT COMMITTEE

Mr Chan Pengee, Adrian,
Chairman
Mr Teo Eng Cheong
Mr Teo Choon Chye, Marc
Mr Wong Yew Meng

NOMINATING, HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr Koh Soo Keong,
Chairman
Mr Miguel Ko
Ms Chong Chiet Ping
Ms Lim Sau Hoong

INVESTMENT COMMITTEE

Mr Miguel Ko,
Chairman
Mr Koh Soo Keong
Mr Manohar Khiatani
Mr Teo Choon Chye, Marc
Mr Chia Nam Toon

OPERATIONAL RISK MANAGEMENT COMMITTEE

Mr Koh Soo Keong,
Chairman
Mr Manohar Khiatani
Mr Chan Pengee, Adrian
Ms Chong Chiet Ping
Mr Chia Nam Toon

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

TRUSTEE

Registered Address
HSBC Institutional Trust Services
(Singapore) Limited
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Office Address
HSBC Institutional Trust Services
(Singapore) Limited
21 Collyer Quay
#03-01 HSBC Building
Singapore 049320
Phone: (65) 6658 6906
Fax: (65) 6534 5526

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Phone: (65) 6213 3388
Fax: (65) 6225 0984
Partner-in-charge: Lo Mun Wai
(Since financial year ended 31 March
2013)

SGX CODE

Ascendasreit

STOCK SYMBOL

A17U.SG

CORPORATE GOVERNANCE

Good corporate governance is ingrained in the core values of Ascendas Funds Management (S) Limited, the manager of Ascendas Real Estate Investment Trust ("A-REIT") and encompasses the implementation of best practices and structures, internal checks and balances, transparency and compliance in A-REIT.

The Manager believes that effective corporate governance is critical to its performance and the success of A-REIT. The Manager remains focused on complying with the principles and requirements of prevailing legislation, regulations and codes ("relevant regulations") (including the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore ("Code") in Singapore).

This section sets out the existing corporate governance practices of A-REIT with reference to the Code and relevant regulations. Where there are deviations from the principles and guidelines of the Code and relevant regulations, an explanation has been provided in this section.

THE MANAGER OF A-REIT

The Manager was appointed in accordance with the terms of the Trust Deed constituting A-REIT dated 9th October 2002 (as amended) (the "Trust Deed").

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

The Manager sets the strategic business direction of A-REIT and makes 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. The Manager is also responsible for the capital and risk management of A-REIT. Other key functions and responsibilities of the Manager include:

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

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

3. ensuring compliance with prevailing 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 over the interests of the Manager and its shareholder/sponsor.

CORPORATE GOVERNANCE

(A) BOARD MATTERS

<u>Principle 1:</u> *The Board's Conduct of Affairs*

The Board of Directors of the Manager is responsible for providing oversight for the management and corporate governance of the Manager and A-REIT, including establishing goals for the management team 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 and administration in accordance with the policies and strategy set by the Board.

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 five 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 Board meets every quarter to review the financial performance of A-REIT. 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 recommendations. When necessary, additional Board meetings are held to approve transactions or resolve issues.

The Management monitors changes to regulations, policies and financial reporting standards. Any change that might impact 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 ("AC");
- Nominating, Human Resource and Remuneration Committee ("NHRRC");
- Operational Risk Management Committee ("ORMC"); and
- Investment Committee ("IC").

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 Miguel Ko[(i)]		M	C	
Mr Manohar Khiatani[(ii)]			M	M
Mr Henry Tan Song Kok[(iii)]	C	M		
Mr Chan Pengee, Adrian[(iv)]	C			M
Mr Teo Eng Cheong[(v)]	M			
Mr Teo Choon Chye, Marc[(vi)]	M		M	
Mr Wong Yew Meng[(vii)]	M			
Ms Chong Chiet Ping[(viii)]		M		M
Ms Lim Sau Hoong[(ix)]		M		
Mr Tan Ser Ping[(x)]			M	M
Mr Chia Nam Toon[(xi)]			M	M

Denotes C – Chairman; M – Member

(i) Mr Miguel Ko joined the Board on 1 January 2016 and was appointed Deputy Chairman of the Board, Chairman of the IC and a member of the NHRRC on 1 January 2016.

(ii) Mr Manohar Khiatani relinquished his role as Deputy Chairman of the Board and Chairman of the IC, and retired as a member of the NHRRC on 1 January 2016. He remains a member of the IC and the ORMC.

(iii) Mr Henry Tan retired from the Board on 31 October 2015 and relinquished his role as the Chairman of the AC and member of the NHRRC on 31 October 2015.

(iv) Mr Chan Pengee, Adrian, an existing member of the AC, was appointed Chairman of the AC on 1 November 2015.

(v) Mr Teo Eng Cheong relinquished his role as a member of the IC on 1 January 2016. He remains a member of the AC.

(vi) Mr Teo Choon Chye, Marc was appointed as a member of the IC on 1 January 2016. He remains a member of the AC.

(vii) Mr Wong Yew Meng joined the Board on 1 November 2015 and was appointed as a member of the AC on 1 November 2015.

(viii) Ms Chong Chiet Ping joined the Board on 1 November 2015 and was appointed as a member of the ORMC on 1 November 2015. She was also appointed as a member of the NHRRC on 1 January 2016.

(ix) Ms Lim Sau Hoong joined the Board on 1 November 2015 and was appointed as a member of the NHRRC on 1 November 2015.

(x) Mr Tan Ser Ping retired from the Board on 31 March 2016 and relinquished his role as a member of the IC and the ORMC on 31 March 2016.

(xi) Mr Chia Nam Toon joined the Board after FY2015/2016. He was appointed as a Director, and a member of the IC and the ORMC on 1 April 2016.

Members and their respective attendance at the Board, AC, NHRRC and ORMC meetings for FY2015/2016 are set out below.

	Board	Audit Committee	Nominating, Human Resource and Remuneration Committee	Operational Risk Management Committee
	No. of meetings held : 6	No. of meetings held : 6	No. of meetings held: 1	No. of meetings held: 2
Mr Koh Soo Keong	6		1	2
Mr Miguel Ko[(i)]	2			
Mr Manohar Khiatani	5		1	2
Mr Henry Tan Song Kok[(ii)]	3	4	1	
Mr Chan Pengee, Adrian	5	6		2
Mr Teo Eng Cheong	5	4		
Mr Teo Choon Chye, Marc	6	6		
Mr Wong Yew Meng[(iii)]	4	2		
Ms Chong Chiet Ping[(iii)]	4			2
Ms Lim Sau Hoong[(iii)]	2			
Mr Tan Ser Ping[(iv)]	6			2

(i) Mr Miguel Ko joined the Board on 1 January 2016.

(ii) Mr Henry Tan retired from the Board on 31 October 2015. He attended all meetings held during his tenure.

(iii) Mr Wong Yew Meng, Ms Chong Chiet Ping and Ms Lim Sau Hoong joined the Board on 1 November 2015.

(iv) Mr Tan Ser Ping retired from the Board on 31 March 2016. He attended AC and NHRRC meetings in his capacity as CEO of the Manager.

Principle 2: *Board Composition and Guidance*

The Board presently consists of ten (10) members, six (6) of whom are independent Directors. The composition of the Board therefore complies with the Code, which requires at least one-third of the Board to be independent, as well as the REIT Regulations which require at least half the Board to be independent. The Chairman of the Board is Mr Koh Soo Keong, the Deputy Chairman of the Board is Mr Miguel Ko.

The current composition of the Directors as a group provides an appropriate balance and diversity of skills, experience, talent and knowledge relevant to A-REIT. The NHRRC annually examines the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience.

In relation to diversity in gender, two of the ten members of the Board are female, namely, Ms Chong Chiet Ping and Ms Lim Sau Hoong.

The Board considers that its composition and balance between non-independent and independent directors are appropriate and allow 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 on the independence of the current 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 Chan Pengee, Adrian
- Mr Teo Choon Chye, Marc
- Mr Wong Yew Meng
- Ms Chong Chiet Ping
- Ms Lim Sau Hoong

Mr Miguel Ko, Mr Manohar Khiatani, Mr Teo Eng Cheong and Mr Chia Nam Toon are non-independent Directors. Mr Miguel Ko is the Group CEO of Ascendas-Singbridge Pte Ltd ("ASB"), the parent company of the Manager and a deemed controlling unitholder of A-REIT. Mr Manohar Khiatani is the Deputy Group CEO of ASB. Mr Teo Eng Cheong, previously an independent Director of the Manager, was re-designated as a non-executive Director of the Manager with effect from 1 January 2016, upon his appointment as CEO (International) of Surbana Jurong Pte Ltd, a related company of the Manager. Mr Chia is the CEO of the Manager.

The Board comprises Directors with relevant experience and expertise, including real estate, accounting and finance, legal, business, information technology, customer based experience or knowledge and management. The independent directors actively participate in developing and setting strategies and goals for the Management. The Management benefits from the independent directors' objective views and 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 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 the presence of the Management.

The profiles of the Directors are set out on pages 20 to 24 of the Annual Report.

Principle 3: *Chairman and Chief Executive Officer*

The Chairman and the CEO are two separate persons and not of the same family. This ensures a balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.

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 and 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 Chia Nam Toon, 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 the NHRRC which comprises four Directors, the majority of whom, including the Chairman, are independent.

The NHRRC is responsible for all Board appointments as well as re-appointments and reviews succession plans for the Board. In determining whether to re-nominate a Director, the NHRRC considers the following :

- 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; and
- whether the 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 so that they are able to commit time and effort to carry out duties and responsibilities effectively.

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 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.

Upon their appointment to the Board, the newly appointed 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. They are also 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 as well as on relevant areas that may impact the business, through presentations and workshops. The Manager supports Directors who receive further relevant training in connection with their duties.

The NHRRC reviews the existing directorship annually. Based on the Manager's policy, the directors are appointed for consecutive terms of 2 years up to a maximum term of 6 years. Renewal beyond a term of 6 years will be on an exceptional basis in order to encourage refreshment and renewal of the Board.

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 20 to 24 of the Annual Report.

Principle 5: *Board Performance*

The Board's performance is reviewed 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 includes assessing the individual Director's commitment, attendance and ability to contribute effectively at meetings, 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") and is allowed to individually express his/her personal and confidential assessment of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities. This provides insights into the functioning of the Board, whilst identifying areas that might need strengthening and development. Based on responses to the Questionnaire returned by each Director, a consolidated report is prepared and presented to the NHRRC and the Board. The NHRRC will evaluate the responses and provide its 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 FY2015/2016.

Based on the Board assessment exercise, the Board is of the view that it has met its performance objectives and each of its members is contributing to the overall effectiveness of the Board.

Principle 6: *Access to Information*

The Management provides the Board with complete information on the business and the operations of A-REIT and the Manager on a regular basis.

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

At the quarterly Board meetings, Directors are updated on developments and changes in the operating, business and financial environment affecting A-REIT.

A one day off-site board strategy meeting is organized annually for the Board and the Management to discuss strategic issues and formulate plans pertaining to A-REIT and the Manager. Where appropriate, the Management arranges for the Board of Directors to visit the properties, meet with key tenants and business associates to better appraise it of the business.

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

The Company Secretary prepares minutes of Board meetings and proceedings of all Board committees ("Committees"). He or she assists the Chairman of the Board and the Committees in ensuring that proper procedures are followed and that the Manager's Constitution, 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, he/she is responsible for ensuring information flows within and among the Board, the Committees and the Management. He/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 Manager has established the NHRRC which comprises four Directors, the majority of whom, including the Chairman, are independent. The NHRRC has clear Terms of Reference and its primary duty and responsibility is to recommend to the Board a framework of remuneration for the Board and key executive officers, and the specific remuneration packages for each director as well as for key executive officers including the Chief Executive Officer. The NHRRC is also responsible for recommending the annual targets which are measurable to drive the performance of A-REIT and the Manager.

The NHRRC has access to expert advice from external consultants where required. In FY2015/2016, the NHRRC made reference to the Korn Ferry Hay Group's report on market practice and trends in relation to the Directors' remuneration. In relation to the CEO's and key executive officers' remuneration, the Manager appointed Korn Ferry Hay Group as the external remuneration consultant. The NHRRC undertook a review of the independence and objectivity of the external remuneration consultant and has confirmed that the external remuneration consultant had no relationships with the Manager which would affect its independence.

Directors' Remuneration

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 as well as for attendance at meetings. The Directors' fees, take into account the following:

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

Key Executive Officers' Remuneration

The Manager advocates a performance-based remuneration system for key executive officers of the Manager. The remuneration structure is designed with the objectives to retain, reward and motivate the individual to stay competitive and relevant. The principles governing the Manager's remuneration policy for its key executive officers are as follows:

a. Reward and motivate employees to work towards achieving the strategic goals and business results of A-REIT and the Manager.

b. Enhance retention of key talents to build strong organizational capabilities and ensure competitive remuneration relative to the appropriate external talent markets.

The total remuneration mix of key executive officers comprises fixed annual salary, performance incentives and benefits-in-kind:

a. The fixed annual salary includes base salary, fixed allowances and compulsory employer's CPF contribution.

b. Performance Incentive Plan is essentially tied to the performance of A-REIT and that of the individual employee key indicators include Distribution Per Unit (DPU), Net Property Income (NPI) and Total Unitholders Return (TUR) which are aligned to the interest of the Unitholders.

c. Retention Incentive Plan is tied to Ascendas-Singbridge group performance. As the Manager is a subsidiary of Ascendas-Singbridge (the "Sponsor"), employees of the Manager are part of the larger group which allow the Manager increased flexibility and effectiveness to reward and motivate them with better career growth and exposure. The Manager will be in an advantageous position to attract and retain qualified key executive officers and employees. This will also provide continual development of talent and renewal of leadership for sustaining long term business growth of A-REIT. The rationale of granting the Retention Incentive Plan is aligned with Unitholders' interest.

For FY 2015/2016, remuneration for key executive officers comprised a fixed component, performance incentives and benefits-in-kind.

The NHRRC is of the view that remuneration is aligned to performance during FY2015/2016 and that all of the performance conditions used to determine the remuneration of Directors and key executive officers of the Manager were met.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the Securities and Futures Act) require (i) the disclosure of the remuneration of each individual Director and the CEO on a named basis with a breakdown (in percentage or dollar terms) of each Director's and the CEO's remuneration earned through 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, (ii) the disclosure of the remuneration of at least the top five key executive officers (who are neither Directors nor the CEO) in bands of S$250,000, with a breakdown (in percentage or dollar terms) of each key executive officer's remuneration earned through 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 and (iii) the aggregate total remuneration paid to the top five key executive officers (who are neither Directors nor the CEO). In the event of non-disclosure, the Manager is also required to provide reasons for such non-disclosure.

After much deliberation, the Board is of the view that full disclosure of (a) the specific remuneration of the CEO (on a named basis) and the top five key executive officers (in bands of S$250,000), with a breakdown (in percentage or dollar terms) of the CEO's and each key executive officer's remuneration earned through 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, and (b) the aggregate total remuneration paid to the top five key executive officers (who are neither Directors nor the CEO) will not be in the best interests of the Manager, A-REIT or its Unitholders.

In arriving at its decision, the Board has taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the competitive nature of the REIT management industry, the competitive business environment in which the Manager operates in, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent for the Manager on a long-term basis. The Board is of the view that the non-disclosure of (a) and (b) above will not be prejudicial to the interests of the Unitholders as sufficient information is provided on the Manager's remuneration framework to enable the Unitholders to understand the link between the remuneration paid to the CEO, Directors and key executive officers, and performance as set out on pages 100 to 101.

Remuneration of Directors and key executive officers of the Manager is paid in cash only. There were no employees of the Manager who were immediate family members of a Director or the CEO during FY2015/2016. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

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.

Directors' Fees[1]

Board Members	FY 2014/2015	FY 2015/2016[1]
Mr Koh Soo Keong	S$145,000	S$148,500
Mr Miguel Ko[2]	N.A.	S$20,904
Mr Manohar Khiatani[2]	S$88,500	S$82,527
Mr Henry Tan Song Kok[3]	S$96,000	S$54,776
Mr Chia Kim Huat[4]	S$49,604	N.A.
Mr Chan Pengee, Adrian	S$28,390	S$84,730
Mr Teo Eng Cheong[5]	S$77,500	S$76,014
Mr Teo Choon Chye, Marc	S$70,000	S$73,486
Mr Wong Yew Meng[6]	N.A.	S$33,342
Ms Chong Chiet Ping[6]	N.A.	S$31,675
Ms Lim Sau Hoong[6]	N.A.	S$26,265
Mr Tan Ser Ping[7]	N.A.	N.A.
Mr Chia Nam Toon[8]	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 entity.

[2] The Director's fees for Mr Manohar Khiatani (payable to Ascendas Investment Pte Ltd ("AIPL"), a wholly owned subsidiary of Ascendas Pte Ltd) were (i) paid to AIPL, in respect of the period 1 April 2015 to 10 June 2015; and (ii) waived, in respect of the period 11 June 2015 to 31 March 2016.

The Director's fees for Mr Miguel Ko (payable to AIPL) were waived, in respect of the period 1 January 2016 (being the date of Mr Ko's appointment) to 31 March 2016.

[3] Mr Henry Tan Song Kok retired from the Board on 31 October 2015.

[4] Mr Chia Kim Huat retired from the Board on 30 November 2014.

[5] All Director's fees payable to Mr Teo Eng Cheong will be paid in cash to Surbana Jurong Pte Ltd. Mr Teo is the CEO (International) of Surbana Jurong Pte Ltd.

[6] Mr Wong Yew Meng, Ms Chong Chiet Ping and Ms Lim Sau Hoong joined the Board on 1 November 2015.

[7] Mr Tan Ser Ping retired from the Board on 31 March 2016.

[8] Mr Chia Nam Toon joined the Board after FY2015/2016. He was appointed as a Director on 1 April 2016.

(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.

Principle 11: *Risk Management and Internal Controls*

Risk Management

The Board recognises its responsibility for the governance of risks and ensures that the Management maintains a sound system of risk management and internal controls for good corporate governance. The Management maintains a structured Enterprise Risk Management ("ERM") framework for A-REIT and its subsidiaries ("Group"). In addition, the Management and the Board review key transactions, and the Group's external and internal auditors 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.

The ORMC assists 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 Management with overall oversight by the Board. The Management regularly assesses the nature and extent of risks and maintains and updates a risk register which identifies risks and the internal controls in place to mitigate those risks. This register 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 program 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-REIT's internal auditors.

The AC is assisted by internal and external auditors to assess and to ensure that key internal controls and risk management processes are adequate and effective.

The internal and external auditors will report any material non-compliance or weaknesses in internal controls or recommendations to further improve the internal controls 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.

The Manager has documented procedures that cover financial reporting, new investments, project appraisal, valuation of properties, equity, fund raising, borrowings through banks, compliance and other risk management issues, as well as comprehensive insurance coverage and a business continuity plan.

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

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, based on outcomes of on-going reviews on risk management and internal controls, and in the absence of contradictory evidence, the system of risk management and internal controls is adequate and effective, financial records have been properly maintained and the financial statements give a true and fair view of A-REIT's operations and finances.

The Board recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms their overall responsibility for systems of internal controls, including financial, operational, compliance and information technology controls, and risk management of A-REIT, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management functions are performed by key executive officers of the Manager with oversight by the AC.

The internal control systems include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practice, and the management of business risks. Such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board also notes that 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.

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 AREIT's operations and finances; and

(ii) The system of risk management and internal controls to address material financial, operational, compliance and information technology risks is adequate and remains effective.

Based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal and external auditors, reviews performed by Management, various Board Committees and the Board, and the assurance from the CEO and the Head, Reporting, Compliance and Corporate Services, the Board concurs with the AC and are of the opinion that the system of risk management and internal controls addressing financial, operational, compliance and information technology risks of A-REIT and its subsidiaries were adequate and effective as at 31 March 2016 in addressing material risks.

Principle 12: *Audit Committee*

The Board appoints the AC from among the Directors of the Board, the majority of whom (including the Chairman of the AC) are independent Directors. The members of the AC are Mr Chan Pengee, Adrian (Chairman), Mr Teo Eng Cheong, Mr Teo Choon Chye, Marc and Mr Wong Yew Meng.

The Board is of the view that the members of the AC bring with them invaluable recent and relevant managerial and professional expertise in accounting, financial management and legal expertise and experience and hence are appropriately qualified to discharge their responsibilities. Mr Wong Yew Meng, 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 and the responsibilities of the AC are set out in the AC's written Terms of Reference and 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 AC also reviews the quarterly and annual financial statements before submission to the Board for approval, including the interested person transactions ("IPTs").

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 FY2015/2016 was S$581,225, of which audit and non-audit fees amounted to S$430,350 and S$150,875 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.

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

The AC members are kept updated whenever there are changes to the accounting standards or issues that may have an impact on the financial statements of A-REIT.

External Audit

KPMG LLP ("KPMG") has been the external auditor for A-REIT for 14 years since its listing on 19 November 2002. KPMG has provided A-REIT with sound professional audit services since its appointment. Nevertheless, as part of ongoing good corporate governance practices, the Manager is of the view that it would be timely to effect a change of external auditors at this point. It is therefore proposed that at the forthcoming AGM, Ernst & Young LLP be appointed as the external auditor of A-REIT in place of KPMG.

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.

(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 also 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 Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investment 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.

The ORMC reviews and evaluates 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. Any Unitholders who are not able to attend these meetings are allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. The Manager has also taken measures to cater for the newly introduced multiple proxy regime, in anticipation of attendance by beneficial unitholders (e.g. those holding Units through the CPF Investment Scheme) at General Meetings. 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.

(E) ADDITIONAL INFORMATION

Trading of A-REIT's Units

The Manager has in place a policy which prohibits Directors and employees of the Manager 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 regularly 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. The Manager has implemented an automated process for use by Directors and relevant employees to report any trades carried out by them, in compliance with the relevant regulations.

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

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 put in place several procedures to address potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing A-REIT. Examples of these are:

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;

4. in respect of matters in which Temasek, JTC and/or their subsidiaries (which includes the Ascendas Group) has a direct or indirect interest, any nominees appointed by Temasek, 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 Temasek, JTC and/or its subsidiaries; and

5. the Manager and its Associates (as defined in the Trust Deed) are prohibited under the Trust Deed 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).

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.

Dealing with Interested Person Transactions

Review Procedures for Interested Person Transactions

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

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

All IPTs will be subject to regular reviews by the AC and any IPTs requiring disclosure are set out in the Annual Report.

In addition, the following procedures have been undertaken, some of which go beyond the prescribed Listing Manual requirements:

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 Trustees 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.

Fees Payable to the Manager

Pursuant to the revised CIS Code issued by MAS which come into effect on 1 January 2016, the Manager is to disclose the methodology and justifications of fees which are payable out of the deposited property of a property fund.

The Manager is entitled to the following fees:

i. Base Fee

The Base Fee covers the operational and administrative expenses incurred by the Manager in executing its responsibilities to manage A-REIT's portfolio. In accordance with clause 15.1.1 of the Trust Deed, the Base Fee is calculated at 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, which is an appropriate metric in determining the resources for managing the assets, and shall be paid to the Manager in the form of cash and/or units (as the Manager may elect).

With effect from 19 November 2007, the Manager has elected to receive 20.0% of the Base Fee in units and 80.0% in cash for all properties. In accordance with clause 15.1.1 of the Trust Deed, the cash component of the Base Fee will be paid monthly in arrears and the units component will be paid on a six-monthly basis in arrears.

ii. Performance Fee

In accordance with clause 15.1.2 of the Trust Deed, the Manager is entitled to a Performance Fee of:

(i) 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

(ii) 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%.

The Performance Fee is pegged to the growth in A-REIT's DPU. DPU growth takes into consideration the Manager's overall performance in managing and growing the portfolio and balancing the financing risks to maximise returns for Unitholders. The interests of the Manager are aligned with the interests of Unitholders as the Performance Fee would commensurate with the value that the Manager delivers to Unitholders in the form of DPU. It also ensures that the Manager is motivated and incentivised to grow DPU on a long-term and sustainable basis through its three-pronged strategy of proactive portfolio management, disciplined value-adding investments and prudent capital and risk management. By pegging the Performance Fee to DPU growth, the Manager will not take on excessive short-term risks that will affect the stability and sustainability of returns to Unitholders.

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.

With effect from 17 November 2004, the Manager in accordance with clause 15.1.2 of the Trust Deed, may elect to receive Performance Fee in cash and/or units, in such proportion as may be determined by the Manager. The Performance Fee is payable on an annual basis, within 60 days from the last day of every financial year in accordance with clause 15.1.2 of the Trust Deed.

iii. Acquisition Fee

The Acquisition Fee, as contained in clause 15.2.1 (i) of the Trust Deed, is earned by the Manager upon the successful completion of an acquisition. The fee seeks to motivate and compensate the Manager for the time and effort spent in sourcing, evaluating and executing acquisitions that meet A-REIT's investment criteria and increase long-term returns for Unitholders. Additional resources and costs incurred by the Manager in the course of seeking out new acquisition opportunities include, but are not limited to, due diligence efforts and man hours spent in evaluating the transactions.

In accordance with clause 15.2.1 (i) of the Trust Deed, the Acquisition Fee is calculated at 1.0% of the purchase price of the investment property acquired by the Trustee on behalf of the Trust and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or units (as the Manager may elect).

As required by the Property Funds Appendix, where an acquisition constitutes an "interested party transaction", the Acquisition Fee payable to the Manager will be in the form of units which shall not be sold within one year from the date of issuance.

iv. Divestment Fee

The Divestment Fee, as contained in clause 15.2.1 (ii) of the Trust Deed, is earned by the Manager upon the successful completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts in maximising value for Unitholders by selectively divesting properties that have reached a stage which offers limited scope for further income growth and to recycle capital and optimise A-REIT's portfolio. The fee covers additional costs and resources incurred by the Manager, including but not limited to, due diligence efforts and man hours spent in the course of the transactions.

In accordance with clause 15.2.1 (ii) of the Trust Deed, the Divestment fee is calculated at 0.5% of the sale price of the investment property sold or divested by the Trustee on behalf of the Trust and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or units (as the Manager may elect).

As required by the Property Funds Appendix, where a divestment constitutes an "interested party transaction", the Divestment Fee payable to the Manager will be in the form of units, which shall not be sold within one year from the date of issuance.

The Divestment Fee is lower than the Acquisition Fee because the sourcing, evaluating and executing of potential acquisition opportunities generally require more resources, effort and time on the part of the Manager as compared to divestments.

v. Development Management Fee

A development project is a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by the Trust. It does not include refurbishment, retrofitting or renovations.

In accordance with clause 15.6 of the Trust Deed, the Manager is entitled to receive a Development Management Fee not exceeding 3.0% of the total project costs incurred in development projects undertaken and managed by the Manager. Any increase in the fees above the permitted limit or any change in the structure of the fees shall be approved by an Extraordinary Resolution of a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed. The fee allows the Manager to recover the cost of providing resources to manage the development projects, which is outside the scope of the usual operations of the Manager. This serves to incentivise the Manager to undertake development projects that will enhance returns for Unitholders, thereby aligning the Manager's interests with the interests of Unitholders.

For the avoidance of doubt, no Acquisition Fee shall be paid when the Manager receives the Development Management Fee for a development project.

In accordance with clause 15.6 of the Trust Deed, the Development Management Fee is payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs is finalised and shall be paid to the Manager in the form of cash.

vi. Lease Management Services

Under Clause 8.2 of the Lease Management Agreement entered into between the Trustee and the Manager on 1 July 2012, the Manager or its nominees are entitled to a fee for performing lease management services for A-REIT's properties located in Singapore and China calculated at 1.0% per annum of the Adjusted Gross Revenue of each property.

Pursuant to Clause 8.3 of the Lease Management Agreement, the Manager is also entitled to commissions in relation to the renewal of leases as well as new take-up of space by an existing tenant or where space is taken up by a new tenant introduced by an existing tenant. These commissions are computed based on a certain number of months of gross rent depending on the length of tenancy secured. The Manager believes that having longer lease tenancies will be beneficial to Unitholders as it provides greater certainty and predictability of A-REIT's income stream. Hence, lease commissions are charge on a tiered basis to incentivise the Manager or its Nominees to sign longer term leases.

The lease management fees are payable every month in cash.

The rationale for the fees under the lease management services agreement is to motivate and compensate the Manager or its nominees for the time, effort and costs incurred in its duties including but not limited to, engaging the tenants and maintaining operational and financial data systems relating to lease management.

vi. Strategic Management Fee

Under Clause 5.2 of the Strategic Management Agreement entered into between the Manager, Perpetual Corporate Trust Limited as trustee of Ascendas REIT Australia[1] (the "**MIT**"[1] and the trustee of the MIT, the "**MIT Trustee**") and Ascendas Funds Management (Australia) Pty Ltd[2] ("**AFMA**"[2]) on 18 November 2015, AFMA or its nominees are entitled to one per cent per annum of the Adjusted Gross Revenue of the Australian properties from time to time acquired or developed by the MIT for which the following services are provided by AFMA:

(i) strategic management in relation to the Australian Properties such as proactive portfolio management, engagement with tenants and reviewing the tenants' business plans to facilitate their growth and expansion needs;

(ii) supervising and providing instructions to the third-party licensed real estate agents who will be providing the property management services in respect of the Australian Properties; and

(iii) providing contract administration functions (including the management of billing functions) in relation to the various property management agreements entered into between the relevant Sub-Trusts (as defined herein) and the relevant third-party licensed real estate agents, to the extent that the provision of such services do not require AFMA to hold the relevant Australian estate agents licence (the "**Strategic Management Services**").

[1] The MIT is wholly-owned (directly and indirectly) by A-REIT.

[2] AFMA is a wholly-owned subsidiary of the Manager.

Pursuant to Clause 5.4 of the Strategic Management Agreement, to the extent that the fees paid to AFMA under the Asset Management Agreement exceeds the fees charged by the third-party licensed real estate agent (the "**Licensed Real Estate Agent Fees**") and borne by AFMA, thus resulting in a net positive balance to AFMA (the "**Excess**"), the Strategic Management Fees paid to AFMA under the Strategic Management Agreement shall be reduced such that the aggregate fees payable to AFMA under both the Strategic Management Agreement and Asset Management Agreement will not exceed one per cent per annum of the Adjusted Gross Revenue of the Australian properties from time to time acquired or developed by the MIT.

Pursuant to Clause 5.3 of the Strategic Management Agreement, the Strategic Management Fees are payable monthly in arrears in cash.

The rationale for the Strategic Management Fees is to compensate AFMA or its nominees for the time, effort and costs incurred in its performance of the Strategic Management Services.

viii. Asset Management Fee

Under Clause 4.1 of the Asset Management Agreement entered into between AFMA, the Trust Company (Australia) Ltd, in its capacity as trustee of the wholly-owned trust in Australia established by the MIT by the name of "Ascendas Logistics Trust" and the trustees of the various wholly-owned intermediate sub-trusts and property-holding sub-trusts (collectively, the "Sub-Trusts") holding the Australian properties on 18 November 2015, AFMA or its nominees are entitled to fees for providing asset management services to the Sub-Trusts, which includes retaining the services of one or more third-party licensed real estate agents and providing contract administration in respect of such property management agreements with the licensed real estate agents. As mentioned above, under both the Strategic Management Agreement and the Asset Management Agreement, AFMA or its nominees are effectively entitled to an aggregate fee of one per cent per annum of the Adjusted Gross Revenue of the Australian properties for which AFMA provides Strategic Management Services.

Pursuant to Clause 4.2 of the Asset Management Agreement, the Asset Management Fees are payable monthly in arrears in cash.

The rationale for the Asset Management Fees is to compensate AFMA or its nominees for the time, effort and costs incurred in its performance of the Strategic Management Services at the operational Sub-Trusts level.

SGX 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.	Yes, save in respect of the guidelines on disclosure of remuneration where the Manager has provided the reasons for non-disclosure on page 101 of the Corporate Governance Report in relation to the remuneration of the CEO and the top five key executive officers of the Manager.
	(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 information under the Remuneration Matters on pages 99 to 101 of the Corporate Governance Report enables investors to understand the link between remuneration paid to Directors and key executive officers, and performance.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to Principle 1 on The Board's Conduct of Affairs.
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 Principle 2 on Board Composition and Guidance.
	(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 Principle 2 on Board Composition and Guidance.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	Please refer to Principle 2 on Board Composition and Guidance and Principle 4 on Board Membership.
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 Principle 4 on Board Membership and Principle 5 on Board Performance.

SGX DISCLOSURE GUIDE

Guideline	Questions		How has the Company complied?
Guideline 1.6	(a)	Are new directors given formal training? If not, please explain why.	Yes. Please refer to Principle 4 on Board Membership.
	(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 Principle 4 on Board Membership.
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 Principle 4 on Board Membership.
	(b)	If a maximum number has not been determined, what are the reasons?	Not applicable. Please refer to the response to Guideline 4.4(a) above.
	(c)	What are the specific considerations in deciding on the capacity of directors?	Please refer to Principle 4 on Board Membership and Principle 5 on Board Performance.
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 Principle 5 on Board Performance.
	(b)	Has the Board met its performance objectives?	Based on the Board assessment exercise, the Board is satisfied that it has achieved its performance objectives for FY2015/2016 and that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties. Please refer to Principle 5 on Board Performance.

SGX 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 Principle 2 on Board Composition and Guidance.
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.	No.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
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.
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?	Please refer to (B) Remuneration Matters - Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration, and Principle 9 on Disclosure on Remuneration. The Manager has also provided the reasons for non-disclosure on page 101 of the Corporate Governance Report in relation to the CEO's remuneration.

SGX DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?
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?	Please refer to page 101 of the Corporate Governance Report, where the Manager has provided reasons for the non-disclosure of the top five key executive officers' remuneration.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Please refer to the response to Guideline 9.3(a) 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.	There were no employees of the Manager who were immediate family members of a Director or the CEO during FY2015/2016.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Please refer to pages 100 to 101 of the Corporate Governance Report on Key Executive Officers' Remuneration.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to the response to Guideline 9.6(a) above.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes. Please refer to the response to Guideline 9.6(a) above.

SGX 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 Principle 6 on Access to Information and Principle 11 on Risk Management and Internal Controls.
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 Principle 13 on Internal Audit.
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 Principle 11 on Risk Management and Internal Controls.
	(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 104 of the Corporate Governance Report on Directors' Opinion on Internal Controls.
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 Principle 12 on Audit Committee.
	(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 105 of the Corporate Governance Report on External Audit.

SGX 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 Principle 14 on Unitholder Rights, Principle 15 on Communication with Unitholders, and Principle 16 on Conduct of Unitholder Meetings.
	(b)	Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes.
	(c)	How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Please refer to the response to Guideline 15.4(a) above.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.		Not applicable. Please refer to the Distribution Statements on page 129 of the Annual 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 127 to 216, 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
Senior Vice President, Trustee Services

20 May 2016

1 As amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, the First Amending and Restating Deed dated 11 June 2008, the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015 and the Thirteenth Supplemental Deed dated 26 January 2016.

STATEMENT BY THE MANAGER

In the opinion of the directors of Ascendas Funds Management (S) Limited, the accompanying financial statements set out on pages 127 to 216 comprising the Statements of Financial Position and Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, Statements of Total Return, Distribution Statements, Investment Properties Portfolio Statement and Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Trust as at 31 March 2016, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group for the year ended 31 March 2016, 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

Chia Nam Toon
Director

20 May 2016

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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Real Estate Investment Trust (the Trust) and its subsidiaries (the Group), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 March 2016, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 127 to 216.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2016 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *"Auditor's responsibilities for the audit of the financial statements"* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF INVESTMENT PROPERTIES

(Refer to Portfolio Statement, Notes 4 and 33 to the financial statements)

Risk

The Group owns a portfolio of investment properties, comprising business and science park properties, integrated development, amenities and retail properties, hi-specifications industrial properties and data centres, light industrial and flatted factories and logistics and distribution centres, located mainly in Singapore and Australia. As at 31 March 2016, the investment properties, with a carrying amount of $9.6 billion, represent the single largest asset category on the statement of financial position.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to changes in the key assumptions applied, particularly those relating to capitalisation, discount and terminal yield rates, and price per square metre.

Our response

We assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers.

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers entered into with the Group to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and externally available industry and economic data. We also assessed the reasonableness of the capitalisation, discount and terminal yield rates, and price per square metre, used in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

We further reviewed the appropriateness of the disclosures in the financial statements concerning the key assumptions to which the valuations are most sensitive to, and the inter-relationship between the assumptions and the valuation amounts.

Our findings

The Group has a structured process in appointing and instructing valuers, and in reviewing and accepting their valuations. The valuers are members of recognised professional bodies for valuers and have confirmed their independence to the Group in respect of the work undertaken by them. The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within the range of market data. We also found the disclosures in the financial statements to be appropriate.

ACCOUNTING FOR SIGNIFICANT ACQUISITIONS
(Refer to Note 4 to the financial statements)

Risk

The Group makes acquisitions as part of its business strategy. Such transactions can be complex and judgement is involved in determining whether each transaction is a business combination or an acquisition of an asset, given that the accounting treatment is different in each case.

The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Group considers whether significant processes, such as strategic management and operational processes, are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of a business. When an acquisition does not represent a business, it is accounted for as an acquisition of an asset.

Significant acquisitions made by the Group during the year include the acquisition of 27 investment properties in Australia for a total consideration of $1.1 billion and ONE@Changi City, a business and science park property in Singapore, for a consideration of $420 million. These acquisitions have been accounted for as acquisitions of assets by the Group.

Our response

We have independently assessed whether the acquisitions should be accounted for as an acquisition of business or an acquisition of assets based on the applicable accounting standards and the transaction documentation. We also assessed whether the disclosures in the financial statements appropriately describe the judgements inherent in the accounting for the acquisitions and meet the requirements of the relevant accounting standards.

Our findings

We found management's basis in determining that the acquisitions undertaken by the Group during the financial year as asset acquisitions to be appropriate. We also found the disclosures in the financial statements to be appropriate with respect to the degree of judgement inherent in determining the basis for the accounting treatment adopted.

Responsibilities of management and directors of the Manager for the financial statements

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

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Manager.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the management of the Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors’ report is Lo Mun Wai.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 May 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	Group 31/3/2016 $'000	Group 31/3/2015 $'000	Trust 31/3/2016 $'000	Trust 31/3/2015 $'000
Non-current assets					
Investment properties	4	**9,598,654**	7,867,930	**8,142,650**	7,558,780
Plant and equipment	5	**68**	260	**–**	152
Finance lease receivables	6	**57,731**	92,842	**57,731**	92,842
Interests in subsidiaries	7	**–**	–	**704,689**	179,324
Investment in joint venture	8	**44**	–	**–**	–
Other assets	9	**–**	3,106	**–**	–
Derivative assets	14	**32,592**	38,736	**32,592**	38,736
		9,689,089	8,002,874	**8,937,662**	7,869,834
Current assets					
Finance lease receivables	6	**35,269**	1,002	**35,269**	1,002
Trade and other receivables	10	**89,285**	90,064	**84,095**	83,484
Derivative assets	14	**356**	–	**356**	–
Property held for sale	4	**–**	24,800	**–**	24,800
Cash and cash equivalents	11	**56,236**	41,590	**6,052**	14,389
		181,146	157,456	**125,772**	123,675
Current liabilities					
Trade and other payables	12	**171,971**	188,548	**154,579**	163,064
Security deposits	13	**34,065**	27,810	**32,580**	27,809
Derivative liabilities	14	**1,595**	1,291	**1,595**	1,291
Short term borrowings	15	**601,138**	270,000	**510,695**	270,000
Term loans	15	**224,942**	15,525	**224,732**	–
Exchangeable Collateralised Securities	16	**354,000**	–	**–**	–
Collateral loan	16	**–**	–	**354,000**	–
Provision for taxation		**7,851**	3,651	**1,929**	3,303
		1,395,562	506,825	**1,280,110**	465,467
Non-current liabilities					
Other payables	12	**1,675**	2,175	**1,675**	2,175
Security deposits	13	**77,659**	79,504	**74,172**	75,838
Derivative liabilities	14	**82,596**	87,484	**75,345**	87,484
Amount due to a subsidiary		**–**	–	**26,473**	44,473
Term loans	15	**1,340,990**	1,279,046	**745,681**	1,279,046
Medium term notes	15	**1,143,508**	797,129	**1,143,508**	797,129
Exchangeable Collateralised Securities	16	**–**	366,024	**–**	–
Collateral loan	16	**–**	–	**–**	366,024
Deferred tax liabilities	17	**42,924**	28,553	**606**	–
		2,689,352	2,639,915	**2,067,460**	2,652,169
Net assets		**5,785,321**	5,013,590	**5,715,864**	4,875,873
Represented by:					
Unitholders' funds		**5,480,879**	5,013,551	**5,411,443**	4,875,873
Perpetual securities holders' funds	18	**304,421**	–	**304,421**	–
		5,785,300	5,013,551	**5,715,864**	4,875,873
Non-controlling interests	19	**21**	39	**–**	–
		5,785,321	5,013,590	**5,715,864**	4,875,873
Units in issue ('000)	20	**2,665,576**	2,405,707	**2,665,576**	2,405,707
Net asset value per unit ($)		**2.06**	2.08	**2.03**	2.03

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

STATEMENTS OF TOTAL RETURN

YEAR ENDED 31 MARCH 2016

	Note	Group 2016 $'000	Group 2015 $'000
Gross revenue	21	**760,988**	673,487
Property operating expenses	22	**(227,287)**	(210,760)
Net property income		**533,701**	462,727
Management fees	23		
– Base management fee		**(42,999)**	(38,137)
– Performance fee		**(17,436)**	–
Trust expenses	24	**(6,993)**	(5,629)
Finance income	25	**16,150**	8,273
Finance costs	25	**(93,603)**	(113,651)
Net foreign exchange loss		**(16,005)**	(47,653)
Gain on disposal of investment properties		**–**	2,023
Net income		**372,815**	267,953
Net change in fair value of financial derivatives		**(1,236)**	89,363
Net fair value (losses)/gains on investment properties	4	**(2,349)**	47,032
Share of joint venture's results	8	**43**	–
Total return for the year before tax		**369,273**	404,348
Tax expense	26	**(25,140)**	(6,743)
Total return for the year		**344,133**	397,605
Attributable to:			
Unitholders of the Trust and perpetual securities holders		**344,151**	397,600
Non-controlling interests		**(18)**	5
		344,133	397,605
Earnings per unit (cents)			
– Basic	27	**13.742**	16.533[1]
– Diluted	27	**12.692**	16.533[1]

[1] The figures have been restated to reflect the bonus element in the new units issued pursuant to the preferential offering of units by the Trust in January 2016 (Note 20).

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

DISTRIBUTION STATEMENTS

YEAR ENDED 31 MARCH 2016

	Group 2016 $'000	Group 2015 $'000
Total amount available for distribution to Unitholders at beginning of the year	**176,047**	85,693
Total return for the year attributable to Unitholders and perpetual securities holders	**344,151**	397,600
Less: Amount reserved for distribution to perpetual securities holders	**(6,637)**	–
Distribution adjustments (Note A)	**32,816**	(50,086)
	370,330[(1)]	347,514[(1)]
Tax-exempt income (prior periods)	**1,663**	2,166
Tax-exempt income (current period)	**2,689**	–
Distribution from capital (prior periods)	**1,768**	1,460
Distribution from capital (current period)	**1,871**	–
Total amount available for distribution to Unitholders for the year	**378,321**	351,140
Distribution of 3.060 cents per unit for the period from 01/10/15 to 17/12/15	**(73,789)**	–
Distribution of 8.001 cents per unit for the period from 01/04/15 to 30/09/15	**(192,648)**	–
Distribution of 7.300 cents per unit for the period from 01/10/14 to 31/03/15	**(175,648)**	–
Distribution of 7.300 cents per unit for the period from 01/04/14 to 30/09/14	**–**	(175,496)
Distribution of 3.550 cents per unit for the period from 01/01/14 to 31/03/14	**–**	(85,290)
	(442,085)	(260,786)
Total amount available for distribution to Unitholders at end of the year	**112,283**	176,047
Distribution per unit (cents)	**15.352**[(2)]	14.596[(2)]

(1) Comprises:		
– Taxable income	**367,538**	344,823
– Tax-exempt income	**2,792**	2,691
	370,330	347,514

(2) The figure has been restated to reflect the bonus element in the new units issued pursuant to the preferential offering units in January 2016. The actual distribution per unit paid/payable to Unitholders is 15.357 cents per unit.

Note A – Distribution adjustments comprise:

	Group 2016 $'000	Group 2015 $'000
Net change in fair value of financial derivatives	**(6,044)**	(36,805)
Net fair value losses/(gains) on investment properties	**2,349**	(47,032)
Change in fair value of exchangeable collateralised securities	**(12,024)**	24,933
Change in fair value of debt securities	**–**	16,574
Unrealised foreign exchange loss	**11,121**	492
Management fee paid/payable in units	**8,600**	7,627
Trustee fee	**2,643**	2,323
Loss/(income) from subsidiaries	**6,311**	(10,431)
Transfer to general reserves	**(553)**	(343)
Gain on disposal of investment properties	**–**	(2,023)
Tax-exempt income	**(4,665)**	(8,905)
Amount reserved for distribution to perpetual securities holders	**6,637**	–
Rollover adjustment from prior years	**6,525**	–
Others	**11,916**	3,504
Total distribution adjustments	**32,816**	(50,086)

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 MARCH 2016

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Unitholders' Funds				
Balance at beginning of the financial year	**5,013,551**	4,848,566	**4,875,873**	4,782,093
Operations				
Total return for the year attributable to Unitholders of the Trust	**344,151**	397,600	**409,106**	342,505
Less: Amount reserved for distribution to perpetual securities holders	**(6,637)**	–	**(6,637)**	–
Net increase in net assets resulting from operations	**337,514**	397,600	**402,469**	342,505
Hedging transactions				
Effective portion of changes in fair value of financial derivatives	**220**	5,582	**220**	5,582
Changes in fair value of financial derivatives transferred to the Statements of Total Return	**(218)**	(2,275)	**(218)**	(2,275)
Net increase in net assets resulting from hedging transactions	**2**	3,307	**2**	3,307
Movement in foreign currency translation reserve	**(3,287)**	16,110	**–**	–
Unitholders' transactions				
Units issued through equity fund raising	**344,892**	–	**344,892**	–
Consideration units for acquisition of property	**210,000**	–	**210,000**	–
Divestment fees paid in units	**124**	–	**124**	–
Acquisition fees paid/payable in units	**14,419**	1,120	**14,419**	1,120
Management fees paid/payable in units	**8,600**	7,627	**8,600**	7,627
Unit issue costs	**(2,851)**	7	**(2,851)**	7
Distributions to Unitholders	**(442,085)**	(260,786)	**(442,085)**	(260,786)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**133,099**	(252,032)	**133,099**	(252,032)
Balance at end of the financial year	**5,480,879**	5,013,551	**5,411,443**	4,875,873
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	**–**	–	**–**	–
Issue of perpetual securities	**300,000**	–	**300,000**	–
Issue costs	**(2,216)**	–	**(2,216)**	–
Amount reserved for distribution to perpetual securities holders	**6,637**	–	**6,637**	–
Balance at end of the financial year	**304,421**	–	**304,421**	–
Non-controlling interests				
Balance at beginning of the financial year	**39**	34	**–**	–
Total return for the year attributable to non-controlling interests	**(18)**	5	**–**	–
Balance at end of the financial year	**21**	39	**–**	–
Total	**5,785,321**	5,013,590	**5,715,864**	4,875,873

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Group

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
SINGAPORE											
Business & Science Park Properties											
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	10 Science Park Road	115,300	31 Mar 2016	**115,300**	117,900	**1.99**	2.35
The Aries, Gemini & Sparkle[i]	19 Nov 2002	Leasehold	60 years	18 Nov 2062	41, 45 & 51 Science Park Road	205,100	31 Mar 2016	**205,100**	209,200	**3.55**	4.18
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	1 Science Park Road	129,500	31 Mar 2016	**129,500**	129,000	**2.24**	2.57
Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	17 Changi Business Park Central 1	73,500	31 Mar 2016	**73,500**	70,500	**1.27**	1.41
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	1 Changi Business Park Avenue 1	43,000	31 Mar 2016	**43,000**	48,600	**0.74**	0.97
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	7 International Business Park	25,400	31 Mar 2016	**25,400**	24,800	**0.44**	0.49
PSB Science Park Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	1 Science Park Drive	82,000	31 Mar 2016	**82,000**	82,000	**1.42**	1.64
13 International Business Park	10 Oct 2006	Leasehold	60 years[a]	15 Jul 2064[a]	13 International Business Park	22,400	31 Mar 2016	**22,400**	25,550	**0.39**	0.51
iQuest @ IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	27 International Business Park	35,900	31 Mar 2016	**35,900**	35,000	**0.62**	0.70
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	10 Changi Business Park Central 2	90,700	31 Mar 2016	**90,700**	86,900	**1.57**	1.73
Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	29 International Business Park	83,000	31 Mar 2016	**83,000**	83,900	**1.43**	1.67
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	87 & 89 Science Park Drive	91,300	31 Mar 2016	**91,300**	82,200	**1.58**	1.64
31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	31 International Business Park	227,700	31 Mar 2016	**227,700**	216,100	**3.93**	4.31
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	312,400	31 Mar 2016	**312,400**	333,000	**5.40**	6.64
Balance carried forward – (Business & Science Park Properties)						1,537,200		**1,537,200**	1,544,650	**26.57**	30.81

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
Business & Science Park Properties (continued)											
Balance brought forward – (Business & Science Park Properties)						1,537,200		**1,537,200**	1,544,650	**26.57**	30.81
DBS Asia Hub	31 Mar 2010	Leasehold	60 years[a]	30 Sep 2067[a]	2&2A Changi Business Park Crescent	168,200	31 Mar 2016	**168,200**	152,300	**2.91**	3.04
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	8/8A Biomedical Grove	121,400	31 Mar 2016	**121,400**	131,000	**2.10**	2.61
Nordic European Centre	08 Jul 2011	Leasehold	60 years[a]	31 Mar 2057[a]	3 International Business Park	113,200	31 Mar 2016	**113,200**	116,100	**1.95**	2.32
AkzoNobel House	08 Dec 2011	Leasehold	60 years[a]	28 Feb 2061[a]	3 Changi Business Park Vista	62,500	31 Mar 2016	**62,500**	68,100	**1.08**	1.36
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	73 Science Park Drive	56,900	31 Mar 2016	**56,900**	48,600	**0.98**	0.97
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	75 Science Park Drive	46,400	31 Mar 2016	**46,400**	43,900	**0.80**	0.88
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	77 & 79 Science Park Drive	128,500	31 Mar 2016	**128,500**	118,200	**2.22**	2.36
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	61 Science Park Road	153,300	31 Mar 2016	**153,300**	133,900	**2.65**	2.67
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	1 & 3 Fusionopolis Link	191,400	31 Mar 2016	**191,400**	189,400	**3.31**	3.78
The Kendall[ii]	30 Mar 2015	Leasehold	64 years	24 Mar 2079	50 Science Park Road	127,700	31 Mar 2016	**127,700**	113,700	**2.21**	2.26
ONE@Changi City[iii]	01 Mar 2016	Leasehold	60 years	29 Apr 2069	1 Changi Business Park Central 1	439,000	31 Mar 2016	**439,000**	–	**7.59**	–
Total Singapore Business & Science Park Properties						3,145,700		**3,145,700**	2,659,850	**54.37**	53.06
Integrated Development, Amenities & Retail Properties											
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	50 Tampines North Drive 2	65,300	31 Mar 2016	**65,300**	65,500	**1.13**	1.31
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	21 Tampines North Drive 2	86,000	31 Mar 2016	**86,000**	86,000	**1.49**	1.71
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	8, 10 & 12 Kallang Avenue	558,600	31 Mar 2016	**558,600**	507,200	**9.65**	10.12
Total Singapore Integrated Development, Amenities & Retail Properties						709,900		**709,900**	658,700	**12.27**	13.14

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
	Hi-Specifications Industrial Properties & Data Centres											
	Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	31 Kaki Bukit Road 3	124,000	31 Mar 2016	**124,000**	120,000	**2.14**	2.39
	Siemens Centre	12 Mar 2004	Leasehold	60 years[(a)]	15 Dec 2061[(a)]	60 MacPherson Road	102,900	31 Mar 2016	**102,900**	102,400	**1.78**	2.04
#	Infineon Building	01 Dec 2004	Leasehold	47 years[(c)]	30 Jun 2050[(c)]	8 Kallang Sector	85,000	31 Mar 2016	**85,000**	81,000	**1.47**	1.62
#	Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	10 Ang Mo Kio Street 65	149,700	31 Mar 2016	**149,700**	150,000	**2.59**	2.99
#	Wisma Gulab	01 Dec 2004	Freehold	Freehold	–	190 MacPherson Road	77,000	31 Mar 2016	**77,000**	77,000	**1.33**	1.54
#	KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	150 Kampong Ampat	45,200	31 Mar 2016	**45,200**	44,000	**0.78**	0.88
#	KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	159 Kampong Ampat	20,700	31 Mar 2016	**20,700**	19,500	**0.36**	0.39
#	Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	38 Kim Chuan Road	142,000	31 Mar 2016	**142,000**	141,000	**2.45**	2.81
	Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang Timor	91,000	31 Mar 2016	**91,000**	90,000	**1.57**	1.81
	Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	1 Kaki Bukit View	138,500	31 Mar 2016	**138,500**	135,000	**2.40**	2.69
	1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	1 Jalan Kilang	27,300	31 Mar 2016	**27,300**	26,800	**0.47**	0.53
	30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[(a)]	31 Dec 2063[(a)]	30 Tampines Industrial Avenue 3	36,100	31 Mar 2016	**36,100**	35,150	**0.62**	0.70
	50 Kallang Avenue	27 Feb 2006	Leasehold	60 years[(a)]	15 Nov 2055[(a)]	50 Kallang Avenue	42,200	31 Mar 2016	**42,200**	42,100	**0.73**	0.84
	138 Depot Road	15 Mar 2006	Leasehold	60 years[(a)]	30 Nov 2064[(a)]	138 Depot Road	69,500	31 Mar 2016	**69,500**	69,300	**1.20**	1.38
	2 Changi South Lane	01 Feb 2007	Leasehold	60 years[(a)]	15 Oct 2057[(a)]	2 Changi South Lane	36,600	31 Mar 2016	**36,600**	36,500	**0.63**	0.73
	CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[(a)]	31 Dec 2066[(a)]	9 Serangoon North Avenue 5	23,700	31 Mar 2016	**23,700**	22,700	**0.41**	0.45
	38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	38A Kim Chuan Road	123,100	31 Mar 2016	**123,100**	122,950	**2.13**	2.45
	Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	2 Corporation Road	116,000	31 Mar 2016	**116,000**	115,000	**2.01**	2.29
#	Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	5 Tampines Central 6	271,900	31 Mar 2016	**271,900**	271,000	**4.70**	5.41
	31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[(a)]	28 Feb 2050[(a)]	31 Ubi Road 1	35,000	31 Mar 2016	**35,000**	34,500	**0.61**	0.69
	Hyflux Innovation Centre	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	80 Bendemeer Road	212,000	31 Mar 2016	**212,000**	199,780	**3.66**	3.98
	Total Singapore Hi-Specifications Industrial Properties & Data Centres						1,969,400		**1,969,400**	1,935,680	**34.04**	38.61

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
	Light Industrial Properties & Flatted Factories											
	Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 4008-4012 Ang Mo Kio Avenue 10	141,900	31 Mar 2016	**141,900**	141,700	**2.45**	2.83
	Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	191,000	31 Mar 2016	**191,000**	191,800	**3.30**	3.83
	OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	65 Ubi Avenue 1	39,500	31 Mar 2016	**39,500**	39,500	**0.68**	0.79
	41 Changi South Avenue 2	13 Oct 2003	Leasehold	60 years[(a)]	28 Feb 2055[(a)]	41 Changi South Avenue 2	11,900	31 Mar 2016	**11,900**	12,200	**0.21**	0.24
#	12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[(a)]	15 Jan 2056[(a)]	12 Woodlands Loop	28,200	31 Mar 2016	**28,200**	28,200	**0.49**	0.56
#	SB Building	26 Nov 2004	Leasehold	60 years[(a)]	30 Sep 2057[(a)]	25 Changi South Street 1	22,500	31 Mar 2016	**22,500**	22,600	**0.39**	0.45
#	247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	247 Alexandra Road	66,000	31 Mar 2016	**66,000**	64,800	**1.14**	1.29
	5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	5 Tai Seng Drive	18,900	31 Mar 2016	**18,900**	19,300	**0.33**	0.38
#	Volex Building	01 Dec 2004	Leasehold	60 years[(a)]	31 Jan 2052[(a)]	35 Tampines Street 92	12,900	31 Mar 2016	**12,900**	13,040	**0.22**	0.26
#	53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[(a)]	30 Nov 2055[(a)]	53 Serangoon North Avenue 4	14,100	31 Mar 2016	**14,100**	13,300	**0.24**	0.27
	3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	3 Tai Seng Drive	19,100	31 Mar 2016	**19,100**	19,900	**0.33**	0.40
#	27 Ubi Road 4	01 Apr 2005	Leasehold	60 years[(a)]	31 Oct 2055[(a)]	27 Ubi Road 4	13,500	31 Mar 2016	**13,500**	12,800	**0.23**	0.26
#	52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[(a)]	15 Sep 2055[(a)]	52 Serangoon North Avenue 4	21,600	31 Mar 2016	**21,600**	20,700	**0.37**	0.41
#	Hyflux Building	04 Apr 2005	Leasehold	60 years	15 Jan 2041	202 Kallang Bahru	21,700	31 Mar 2016	**21,700**	21,700	**0.38**	0.43
	25 Ubi Road 4	16 May 2005	Leasehold	60 years[(a)]	29 Feb 2056[(a)]	25 Ubi Road 4	11,000	31 Mar 2016	**11,000**	12,000	**0.19**	0.24
	BBR Building	21 Jun 2005	Leasehold	60 years[(a)]	15 Sep 2057[(a)]	50 Changi South Street 1	–	–	**–**	9,300	**–**	0.19
	Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[(a)]	30 Nov 2049[(a)]	11 Tampines Street 92	23,500	31 Mar 2016	**23,500**	21,300	**0.41**	0.42
	84 Genting Lane	05 Oct 2005	Leasehold	43 years[(f)]	30 Nov 2039[(f)]	84 Genting Lane	15,800	31 Mar 2016	**15,800**	14,700	**0.27**	0.29
	Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	455A Jalan Ahmad Ibrahim	7,800	31 Mar 2016	**7,800**	7,800	**0.13**	0.16
	NNB Industrial Building	05 Oct 2005	Leasehold	60 years[(a)]	15 Jan 2056[(a)]	10 Woodlands Link	16,800	31 Mar 2016	**16,800**	16,700	**0.29**	0.33
	37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[(a)]	31 Aug 2054[(a)]	37A Tampines Street 92	16,500	31 Mar 2016	**16,500**	17,200	**0.29**	0.34
	Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[(a)]	28 Feb 2065[(a)]	11 Changi North Rise	39,000	31 Mar 2016	**39,000**	38,500	**0.67**	0.77
	Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[(g)]	30 Jun 2047[(g)]	21 Changi North Rise	11,300	31 Mar 2016	**11,300**	9,500	**0.20**	0.19
	Balance carried forward – (Light Industrial Properties & Flatted Factories)						764,500		**764,500**	768,540	**13.21**	15.33

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
Light Industrial Properties & Flatted Factories (continued)											
Balance brought forward - (Light Industrial Properties & Flatted Factories)						764,500		**764,500**	768,540	**13.21**	15.33
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	150 Ubi Avenue 4	19,500	31 Mar 2016	**19,500**	18,400	**0.34**	0.37
2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	2 Senoko South Road	37,800	31 Mar 2016	**37,800**	36,500	**0.65**	0.73
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	18 Woodlands Loop	29,900	31 Mar 2016	**29,900**	28,200	**0.52**	0.56
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	9 Woodlands Terrace	3,550	31 Mar 2016	**3,550**	3,100	**0.06**	0.06
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	11 Woodlands Terrace	4,600	31 Mar 2016	**4,600**	3,920	**0.08**	0.08
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	1 Senoko Avenue	83,300	31 Mar 2016	**83,300**	80,800	**1.44**	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 2016	**23,600**	23,600	**0.41**	0.47
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	31 Joo Koon Circle	19,000	31 Mar 2016	**19,000**	18,300	**0.33**	0.36
Total Singapore Light Industrial Properties & Flatted Factories						985,750		**985,750**	981,360	**17.04**	19.57

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

	Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
	Logistics & Distribution Centres											
	IDS Logistics Corporate HQ	19 Feb 2004	Leasehold	58 years[b]	31 Aug 2056[b]	279 Jalan Ahmad Ibrahim	40,800	31 Mar 2016	**40,800**	39,500	**0.71**	0.79
	LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	3 Changi North Street 2	49,800	31 Mar 2016	**49,800**	49,100	**0.86**	0.98
	10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	10 Toh Guan Road	126,700	31 Mar 2016	**126,700**	124,400	**2.19**	2.48
	Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[a]	15 Oct 2050[a]	19 Loyang Way	86,200	31 Mar 2016	**86,200**	86,800	**1.49**	1.73
	Nan Wah Building	31 May 2004	Leasehold	60 years[a]	15 Oct 2057[a]	4 Changi South Lane	27,400	31 Mar 2016	**27,400**	29,900	**0.47**	0.60
	40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[d]	31 Dec 2049[d]	40 Penjuru Lane	246,900	31 Mar 2016	**246,900**	243,400	**4.27**	4.85
#	Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[a]	31 May 2054[a]	3 Changi South Street 2	34,900	31 Mar 2016	**34,900**	33,900	**0.60**	0.68
#	MacDermid Building	02 Dec 2004	Leasehold	60 years[a]	15 Jul 2050[a]	20 Tuas Avenue 6	7,400	31 Mar 2016	**7,400**	7,400	**0.13**	0.15
	Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[a]	31 Oct 2055[a]	6 Changi South Street 2	25,300	31 Mar 2016	**25,300**	25,700	**0.44**	0.51
#	9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[a]	30 Apr 2055[a]	9 Changi South Street 3	39,900	31 Mar 2016	**39,900**	38,300	**0.69**	0.76
#	5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[a]	15 Dec 2049[a]	5 Toh Guan Road East	30,300	31 Mar 2016	**30,300**	33,000	**0.52**	0.66
	Xilin Districentre Building C	05 May 2005	Leasehold	60 years[a]	30 Sep 2054[a]	7 Changi South Street 2	26,400	31 Mar 2016	**26,400**	26,000	**0.46**	0.52
	Senkee Logistics Hub (Phase I and II)	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[e]	31 Jan 2049[e]	19 & 21 Pandan Avenue	124,800	31 Mar 2016	**124,800**	124,800	**2.16**	2.49
	1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	1 Changi South Lane	44,700	31 Mar 2016	**44,700**	43,500	**0.77**	0.87
	Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[a]	15 May 2053[a]	2 Clementi Loop	33,700	31 Mar 2016	**33,700**	32,960	**0.58**	0.66
	GSH Centre	18 Nov 2005	Leasehold	60 years[a]	15 Nov 2063[a]	11 Changi North Way	16,400	31 Mar 2016	**16,400**	16,600	**0.28**	0.33
	21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[a]	30 Sep 2055[a]	21 Jalan Buroh	78,700	31 Mar 2016	**78,700**	78,700	**1.36**	1.57
	30 Old Toh Tuck Road	14 Jun 2006	Leasehold	60 years[a]	15 Feb 2057[a]	30 Old Toh Tuck Road	21,900	31 Mar 2016	**21,900**	21,230	**0.38**	0.42
	Sim Siang Choon Building	19 Mar 2008	Leasehold	60 years[a]	30 Sep 2054[a]	21 Changi South Avenue 2	29,000	31 Mar 2016	**29,000**	29,000	**0.50**	0.58
	15 Changi North Way	29 Jul 2008	Leasehold	60 years[a]	31 Dec 2066[a]	15 Changi North Way	48,400	31 Mar 2016	**48,400**	48,400	**0.84**	0.96
	Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	15 Pioneer Walk	119,800	31 Mar 2016	**119,800**	119,100	**2.07**	2.38
	71 Alps Avenue	02 Sep 2009	Leasehold	60 years[a]	14 Aug 2068[a]	71 Alps Avenue	22,100	31 Mar 2016	**22,100**	21,800	**0.38**	0.43
	90 Alps Avenue	20 Jan 2012	Leasehold	60 years[a]	22 Oct 2070[a]	90 Alps Avenue	50,400	31 Mar 2016	**50,400**	49,700	**0.87**	0.99
	Total Singapore Logistics & Distribution Centres						1,331,900		**1,331,900**	1,323,190	**23.02**	26.39
	Total Singapore investment properties						8,142,650		**8,142,650**	7,558,780	**140.74**	150.77

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
CHINA											
Business & Science Park Properties											
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	144,693	31 Mar 2016	**144,693**	108,000	**2.50**	2.15
A-REIT City @ Jinqiao	12 Jul 2013	Leasehold	35.6 years	04 Aug 2046	No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District, Shanghai, China	204,038	31 Mar 2016	**204,038**	201,150	**3.53**	4.01
Total China Business & Science Park Properties						348,731		**348,731**	309,150	**6.03**	6.16
Logistics & Distribution Centres											
A-REIT Jiashan Logistics Centre	17 Mar 2016	Leasehold	50 years	20 Apr 2065	No. 137 Wan Tai Road, Yao Zhuang Town, Jia Shan County, Zhejiang Province, China	25,164	31 Mar 2016	**25,164**	–	**0.43**	–
Total China Logistics & Distribution Centres						25,164		**25,164**	–	**0.43**	–
Total China investment properties						373,895		**373,895**	309,150	**6.46**	6.16

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
AUSTRALIA(iv)											
Logistics & Distribution Centres											
9-16 Andretti Court, Truganina	18 Nov 2015	Freehold	Freehold	–	9-16 Andretti Court, Truganina	28,234	31 Mar 2016	**28,234**	–	**0.49**	–
Lot 4 Honeycomb Drive, Eastern Creek	18 Nov 2015	Freehold	Freehold	–	Lot 4 Honeycomb Drive, Eastern Creek	36,662	31 Mar 2016	**36,662**	–	**0.63**	–
5 Eucalyptus Place, Eastern Creek	18 Nov 2015	Freehold	Freehold	–	5 Eucalyptus Place, Eastern Creek	23,218	31 Mar 2016	**23,218**	–	**0.40**	–
81-89 Drake Boulevard, Altona	18 Nov 2015	Freehold	Freehold	–	81-89 Drake Boulevard, Altona	16,676	31 Mar 2016	**16,676**	–	**0.29**	–
1A & 1B Raffles Glade, Eastern Creek	18 Nov 2015	Freehold	Freehold	–	1A & 1B Raffles Glade, Eastern Creek	40,075	31 Mar 2016	**40,075**	–	**0.69**	–
7 Grevillea Street, Eastern Creek	18 Nov 2015	Freehold	Freehold	–	7 Grevillea Street, Eastern Creek	116,347	31 Mar 2016	**116,347**	–	**2.01**	–
2-34 Aylesbury Drive, Altona	18 Nov 2015	Freehold	Freehold	–	2-34 Aylesbury Drive, Altona	18,822	31 Mar 2016	**18,822**	–	**0.33**	–
162 Australis Drive, Derrimut	18 Nov 2015	Freehold	Freehold	–	162 Australis Drive, Derrimut	25,338	31 Mar 2016	**25,338**	–	**0.44**	–
1 Distribution Place, Seven Hills	18 Nov 2015	Freehold	Freehold	–	1 Distribution Place, Seven Hills	28,596	31 Mar 2016	**28,596**	–	**0.49**	–
1 & 7-15 Kellet Close, Erskine Park	18 Nov 2015	Freehold	Freehold	–	1 & 7-15 Kellet Close, Erskine Park	43,436	31 Mar 2016	**43,436**	–	**0.75**	–
35-61 South Park Drive, Dandenong South	18 Nov 2015	Freehold	Freehold	–	35-61 South Park Drive, Dandenong South	36,921	31 Mar 2016	**36,921**	–	**0.64**	–
Permas Way, Truganina	18 Nov 2015	Freehold	Freehold	–	Permas Way, Truganina	46,229	31 Mar 2016	**46,229**	–	**0.80**	–
Radius Drive, Larapinta	18 Nov 2015	Freehold	Freehold	–	Radius Drive, Larapinta	24,924	31 Mar 2016	**24,924**	–	**0.43**	–
14-28 Ordish Road, Dandenong South	18 Nov 2015	Freehold	Freehold	–	14-28 Ordish Road, Dandenong South	47,366	31 Mar 2016	**47,366**	–	**0.82**	–
77 Logistics Place, Larapinta	18 Nov 2015	Freehold	Freehold	–	77 Logistics Place, Larapinta	27,717	31 Mar 2016	**27,717**	–	**0.48**	–
94 Lenore Drive, Erskine Park	18 Nov 2015	Freehold	Freehold	–	94 Lenore Drive, Erskine Park	38,886	31 Mar 2016	**38,886**	–	**0.67**	–
Balance carried forward – (Logistics & Distribution Centres)						599,447		**599,447**	–	**10.36**	–

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
Logistics & Distribution Centres (continued)											
Balance carried forward – (Logistics & Distribution Centres)						599,447		**599,447**	–	**10.36**	–
676-698 Kororoit Creek Road, Altona North	23 Oct 2015	Freehold	Freehold	–	676-698 Kororoit Creek Road, Altona North	57,398	31 Mar 2016	**57,398**	–	**0.99**	–
700-718 Kororoit Creek Road, Altona North	23 Oct 2015	Freehold	Freehold	–	700-718 Kororoit Creek Road, Altona North	30,819	31 Mar 2016	**30,819**	–	**0.53**	–
484-490 Great Western Highway, Arndell Park	23 Oct 2015	Freehold	Freehold	–	484-490 Great Western Highway, Arndell Park	20,167	31 Mar 2016	**20,167**	–	**0.35**	–
494-500 Great Western Highway, Arndell Park	23 Oct 2015	Freehold	Freehold	–	494-500 Great Western Highway, Arndell Park	33,405	31 Mar 2016	**33,405**	–	**0.58**	–
82 Noosa Street, Heathwood	23 Oct 2015	Freehold	Freehold	–	82 Noosa Street, Heathwood	57,036	31 Mar 2016	**57,036**	–	**0.99**	–
62 Stradbroke Street, Heathwood	23 Oct 2015	Freehold	Freehold	–	62 Stradbroke Street, Heathwood	30,716	31 Mar 2016	**30,716**	–	**0.53**	–
62 Sandstone Place, Parkinson	23 Oct 2015	Freehold	Freehold	–	62 Sandstone Place, Parkinson	22,132	31 Mar 2016	**22,132**	–	**0.38**	–
92 Sandstone Place, Parkinson	23 Oct 2015	Freehold	Freehold	–	92 Sandstone Place, Parkinson	25,855	31 Mar 2016	**25,855**	–	**0.45**	–
2-56 Australand Drive, Berrinba	23 Oct 2015	Freehold	Freehold	–	2-56 Australand Drive, Berrinba	83,046	31 Mar 2016	**83,046**	–	**1.44**	–
35 Baile Road, Canning Vale	23 Oct 2015	Freehold	Freehold	–	35 Baile Road, Canning Vale	39,455	31 Mar 2016	**39,455**	–	**0.68**	–
6-20 Clunies Ross Street, Pemulway	22 Feb 2016	Freehold	Freehold	–	6-20 Clunies Ross Street, Pemulway	82,633	31 Mar 2016	**82,633**	–	**1.43**	–
Total Australia Logistics & Distribution Centres						1,082,109		**1,082,109**	–	**18.71**	–
Total Australia investment properties						**1,082,109**		**1,082,109**	–	**18.71**	–

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 MARCH 2016

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Location	Latest Valuation $'000	Valuation Date	Carrying Amount 2016 $'000	Carrying Amount 2015 $'000	Percentage of Net Assets 2016 %	Percentage of Net Assets 2015 %
Total Group's investment properties								**9,598,654**	7,867,930	**165.91**	156.94
Property held for sale								**–**	24,800	**–**	0.49
Other assets and liabilities (net)								**(3,813,333)**	(2,879,140)	**(65.91)**	(57.43)
Net assets of the Group								**5,785,321**	5,013,590	**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 all 133 (2015: 105 out of 107) properties were undertaken by the following valuers on the dates stated below:

Valuers	2016 Valuation date	2015 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	31 March 2016	–
CBRE Valuations Pty Limited	31 March 2016	–
CBRE Limited	31 March 2016	–
CBRE Pte. Ltd.	31 March 2016	31 March 2015
DTZ Debenham Tie Leung (SEA) Pte Ltd	31 March 2016	31 March 2015
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 March 2016	31 March 2015
Cushman & Wakefield VHS Pte Ltd	31 March 2016	31 March 2015
Knight Frank Pte Ltd	31 March 2016	31 March 2015
Jones Lang LaSalle Property Consultants Pte Ltd	31 March 2016	31 March 2015
Cushman & Wakefield Valuation Advisory Services (HK) Ltd	–	31 March 2015

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 2016, the valuations adopted for investment properties and property held for sale amounted to $9,598.7 million (2015: $7,754.2 million) and $Nil (2015: $24.8 million) respectively. The net decrease in valuation of $2.3 million (2015: increase of $47.0 million) of the Group has been recognised in the Statement of Total Return.

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

(i) The land titles of both The Aries and The Gemini have been amalgamated subsequent to the completion of asset enhancement works for Sparkle, a link block connecting the two buildings.

(ii) The Kendall was acquired from Singapore Science Park Ltd, a related party of the Manager, in March 2015 and was recorded at the cost incurred upon acquisition as at 31 March 2015.

(iii) ONE@Changi City was acquired from Ascendas Frasers Pte Ltd, a related party of the Manager, in March 2016.

(iv) The 27 properties in Australia were acquired in October 2015 (10 properties), November 2015 (16 properties) and February 2016 (1 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 CL – These properties were pledged as securities in relation to the $300.0 million exchangeable collateralised securities issued by Ruby Assets Pte. Ltd., a subsidiary of the Trust.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2016

	Note	Group 2016 $'000	Group 2015 $'000
Cash flows from operating activities			
Total return for the year before tax		**369,273**	404,348
Adjustments for:			
Allowance for impairment loss on doubtful receivables (reversed)/made	10	**(303)**	609
Depreciation of plant and equipment	5	**187**	367
Finance income	25	**(16,150)**	(8,273)
Finance costs	25	**93,603**	113,651
Foreign exchange loss/(gain)		**16,005**	(4,881)
Gain on disposal of investment properties		**–**	(2,023)
Management fees paid/payable in units	23	**8,600**	7,627
Net change in fair value of financial derivatives		**1,236**	(89,363)
Net depreciation/(appreciation) on revaluation of investment properties		**2,349**	(47,032)
Share of joint venture's result		**(43)**	–
Operating income before working capital changes		**474,757**	375,030
Changes in working capital:			
Trade and other receivables		**8,228**	(30,608)
Trade and other payables		**3,217**	20,379
Cash generated from operating activities		**486,202**	364,801
Income tax paid		**(4,488)**	(2,360)
Net cash generated from operating activities		**481,714**	362,441
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	A	**(638,539)**	(251,895)
Purchase of investment properties	B	**(738,672)**	(301,425)
Payment for capital improvement on investment properties		**(136,335)**	(98,697)
Payment for investment properties under development		**(21,301)**	(2,202)
Proceeds from divestment of investment properties		**38,700**	12,600
Purchase of plant and equipment		**(189)**	(1,428)
Interest received		**4,013**	5,502
Net cash used in investing activities		**(1,492,323)**	(637,545)
Cash flows from financing activities			
Proceeds from issuance of perpetual securities		**300,000**	–
Issue costs for perpetual securities paid		**(2,029)**	–
Proceeds from issue of units through equity fund raising		**344,892**	–
Unit issue costs paid		**(2,726)**	–
Distributions paid to Unitholders		**(442,085)**	(260,786)
Finance costs paid		**(87,211)**	(67,395)
Transaction costs paid in respect of borrowings		**(4,244)**	(673)
Proceeds from borrowings		**1,986,790**	1,565,860
Repayment of borrowings		**(1,066,434)**	(988,442)
Net cash generated from financing activities		**1,026,953**	248,564
Net increase/(decrease) in cash and cash equivalents		**16,344**	(26,540)
Cash and cash equivalents at beginning of financial year		**41,590**	67,328
Effect of exchange rate changes on cash balances		**(1,698)**	802
Cash and cash equivalents at end of financial year		**56,236**	41,590

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

Notes:

(A) Net cash outflow on acquisition of subsidiaries

Net cash outflow on acquisition of subsidiaries is set out below:

	Group	
	2016 $'000	2015 $'000
Investment property (including acquisition costs)	**646,901**	459,888
Cash	**–**	9,074
Other assets	**1,111**	3,734
Bank loan	**–**	(255,969)
Convertible bonds	**–**	(184,993)
Accrued expenses	**(810)**	(20,339)
Deposits	**–**	(4,076)
Other liabilities	**(2,536)**	(2,319)
Net identifiable assets acquired	**644,666**	5,000
Total consideration	**644,666**	5,000
Add: Bank loan repaid	**–**	255,969
Less: Acquisition costs payable in form of units	**(6,127)**	–
Cash acquired	**–**	(9,074)
Net cash outflow	**638,539**	251,895

Details of the subsidiaries acquired are set out in Note 7.

(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	
	2016 $'000	2015 $'000
Investment properties (including acquisition costs)	**961,360**	308,190
Cash	**–**	1,926
Trade and other payables	**(4,396)**	(5,645)
Net identifiable assets acquired	**956,964**	304,471
Total consideration	**956,964**	304,471
Consideration paid in the form of units	**(210,000)**	–
Acquisition costs paid in the form of units	**(8,292)**	(1,120)
Cash acquired	**–**	(1,926)
Net cash outflow	**738,672**	301,425

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

(C) Significant non-cash transactions

Year ended 31 March 2016

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

- 3,410,058 units amounting to $8,075,000 were issued at issue prices ranging from $2.3107 to $2.4318 per unit as payment for 20% of the base management fee relating to the period from 1 December 2014 to 30 November 2015.

- 6,650,105 units amounting to $15,539,000 were issued at issue prices ranging from $2.2504 to $2.6361 per unit as payment for the acquisition fees to the Manager in relation to the acquisition of The Kendall, 26 Australia properties and ONE@Changi City.

- 48,431 units amounting to $124,000 were issued at $2.5603 per unit as payment for the divestment fee to the Manager in relation to the divestment of 26 Senoko Way.

- 94,466,936 units amounting to $210,000,000 were issued to related parties of the Manager at $2.2230 per unit in satisfaction of 50% of the consideration for ONE@Changi City.

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.

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.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 20 May 2016.

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, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015 and the Thirteenth Supplemental Deed dated 26 January 2016 (collectively, the "Trust Deed").

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

The principal activity of the Trust is to invest in a diverse portfolio of properties and property related assets with the primary objective of achieving an attractive level of return and long-term capital growth. The principal activities of the subsidiaries are set out in Note 7.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in an equity-accounted investee.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fees structures of these services are as follows:

(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.

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 comparable services is materially lower, the Manager will reduce the development management fee to less than 3.0%. In addition, when the estimated total project cost is greater than $100.0 million, the Trustee and the Manager's independent directors will review and approve the quantum of the development management fee.

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

With effect from 17 November 2004, the Manager may elect to receive performance fee in cash and/or units, in such proportion as may be determined by the Manager. The Manager has elected to receive 100% of the performance fee in the form of cash for the financial year ended 31 March 2016. No performance fee was payable for the financial year ended 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.

1. GENERAL (continued)

(c) Fees under the property management agreements (for the Singapore and China properties)

(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.

1. GENERAL (continued)

(c) Fees under the property management agreements (for the Singapore and China properties) (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.

1. GENERAL (continued)

(c) Fees under the property management agreements (for the Singapore and China properties) (continued)

(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).

(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.

1. GENERAL (continued)

(d) Fees under the lease management agreement (for the Singapore and China properties)

(i) Lease management services

For lease management services, the Group will pay the Manager or its nominees (as the Manager may direct), a fee of 1.0% per annum of the adjusted gross revenue of each property. In addition to the above fee, the Group will pay the Manager or its nominees the following fees, subject to a refund of 50.0% of the commission paid to the Manager or its nominees if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Group for the pre-termination (taking into account the loss of income and related expenses), the Manager or its nominees need not refund 50.0% of the commission. If the tenant only compensates the Group for a proportion of the loss, the amount refunded to the Group by the Manager or its nominees would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.

In relation to a tenancy which is renewed, the Group will pay the Manager or its nominees, the following fees:

- pro-rated based on 0.5 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than one year;
- 0.5 month's gross rent inclusive of service charge for securing a tenancy of one year or more but less than or equivalent to three years;
- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of five years; and
- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of more than five years, provided that the commission payable shall not exceed a sum equivalent to one and a half months' gross rent inclusive of service charge.

In relation to any new take-up of space by an existing tenant or where the space is taken up by a new tenant introduced by an existing tenant, the Group will pay the Manager or its nominees, the following fees:

- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than three years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 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.

1. GENERAL (continued)

(d) Fees under the lease management agreement (for the Singapore and China properties) (continued)

(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.

(e) Fees under the strategic and asset management agreements (for the Australia properties)

For strategic management services, the Group will pay the Ascendas Funds Management (Australia) Pty Ltd ("AFMA"), a wholly owned subsidiary of the Manager, a strategic management fee of 1.0% per annum of the adjusted gross revenue of each property.

For asset management services, the Group will pay AFMA an asset management fee (to be mutually agreed between the Group and AFMA) under the asset management agreement. To the extent that the asset management fees payable to AFMA exceeds the fees charged to AFMA by third-party licensed real estate agents and results in a net positive balance for any financial year to AFMA (an "Excess"), the fees payable to AFMA under the strategic management agreement will be reduced by the Excess such that the total fee payable to AFMA under both the strategic management agreement and the asset management agreement, after taking into consideration the fees charged by the third-party licensed real estate agents, will not exceed the aggregate fee of 1.0% per annum of the adjusted gross revenue of the properties for which strategic management services and asset management services are provided.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

(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 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 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 note:

- Note 4 – Acquisition of investment properties through subsidiaries

Information about significant areas of estimation that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3(i) – Estimates of current and deferred taxes
- Note 33 – Valuation of investment properties
- Notes 32 and 33 – Valuation of financial instruments

2 BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 – Valuation of investment properties
- Notes 32 and 33 – Valuation of financial instruments

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 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.

Investment in joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Subsidiaries in the separate financial statements

Interest in subsidiaries and joint venture are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

(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, or qualifying cash flow hedges, which are recognised in Unitholders' funds.

Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in Unitholders' funds. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the Statement of Total Return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in the translation reserve in Unitholders' funds.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) 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 Statement of Financial Position. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned interest income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned interest income. The interest income is recognised in the Statement of Total Return on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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 Statement of Financial Position 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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through statement of total return) 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 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 statement of financial position 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 other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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, 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

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised in the Statement of Total Return.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in joint venture, 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.

Joint venture

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment (continued)

(ii) Non-financial assets

The carrying amounts of Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in the Statement of Total Return if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return, unless it reverses a previous revaluation credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

Reversals of impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) 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 or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Taxation (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and

- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in Singapore and Australia, the presumption that the carrying amounts will be recovered through sale has not been rebutted. 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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its public listing on SGX-ST. Subject to meeting the terms and conditions of the tax ruling, the Trustee will not be assessed to tax on the taxable income of the Trust distributed in the same financial year. Instead, the Trustee and the Manager will deduct income tax (if required) at the prevailing corporate tax rate of 17.0% from the distributions made to Unitholders that are made out of the taxable income of the Trust in that financial year.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Taxation (continued)

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.

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.

(j) Distribution policy

The Trust's distribution policy is to distribute 100% of its taxable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains. Distributions are made semi-annually, for the six months ending 30 September and 31 March each year. Income from the overseas subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax payable, at the discretion of the Manager.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

(l) Perpetual securities

The perpetual securities may be redeemed at the option of A-REIT. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity.

The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

(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.

(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).

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, adjusting for the effects of all dilutive potential units arising from the conversion of the ECS issued by the Group.

(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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 *Revenue from contracts with customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 April 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Trust in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Trust.

In addition, Singapore-incorporated companies listed on the SGX-ST will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year commencing 1 January 2018 onwards. Singapore-incorporated companies listed on SGX-ST will have to assess the impact of IFRS 1: First-time adoption of IFRS when transitioning to the new reporting framework. The Manager is currently assessing the potential impact of adopting these new standards and interpretations and the new financial reporting framework, on the financial statements of the Group and the Trust.

4 INVESTMENT PROPERTIES

	Group		Trust	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
At 1 April	**7,867,930**	6,922,966	**7,558,780**	6,651,419
Acquisition of investment properties	**961,360**	308,190	**437,329**	801,190
Acquisition of a subsidiary	**646,901**	459,888	**–**	–
Transfer to property held for sale	**–**	(24,800)	**–**	(24,800)
Capital expenditure incurred	**132,670**	130,967	**108,734**	128,260
Transfer from plant and equipment	**–**	39	**–**	–
Disposal of investment properties	**(13,900)**	–	**(13,900)**	–
Effects of movement in exchange rates	**6,042**	23,648	**–**	–
	9,601,003	7,820,898	**8,090,943**	7,556,069
Net fair value (losses)/gains on investment properties recognised in the Statement of Total Return (unrealised)	**(2,349)**	47,032	**51,707**	2,711
At 31 March	**9,598,654**	7,867,930	**8,142,650**	7,558,780

During the current financial year, the Group and the Trust divested BBR Building. In the previous 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.

As at the reporting date, investment properties with an aggregate carrying amount of $1,104,500,000 (2015: $1,093,240,000) have been pledged as collateral for the Exchangeable Collateralised Securities and certain term notes issued by the Group (Note 15 and 16).

Measurement of fair value

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2016. As at 31 March 2015, the investment properties were stated at fair value based on valuations performed by independent valuers, except for The Kendall, which was acquired on 30 March 2015 and was recorded at the cost incurred upon acquisition.

Critical judgements made in accounting for acquisitions

The Group acquires subsidiaries that own real estate, and individual real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Group considers whether significant processes such as strategic management and operational processes are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of a business. Where the acquisition of the subsidiary or real estate does not represent a business, it is accounted for as an acquisition of group of assets and liabilities.

The Group assessed the acquisition of the subsidiaries for the financial years presented as acquisitions of assets as no strategic management function and operational processes were acquired along with the investment properties.

5 PLANT AND EQUIPMENT

	Furniture and fixtures $'000	Equipment $'000	Computers and office equipment $'000	Total $'000
Group				
Cost				
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
At 1 April 2015	2,880	5,829	527	9,236
Additions	–	–	1	1
Effects of movement in exchange rates	(2)	(2)	(7)	(11)
At 31 March 2016	**2,878**	**5,827**	**521**	**9,226**
Accumulated depreciation				
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
At 1 April 2015	2,857	5,653	466	8,976
Depreciation charge for the year	4	158	25	187
Effects of movement in exchange rates	–	(1)	(4)	(5)
At 31 March 2016	**2,861**	**5,810**	**487**	**9,158**
Carrying amounts				
At 1 April 2014	9	370	39	418
At 31 March 2015	23	176	61	260
At 31 March 2016	**17**	**17**	**34**	**68**
Trust				
Cost				
At 1 April 2014	2,852	5,795	242	8,889
Additions	–	–	189	189
At 31 March 2015	2,852	5,795	431	9,078
At 1 April 2015 and 31 March 2016	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
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
At 1 April 2015	2,852	5,643	431	8,926
Depreciation charge for the year	–	152	–	152
At 31 March 2016	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 1 April 2014	–	303	–	303
At 31 March 2015	–	152	–	152
At 31 March 2016	**–**	**–**	**–**	**–**

6 FINANCE LEASE RECEIVABLES

	2016 Carrying amount $'000	2016 Face value $'000	2015 Carrying amount $'000	2015 Face value $'000
Group and Trust				
Finance lease receivables				
– Current	**35,269**	**159,354**	1,002	9,572
– Non-current	**57,731**	**91,054**	92,842	250,408
	93,000	**250,408**	93,844	259,980

Finance lease receivables are receivable from the lessees as follows:

	Gross receivable 2016 $'000	Unearned interest income 2016 $'000	Net receivable 2016 $'000	Gross receivable 2015 $'000	Unearned interest income 2015 $'000	Net receivable 2015 $'000
Group and Trust						
Within 1 year	**159,354**	**124,085**	**35,269**	9,572	8,570	1,002
After 1 year but within 5 years	**25,259**	**15,065**	**10,194**	42,259	33,203	9,056
After 5 years	**65,795**	**18,258**	**47,537**	208,149	124,363	83,786
	250,408	**157,408**	**93,000**	259,980	166,136	93,844

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.

7 INTERESTS IN SUBSIDIARIES

	Trust 2016 $'000	Trust 2015 $'000
Equity investments, at cost	**422,177**	43,607
Loans to subsidiaries	**282,512**	135,717
	704,689	179,324

7 INTERESTS IN SUBSIDIARIES (continued)

Details of interests in subsidiaries:

	Name of subsidiary	Principal activity	Principal of business	Effective equity held by the Trust 2016 %	Effective equity held by the Trust 2015 %
(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**	100
	A-REIT JW Investment Pte Ltd ("AJW")#	Investment holding	Singapore	**100**	100
	Ruby Assets Pte. Ltd.#	To issue debt securities and grant collateral loan to the Trust	Singapore	**–**	–
	Emerald Assets Limited@	To obtain credit facilities and grant credit facilities to the Trust	Singapore	**–**	–
	Ascendas REIT Australia ("ARA")^	Investment holding	Australia	**100**	–
(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**	100

7 INTERESTS IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activity	Principal of business	Effective equity held by the Trust 2016 %	2015 %
(ii) Indirect subsidiaries (continued)				
A-REIT J.W. Facilities Co. Ltd ("AJFC")^	Development, leasing and management of industrial properties including the provision of management services	PRC	**100**	100
Ascendas Logistics Trust ("ALT")^	Investment holding	Australia	**100**	–
Ascendas Logistics Trust 2 ("ALT2")^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.1^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.2^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.3^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.4^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.5^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.6^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.7^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.8^	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.9^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.1^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.2^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.3^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.4^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.5^	Investment holding	Australia	**100**	–

7 INTERESTS IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activity	Principal of business	Effective equity held by the Trust 2016 %	2015 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Sub-Trust No.6^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.7^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.8^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.9^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.10^	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.11^	Investment holding	Australia	**100**	–

Audited by KPMG LLP, Singapore.
^ Audited by a member firm of KPMG International.
@ Dissolved on 13 February 2016

During the financial year ended 31 March 2016, the Trust incorporated ARA. ARA owns all the paid in capital of ALT which in turn owns all the paid in capital of the Ascendas Longbeach Trusts No. 1 to 8 and Ascendas Longbeach Sub-Trusts No. 1 to 11. ARA also owns all the paid in capital of ALT2, which in turns owns all the paid in capital in Ascendas Longbeach Trusts No. 9.

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.

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. Emerald Assets was dissolved on 13 February 2016.

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.

8 INVESTMENT IN JOINT VENTURE

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Unquoted equity investment, at cost	**1**	–	**–**	–
Share of post-acquisition reserve	**43**	–	**–**	–
	44	–	**–**	–

Details of the joint venture is as follows:

Name of joint venture	Principal of business/ establishment	Effective equity held by the Group and Trust 2016 %	2015 %
Changi City Carpark Operations LLP	Singapore	**39.914**	–

Changi City Carpark Operations LLP ("CCCO") is an unlisted joint arrangement in which the Group has joint control via a partnership agreement and 39.914% equity interest. CCCO manages and operates the car park at ONE@Changi City.

CCCO is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in CCCO as a joint venture, which is equity-accounted.

9 OTHER ASSETS

In the previous financial year, other assets relate to a deposit paid for land acquired for the development of a logistics facility in Jiashan, China, which has been reclassified as investment property in March 2016 subsequent to the completion of development works.

10 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables, gross	**5,389**	5,483	**3,594**	5,235
Impairment losses	**(189)**	(724)	**(189)**	(724)
Trade receivables, net	**5,200**	4,759	**3,405**	4,511
Deposits	**–**	1,952	**–**	1,952
Interest receivables	**7,216**	424	**7,123**	424
Other receivables	**11,659**	13,778	**9,936**	12,991
	24,075	20,913	**20,464**	19,878
Lease incentives	**32,858**	33,132	**31,634**	29,949
Prepayments	**32,352**	36,019	**31,997**	33,657
	89,285	90,064	**84,095**	83,484

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	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Business & Science Park Properties	**2,483**	2,571	**2,281**	2,323
Integrated Development, Amenities & Retail Properties	**520**	257	**520**	257
Hi-Specifications Industrial Properties & Data Centres	**210**	843	**210**	843
Light Industrial Properties & Flatted Factories	**188**	327	**188**	327
Logistics & Distribution Centres	**1,799**	761	**206**	761
	5,200	4,759	**3,405**	4,511

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.

During the financial year, there was no amount drawn down from bankers' guarantees (2015: $976,000). As a result of the default in rental by tenants, $1,399,000 (2015: $825,000) of cash security deposits were forfeited.

10 TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade receivables at the reporting date was:

	2016		2015	
	Gross $'000	Impairment losses $'000	Gross $'000	Impairment losses $'000
Group				
Not past due	**166**	**–**	205	–
Past due 1 – 90 days	**4,165**	**23**	3,780	100
Past due over 90 days	**1,058**	**166**	1,498	624
	5,389	**189**	5,483	724
Trust				
Past due 1 – 90 days	**3,073**	**23**	3,740	100
Past due over 90 days	**521**	**166**	1,495	624
	3,594	**189**	5,235	724

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	2016 $'000	2015 $'000
Group and Trust		
At 1 April	**724**	654
Impairment losses (reversed)/recognised during the year	**(303)**	609
Amounts utilised during the year	**(232)**	(539)
At 31 March	**189**	724

The Manager believes that no impairment loss is necessary in respect of the remaining trade receivables as these amounts mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantees, insurance bonds or cash security deposits.

11 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash at bank	**53,759**	36,090	**6,052**	14,389
Fixed deposits	**2,477**	5,500	**–**	–
	56,236	41,590	**6,052**	14,389

12 TRADE AND OTHER PAYABLES

	Group		Trust	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables	**11,207**	23,646	**10,882**	23,559
Trade amounts due to:				
– the Manager	**25,303**	6,529	**24,853**	6,413
– the Property Manager	**6,696**	13,284	**6,696**	13,284
– the Trustee	**738**	604	**738**	604
– other related parties	**450**	775	**450**	1,226
Accruals	**74,807**	89,458	**50,320**	69,655
Other payables	**21,807**	16,449	**16,597**	14,908
Amount owing to a subsidiary [1]	**–**	–	**18,000**	–
Property tax payable	**7,783**	12,816	**7,652**	12,160
Interest payable	**17,031**	11,015	**14,855**	9,921
Rental received in advance	**7,824**	16,147	**5,211**	13,509
	173,646	190,723	**156,254**	165,239
Current	**171,971**	188,548	**154,579**	163,064
Non-current	**1,675**	2,175	**1,675**	2,175
	173,646	190,723	**156,254**	165,239

[1] The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

13 SECURITY DEPOSITS

	Group		Trust	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Security deposits	**118,570**	115,030	**113,239**	110,767
Less: Unamortised discount	**(6,846)**	(7,716)	**(6,487)**	(7,120)
Security deposits at amortised cost	**111,724**	107,314	**106,752**	103,647
Current	**34,065**	27,810	**32,580**	27,809
Non-current	**77,659**	79,504	**74,172**	75,838
	111,724	107,314	**106,752**	103,647

14 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Derivative liabilities				
Current	**1,595**	1,291	**1,595**	1,291
Non-current	**82,596**	87,484	**75,345**	87,484
	84,191	88,775	**76,940**	88,775
Derivative assets				
Current	**(356)**	–	**(356)**	–
Non-current	**(32,592)**	(38,736)	**(32,592)**	(38,736)
	(32,948)	(38,736)	**(32,948)**	(38,736)
Total derivative financial instruments	**51,243**	50,039	**43,992**	50,039

	2016	2015
Group		
Derivative financial instruments as a percentage of net assets	**0.89%**	1.00%
Trust		
Derivative financial instruments as a percentage of net assets	**0.77%**	1.03%

14 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of $2,166.2 million (2015: $1,338.2 million) to provide fixed rate funding for terms of less than 1 year to 10 years (2015: 1 to 10 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of $350.0 million (2015: $200.0 million) and basis interest rate swaps with an aggregate notional amount of $268.9 million (2015: $Nil) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

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 2016, a net change in fair value of $0.2 million (2015: $5.6 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.

As at 31 March 2016, the Group held cross currency swaps ("CCS") with notional amounts of JPY24.6 billion and HKD1.76 billion (2015: JPY24.6 billion and HKD1.26 billion), respectively, to provide Singapore dollar funding for terms of 1 to 13.5 years (2015: 1 to 14.5 years). On maturity, an aggregate of $658.8 million (2015: $567.2 million) payable will be swapped into JPY24.6 billion and HKD1.76 billion (2015: JPY24.6 billion and HKD1.26 billion) for the repayment of the underlying foreign currency borrowings.

As at 31 March 2016, the Group also held CCS with notional amounts of AUD294.5 million as a hedge for its investment in Australia for a term of 4.5 years (2015: Nil).

The Group had also entered into forward exchange contracts to manage its foreign currency risk. The notional amount of the Group's outstanding forward exchange contracts as at 31 March 2016 was AUD8.0 million (2015: $Nil).

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 Statement of Financial Position.

The Group entered into International Swaps and Derivatives Association (ISDA) Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances, following the occurrence of a termination event as set out in the ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only the net amount is due or payable in settlement of all transactions.

In accordance with financial reporting standards, the swaps presented below are not offset in the Statement of Financial Position as the right of set–off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

14 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Gross amounts of recognised financial assets/ liabilities $'000	Gross amounts of recognised financial liabilities/assets offset in the Statement of Financial Position $'000	Net amounts of financial assets/ liabilities presented in the Statement of Financial Position $'000	Related amounts not offset in the Statement of Financial Position $'000	Net amount $'000
2016					
Group					
Types of financial assets					
Derivative assets	**32,948**	**–**	**32,948**	**(10,575)**	**22,373**
Types of financial liabilities					
Derivative liabilities	**84,191**	**–**	**84,191**	**(10,575)**	**73,616**
Trust					
Types of financial assets					
Derivative assets	**32,948**	**–**	**32,948**	**(10,575)**	**22,373**
Types of financial liabilities					
Derivative liabilities	**76,940**	**–**	**76,940**	**(10,575)**	**66,365**
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

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Statements of Financial Position at their fair values.

15 LOANS AND BORROWINGS

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Current				
Short term bank borrowings (unsecured)	**601,188**	270,000	**510,745**	270,000
Less: Unamortised transaction costs	**(50)**	–	**(50)**	–
	601,138	270,000	**510,695**	270,000
Term loans (unsecured)	**225,210**	15,525	**225,000**	–
Less: Unamortised transaction costs	**(268)**	–	**(268)**	–
	224,942	15,525	**224,732**	–
Total current loans and borrowings	**826,080**	285,525	**735,427**	270,000
Non-current				
Term loans				
– Secured	**583,642**	–	**–**	–
– Unsecured	**764,155**	1,287,000	**750,000**	1,287,000
Less: Unamortised transaction costs	**(6,807)**	(7,954)	**(4,319)**	(7,954)
	1,340,990	1,279,046	**745,681**	1,279,046
Medium term notes (unsecured)	**1,146,440**	799,444	**1,146,440**	799,444
Less: Unamortised transaction costs	**(2,932)**	(2,315)	**(2,932)**	(2,315)
	1,143,508	797,129	**1,143,508**	797,129
Total non-current loans and borrowings	**2,484,498**	2,076,175	**1,889,189**	2,076,175
Total loans and borrowings	**3,310,578**	2,361,700	**2,624,616**	2,346,175

Maturity of gross loans and borrowings:

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Within 1 year	**826,398**	285,525	**735,745**	270,000
After 1 year but within 5 years	**1,765,877**	1,601,564	**1,168,080**	1,601,564
After 5 years	**728,360**	484,880	**728,360**	484,880
	3,320,635	2,371,969	**2,632,185**	2,356,444

15 LOANS AND BORROWINGS (continued)

Short term bank borrowings

As at the reporting date, the Group has in place various bilateral short term banking credit facilities totalling $1,266.9 million (2015: $900.0 million), of which $601.2 million (2015: $270.0 million) has been utilised. Included in the amount of $1,266.9 million (2015: $900.0 million) is a sub-limit of $95.0 million (2015: $95.0 million) facility for the issuance of letters of guarantee.

Term loans

As at the reporting date, the Group has in place various term loans totalling $1,573.0 million (2015: $1,340.5 million), of which $1,573.0 million (2015: $1,302.5 million) has been utilised.

Included in the above was approximately $583.6 million secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from A-REIT.

Medium term notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN") Programme. Pursuant to the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes") in Singapore dollars or any other currency for up to a programme limit of $1.0 billion. In March 2016, the Trust upsized the programme limit to $5.0 billion.

The Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Trust ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Trust.

The principal amount of the notes outstanding as at 31 March 2016 comprises $545.0 million (2015: $295.0 million) in SGD-denominated Notes, $295.2 million (2015: $281.4 million) in JPY-denominated Notes and $306.2 million (2015: $223.0 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY24.6 billion and HKD1.76 billion (2015: JPY24.6 billion and HKD1.26 billion) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 14). 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 $1,203.8 million (2015: $862.2 million).

15 LOANS AND BORROWINGS (continued)

As at 31 March 2016, the Notes issued under MTN are as follows:

(i) JPY9.6 billion (2015: 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 (2015: $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 (2015: 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 (2015: 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 (2015: $95.0 million) 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.

(vi) HKD620.0 million (2015: HKD620.0 million) 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 (2015: HKD640.0 million) Series 009 Notes. The Series 009 Notes will mature on 4 September 2029 and bear a fixed interest rate of 3.64% per annum, payable annually in arrear.

(viii) $150.0 million (2015: $Nil) Series 010 Notes. The Series 010 Notes will mature on 3 June 2022 and bear a fixed interest rate of 3.20% per annum, payable semi-annually in arrear.

(ix) $100.0 million (2015: $Nil) Series 011 Notes. The Series 011 Notes will mature on 3 August 2020 and bear a fixed interest rate of 2.95% per annum, payable semi-annually in arrear.

(x) HKD500.0 million (2015: $Nil) Series 012 Notes. The Series 012 Notes will mature on 4 February 2026 and bear a fixed interest rate of 3.00% per annum, payable annually in arrear.

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, the Series 009 Notes and the Series 012 Notes into Singapore dollars (Note 14).

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 March 2016 is 2.79% (2015: 2.68%) per annum. Total borrowings have a weighted average term remaining of 3.3 years (2015: 3.6 years).

15 LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
2016				
Short term bank borrowings	SOR / COF^ + margin	2016	**601,188**	**601,138**
Term loans	SOR / COF^ + margin	2016 to 2020	**1,573,007**	**1,565,932**
Medium term notes	1.67 – 4.00 / JPY LIBOR + 0.5	2018 to 2029	**1,146,440**	**1,143,508**
			3,320,635	**3,310,578**
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
Trust				
2016				
Short term bank borrowings	SOR / COF^ + margin	2016	**510,745**	**510,695**
Term loans	SOR + margin	2016 to 2020	**975,000**	**970,413**
Medium term notes	1.67 – 4.00 / JPY LIBOR + 0.5	2018 to 2029	**1,146,440**	**1,143,508**
			2,632,185	**2,624,616**
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

^ COF denotes the lender's cost of funds

16 EXCHANGEABLE COLLATERALISED SECURITIES AND COLLATERAL LOAN

	Group 2016 $'000	Group 2015 $'000
Exchangeable Collateralised Securities ("ECS")		
At 1 April	**366,024**	341,091
Change in fair value of ECS	**(12,024)**	24,933
At 31 March	**354,000**	366,024
Current	**354,000**	–
Non-current	**–**	366,024
	354,000	366,024

	Trust 2016 $'000	Trust 2015 $'000
Collateral loan		
At 1 April	**366,024**	341,091
Change in fair value of collateral loan	**(12,024)**	24,933
At 31 March	**354,000**	366,024
Current	**354,000**	–
Non-current	**–**	366,024
	354,000	366,024

In March 2010, a collateral loan of $300.0 million ("Collateral Loan") was granted by Ruby Assets Pte. Ltd. ("Ruby Assets") to the Trust. The maturity date of the Collateral Loan is 1 February 2017 and it bears a fixed interest rate of 1.60% per annum.

As collateral for the Collateral Loan granted by Ruby Assets, the Trustee has granted in favour of Ruby Assets the following:

- a mortgage over 19 properties in the Trust portfolio;
- an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;
- an assignment of the insurance policies relating to the above mentioned properties; and
- a fixed and floating charge over certain assets of the Trust relating to the above mentioned properties.

In order to fund the Collateral Loan to the Trust, Ruby Assets issued $300.0 million ECS on 26 March 2010. The ECS bear a fixed coupon of 1.60% per annum and have an expected maturity date of 1 February 2017. 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 $2.0505 (FY14/15: $2.1394) 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.

16 EXCHANGEABLE COLLATERALISED SECURITIES AND COLLATERAL LOAN (continued)

The ECS may be redeemed, in whole but not in part, at the option of Ruby Assets on or any time after 1 February 2015 but not less than 7 business days prior to 1 February 2017 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 early redemption amount represents the redemption price upon maturity which is equal to the principal amount, together with any accrued but unpaid interest up to but excluding the date of redemption.

Subsequent to year end, A-REIT received an exchange notice amounting to $14.0 million in relation to the ECS and new Units were issued in May 2016. Any new Units issued (or to be issued) in exchange for the ECS will rank *pari passu* in all respects with the Units in issue on the day immediately following the date of the Exchange Notice, including the entitlement to distributions by A-REIT for the period preceding the date of issue of the Units.

17 DEFERRED TAX LIABILITIES

The movements in the deferred tax assets and liabilities during the year are as follows:

	At 1 April 2014 $'000	Recognised in Statement of Total Return (Note 26) $'000	Exchange differences $'000	At 31 March 2015 $'000	Recognised in Statement of Total Return (Note 26) $'000	Exchange differences $'000	At 31 March 2016 $'000
Group							
Deferred tax liabilities							
Investment properties	23,675	2,818	2,060	28,553	15,630	(2,067)	**42,116**
Unremitted earnings of overseas subsidiaries	–	–	–	–	808	–	**808**
	23,675	2,818	2,060	28,553	16,438	(2,067)	**42,924**
Trust							
Deferred tax liabilities							
Subsidiaries	–	–	–	–	606	–	**606**

As at 31 March 2016, deferred tax liabilities amounting to $7,822,900 (2015: $2,148,600) for temporary differences of $78,229,000 (2015: $21,486,000) 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.

18 PERPETUAL SECURITIES

In October 2015, the Trust issued $300.0 million perpetual securities. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 4.75% per annum with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded in equity in the statement of financial position. The $304.4 million presented in the statement of financial position represents the carrying value of the $300.0 million perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

19 NON-CONTROLLING INTERESTS

The following subsidiaries of the Group have material non-controlling interests (NCI):

Name of subsidiaries	Principal place of business	Effective equity held by NCI 2016 %	Effective equity held by NCI 2015 %
Emerald Assets Limited	Singapore	–[1]	100
Ruby Assets Pte. Ltd.	Singapore	**100**	100

[1] Emerald Assets Limited was dissolved on 13 February 2016.

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.

19 NON-CONTROLLING INTERESTS (continued)

	Ruby Assets $'000	Emerald Assets $'000	Total $'000
2016			
Profit/(loss) after tax and total comprehensive income	**11**	**(29)**	
Attributable to NCI:			
– Profit/(loss) and total comprehensive income	**11**	**(29)**	**(18)**
Current assets	**355,336**	**–**	
Current liabilities	**(1,315)**	**–**	
Non-current liabilities	**(354,000)**	**–**	
Net assets	**21**	**–**	
Net assets attributable to NCI	**21**	**–**	**21**
Cash flows generated from/(used in) operating activities	**70**	**(55)**	
Net increase/(decrease) in cash and cash equivalents	**70**	**(55)**	
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)	

20 UNITS IN ISSUE AND TO BE ISSUED

	Trust 2016 ('000)	Trust 2015 ('000)
Units issued:		
At the beginning of the financial year	**2,405,707**	2,402,522
Issue of new units:		
– Management fees paid in Units	**3,410**	3,185
– Acquisition fees paid in Units	**6,650**	–
– Divestment fees paid in Units	**48**	–
– Equity fund raising	**155,294**	–
– Consideration Units for acquisition of property	**94,467**	–
At the end of the financial year	**2,665,576**	2,405,707
Units to be issued:		
Management fee payable in units	**1,281**	1,019
Acquisition fee payable in units	**–**	440
	1,281	1,459
Total units issued and to be issued at the end of the financial year	**2,666,857**	2,407,166

During the year:

- 3,410,058 (2015: 3,184,914) new units amounting to $8,075,000 (2015: $7,424,000) were issued at issue prices ranging from $2.3107 to $2.4318 (2015: $2.3229 to $2.3396) per unit, in respect of the payment of the base management fee to the Manager in units.

- 6,650,105 (2015: Nil) new units amounting to $15,539,000 were issued at issue prices ranging from $2.2504 to $2.6361 per unit as payment of acquisition fees to the Manager for acquisitions of The Kendall, the Australia portfolio and ONE@Changi City.

- 48,431 (2015: Nil) new units amounting to $124,000 were issued at an issue price of $2.5603 per unit as payment of divestment fees to the Manager for the divestment of 26 Senoko Way.

- 90,000,000 (2015: Nil) new units were issued on 18 December 2015 at an issue price of $2.2230 per unit pursuant to a private placement, amounting to $200,070,000. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 17 December 2015 received an advance distribution on 15 January 2016 of 3.060 cents per unit for the period from 1 October 2015 to 17 December 2015. Thereafter, the 90,000,000 new units rank *pari passu* in all respects with the units in issue prior to 18 December 2015, including the entitlements to all future distributions.

- 65,293,948 (2015: Nil) new units were issued on 20 January 2016 at an issue price of $2.2180 per unit pursuant to a 3-for-80 preferential offering, amounting to $144,822,000. These units rank *pari passu* in all respects with the units in issue prior to 20 January 2016, including the entitlements to all future distributions.

- 94,466,936 (2015: Nil) new units amounting to $210,000,000 were issued on 1 March 2016, at an issue price of $2.2230 per unit as partial consideration for the acquisition of ONE@Changi City. These units will not be entitled to distributions for the period preceding the date of issue, and will only be entitled to distributions from the date of their issue. Save as set out above, these units will rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

20 UNITS IN ISSUE AND TO BE ISSUED (continued)

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or any part thereof) or of any estate or interest in any asset (or any part thereof) of the Trust;
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the issued units) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- One vote per unit at a Unitholders' meeting.

The restrictions to a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request for redemption of their units while the units are listed on SGX-ST.

21 GROSS REVENUE

	Group	
	2016	**2015**
	$'000	**$'000**
Property rental income	**681,853**	596,145
Other income	**79,135**	77,342
	760,988	673,487

Included in gross revenue of the Group are contingent rents amounting to $372,345 (2015: $218,000).

22 PROPERTY OPERATING EXPENSES

	Group	
	2016 $'000	2015 $'000
Land rent	**31,587**	30,026
Maintenance and conservancy fees	**30,706**	26,435
Property service fees	**30,316**	25,875
Property tax	**59,058**	55,670
Utilities	**49,357**	50,037
Depreciation of plant and equipment	**152**	151
Other operating expenses	**26,111**	22,566
	227,287	210,760

23 MANAGEMENT FEES

Management fees comprise base management fee of $42,999,000 (2015: $38,137,000) and performance fee of $17,436,000 (2015: $Nil). Included in management fees is an aggregate of 3,621,140 (2015: 3,183,590) units amounting to approximately $8,600,000 (2015: $7,627,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in units at unit prices ranging from $2.3107 to $2.4331 (2015: $2.3229 to $2.5433) per unit.

24 TRUST EXPENSES

	Group	
	2016 $'000	2015 $'000
Auditors' remuneration		
– audit fees	**430**	362
– non-audit fees	**151**	125
Professional fees	**2,369**	1,325
Trustee fee	**2,834**	2,323
Other expenses	**1,209**	1,494
	6,993	5,629

Other expenses for the Group include depreciation of plant and equipment of $35,000 (2015: $216,000).

25 FINANCE INCOME AND FINANCE COSTS

	Group 2016 $'000	Group 2015 $'000
Interest income	**4,126**	6,272
Change in fair value of ECS	**12,024**	–
Net accretion adjustments for security deposits	**–**	2,001
Finance income	**16,150**	8,273
Interest expense	**92,519**	71,771
Amortisation of transaction costs	**244**	373
Net accretion adjustments for security deposits	**840**	–
Change in fair value of debt securities	**–**	16,574
Change in fair value of ECS	**–**	24,933
Finance costs	**93,603**	113,651

26 TAX EXPENSE

	Group 2016 $'000	Group 2015 $'000
Current tax expense		
– Current year	**3,156**	3,946
– Under/(over) provision in respect of prior year	**5,546**	(21)
	8,702	3,925
Deferred tax expense		
Origination and reversal of temporary differences	**16,438**	2,818
Tax expense	**25,140**	6,743

Reconciliation of effective tax rate

	Group 2016 $'000	Group 2015 $'000
Total return for the year before tax	**369,273**	404,348
Tax calculated using Singapore tax rate of 17% (2015: 17%)	**62,776**	68,739
Effect of different tax rate in foreign jurisdiction	**5,905**	1,422
Non-tax deductible items, net	**18,509**	9,476
Income not subject to tax	**(5,922)**	(14,253)
Tax on overseas profits to be remitted	**808**	–
Under/(over) provision in respect of prior year	**5,546**	(21)
Tax transparency	**(62,482)**	(58,620)
	25,140	6,743

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 2016 $'000	Group 2015 $'000
Total return for the year	**344,151**	397,600
Less: Amount reserved for distribution to perpetual securities holders	**(6,637)**	–
Total return attributable to Unitholders	**337,514**	397,600

	Number of Units 2016 ('000)	Number of Units 2015 ('000)[1]
Weighted average number of units:		
– outstanding during the year	**2,456,037**	2,404,883
– to be issued as payment for management fee payable in units	**4**	3
– to be issued as payment for acquisition fee payable in units	**–**	1
	2,456,041	2,404,887

	Group 2016	Group 2015
Basic earnings per unit (cents)	**13.742**	16.533[1]

(1) Restated for the effect of the preferential offering units undertaken by the Trust in January 2016.

(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 2016 $'000	Group 2015 $'000
Total return for the year	**344,151**	397,600
Amount reserved for distribution to perpetual securities holders	**(6,637)**	–
Interest expense on ECS	**4,800**	–
Change in fair value of ECS	**(12,024)**	–
	330,290	397,600

27 EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (continued)

(b) Diluted earnings per unit (continued)

	Number of Units	
	2016 ('000)	2015 ('000)[1]
Weighted average number of units used in calculation of basic earnings per unit	**2,456,041**	2,404,887
Effect of conversion of ECS	**146,306**	–
Weighted average number of units (diluted)	**2,602,347**	2,404,887

The conversion option embedded in the ECS of the Group could potentially dilute basic earnings per unit in the future. Based on the adjusted conversion price of $2.0505 (2015: $2.1394), the ECS of the Group is convertible into approximately 146,305,779 (2015: 140,226,231) Units, representing 5.5% (2015: 5.8%) of the total number of Units of the Trust in issue as at 31 March 2016.

	Group	
	2016	2015
Diluted earnings per unit (cents)	**12.692**	16.533[1]

For the current financial year, the impact of the conversion of the ECS of the Group was computed on the basis that the ECS of the Group was converted at the beginning of the year. In the previous financial year, the impact of the conversion of the ECS of the Group was anti-dilutive and was excluded from the calculation of diluted earnings per unit.

[1] Restated for the effect of the preferential offering units undertaken by the Trust in January 2016.

(c) Distribution per unit

The calculation of distribution per unit for the financial year is based on:

	Group	
	2016	2015
Total amount available for distribution for the year ($'000)	**378,321**	351,140
Distribution per unit (cents)	**15.352**[1]	14.596[1]

[1] The figure has been restated to reflect the bonus element in the new Units issued pursuant to the preferential offering units in January 2016. The actual distribution per unit paid/payable to Unitholders is 15.357 cents per unit.

28 COMMITMENTS AND CONTINGENCIES

(a) The Trust is required to pay JTC Corporation ("JTC") and the Housing Development Board ("HDB") annual land rent (including licence fee payable for development projects) in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreement limits any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC and HDB amounted to $38,780,000 (2015: $36,223,000) and $2,202,000 (2015: $2,452,000), respectively, in relation to 77 (2015: 78) properties for the financial year ended 31 March 2016 (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	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Within 1 year	**683,994**	614,857	**593,274**	592,769
After 1 year but within 5 years	**1,475,136**	1,253,489	**1,222,040**	1,212,673
After 5 years	**706,230**	642,597	**581,859**	633,630
	2,865,360	2,510,943	**2,397,173**	2,439,072

(c) As at 31 March 2016, the Group and the Trust had $35.0 million (2015: $76.4 million) and $21.3 million (2015: $61.0 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

(d) The Trust has provided a corporate guarantee amounting to $583.6 million (2015: $Nil) to banks for loans obtained by a subsidiary.

29 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of a significant Unitholder of the Trust.

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	
	2016 $'000	2015 $'000
Acquisition fee paid/payable to the Manager and subsidiary of the Manager	**15,196**	7,349
Acquisition of properties from related parties of the Manager	**420,000**	112,000
Car park income received/receivable from the Property Manager	**(272)**	(297)
Car park management fee paid/payable to the Property Manager	**4,954**	4,752
Deposits received/receivable from:		
– the Manager	**–**	(5)
– related parties of the Manager	**–**	(10)
Consideration received from surrender of lease to JTC	**(24,800)**	–
Development management fee paid/payable to the Manager	**638**	–
Divestment fee payable to the Manager	**194**	63
Incentive payment received from related parties of the Manager	**–**	(383)
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	**38,780**	21,490
Lease rental, securities, utilities and car park income received from:		
– the Manager	**(435)**	(520)
– the Property Manager	**(132)**	(99)
– related parties of the Manager	**(2,745)**	(3,035)
– other related parties	**(34,876)**	–
Lease service fees paid/payable to the Manager and subsidiary of the Manager	**12,932**	14,219
Management fees paid/payable to the Manager and subsidiary of the Manager	**42,999**	38,137
Performance fees payable to the Manager	**17,436**	–
Property service fees paid to the Property Manager	**24,165**	25,869
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	**5,406**	2,246
Reimbursements and receipts on behalf of the Property Manager	**2,632**	2,302
Reimbursements paid/payable to the Manager	**786**	11
Reimbursements of expenses from other related parties	**(34)**	–
Receipts on behalf by the Manager	**(1,315)**	(214)
Rental income of meeting rooms and receipts on behalf by the Property Manager	**(81)**	(151)
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	**22,030**	–
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	**(370)**	(151)

30 FINANCIAL RATIOS

	Group	
	2016	2015
	%	%
Ratio of expenses to weighted average net asset value[(1)]	**0.95**	1.03
Ratio of expenses to weighted average net asset value[(2)]	**1.28**	1.03
Ratio of expenses to net asset value[(3)]	**5.02**	5.01
Portfolio turnover rate[(4)]	**0.74**	0.21

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, borrowing costs and performance component of management fees.

(2) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation are the same as in (1) above except that performance fee has been included.

(3) The ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.

(4) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

31 FINANCIAL RISK MANAGEMENT

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. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the Deposited Property. Prior to 1 January 2016, the Aggregate Leverage of a property fund may go up to a maximum of 60.0% 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, and such credit rating is maintained and disclosed for so long as its Aggregate Leverage exceeds the previous lower limit of 35.0% of the Deposited Property.

Notwithstanding the change to a single tier Aggregate Leverage limit, the Trust continues to maintain an issuer rating of A3 by Moody's (2015: A3). As at 31 March 2016, the Aggregate Leverage of the Group is 37.3% (2015: 33.5%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% (2015: 60.0%) during the financial year.

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, corporate guarantees or cash security deposits are obtained upon 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, there is no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the Statements of Financial Position.

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 15).

31 FINANCIAL RISK MANAGEMENT (continued)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $'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					
2016					
Non-derivative financial liabilities					
Loans and borrowings	**3,310,578**	**3,724,404**	**901,075**	**2,055,224**	**768,105**
Exchangeable collateralised securities	**354,000**	**304,037**	**304,037**	**–**	**–**
Trade and other payables[1]	**165,822**	**165,822**	**164,147**	**1,675**	**–**
Security deposits	**111,724**	**118,548**	**34,402**	**75,428**	**8,718**
	3,942,124	**4,312,811**	**1,403,661**	**2,132,327**	**776,823**
Derivative financial liabilities					
Interest rate swaps (net-settled)	**19,459**	**20,073**	**14,926**	**7,184**	**(2,037)**
Cross currency swaps (net-settled)	**64,574**	**66,865**	**5,754**	**41,778**	**19,333**
Forward exchange contracts	**158**	**158**	**158**	**–**	**–**
	84,191	**87,096**	**20,838**	**48,962**	**17,296**
	4,026,315	**4,399,907**	**1,424,499**	**2,181,289**	**794,119**
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

(1) Excludes rental received in advance.

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					
2016					
Non-derivative financial liabilities					
Loans and borrowings	**2,624,616**	**2,967,028**	**791,376**	**1,407,547**	**768,105**
Collateral loan	**354,000**	**304,037**	**304,037**	**–**	**–**
Trade and other payables[1]	**151,043**	**151,043**	**149,368**	**1,675**	**–**
Security deposits	**106,752**	**113,222**	**32,865**	**71,838**	**8,519**
	3,236,411	**3,535,330**	**1,277,646**	**1,481,060**	**776,624**
Derivative financial liabilities					
Interest rate swaps (net-settled)	**12,208**	**11,256**	**10,314**	**2,979**	**(2,037)**
Cross currency swaps (net-settled)	**64,574**	**66,865**	**5,754**	**41,778**	**19,333**
Forward exchange contracts	**158**	**158**	**158**	**–**	**–**
	76,940	**78,279**	**16,226**	**44,757**	**17,296**
	3,313,351	**3,613,609**	**1,293,872**	**1,525,817**	**793,920**
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

(1) Excludes rental received in advance.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

31 FINANCIAL RISK MANAGEMENT (continued)

Currency risk

As at 31 March 2016, the Group's exposure to fluctuations in foreign currency rates relates primarily to its short term bank borrowings, medium term notes and CCS that are denominated in a currency other than the functional currency of the Trust as well as investments in non-Singapore properties. The currencies giving rise to this risk are Australian Dollars (AUD), Japanese Yen (JPY) and Hong Kong Dollar (HKD).

In relation to foreign currency risk arising from JPY and HKD denominated medium term notes, the Group and the Trust had concurrently entered into CCS to hedge the risk (Note 14).

In relation to foreign currency risk arising from investments in non-Singapore properties, the Group and the Trust had borrowed in the foreign currency of underlying investments and entered into CCS to achieve a natural hedge. The Group and the Trust had also entered into forward exchange contracts to hedge the cash flows from overseas investments (Note 14).

Sensitivity analysis

A 5% (2015: 5%) strengthening of Singapore dollars against AUD, 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		
	AUD $'000	HKD $'000	JPY $'000
Group			
2016			
Short term bank borrowings	**10,637**	**–**	**–**
Medium term notes	**–**	**15,312**	**14,760**
Cross currency swaps	**16,592**	**(17,044)**	**(16,284)**
Forward exchange contracts	**389**	**–**	**–**
Interest rate swaps	**403**	**–**	**–**
	28,021	**(1,732)**	**(1,524)**
2015			
Medium term notes	–	11,151	14,071
Cross currency swaps	–	(12,402)	(16,136)
	–	(1,251)	(2,065)
Trust			
2016			
Short term bank borrowings	**10,637**	**–**	**–**
Medium term notes	**–**	**15,312**	**14,760**
Cross currency swaps	**16,592**	**(17,044)**	**(16,284)**
Forward exchange contracts	**389**	**–**	**–**
	27,618	**(1,732)**	**(1,524)**
2015			
Medium term notes	–	11,151	14,071
Cross currency swaps	–	(12,402)	(16,136)
	–	(1,251)	(2,065)

A 5% (2015: 5%) weakening of Singapore dollars against AUD, 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.

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 15) and the ECS (Note 16). 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 2016, the Group has interest rate swaps with total notional amount of $2,166.2 million (2015: $1,538.2 million), whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between the floating rate benchmarks and fixed rate interest amounts calculated by reference to the agreed notional amounts. As at 31 March 2015, the Group classified $150.0 million of interest rate swaps as hedging instruments in qualifying cash flow hedges; hedge accounting was discontinued in the current financial year.

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	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Fixed rate instruments				
Loans and borrowings	**(422,880)**	(319,140)	**(422,880)**	(319,140)
Exchangeable Collateralised Securities	**(354,000)**	(366,024)	**–**	–
Collateral loan	**–**	–	**(354,000)**	(366,024)
	(776,880)	(685,164)	**(776,880)**	(685,164)
Variable rate instruments				
Loans and borrowings	**(2,897,755)**	(2,052,829)	**(2,209,305)**	(2,037,304)
Interest rate swaps	**1,816,244**	1,138,200	**968,200**	1,138,200
Cross currency swaps	**(405,562)**	(210,678)	**(405,562)**	(210,678)
	(1,487,073)	(1,125,307)	**(1,646,667)**	(1,109,782)

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. The analysis was performed on the same basis for 2015.

31 FINANCIAL RISK MANAGEMENT (continued)

	Total return 100 bp increase $'000	Total return 100 bp decrease $'000	Unitholders' funds 100 bp increase $'000	Unitholders' funds 100 bp decrease $'000
Group				
2016				
Fixed rate instruments				
Loans and borrowings				
– Finance costs	**(4,229)**	**4,229**	**–**	**–**
Exchangeable Collateralised Securities				
– Finance costs	**(3,000)**	**3,000**	**–**	**–**
Variable rate instruments				
Loans and borrowings				
– Finance costs	**(28,978)**	**28,978**	**–**	**–**
Interest rate swaps				
– Finance costs	**18,162**	**(18,162)**	**–**	**–**
– Change in fair value	**37,156**	**(37,156)**	**–**	**–**
Cross currency swaps				
– Change in fair value	**(26,374)**	**26,374**	**–**	**–**
	(7,263)	**7,263**	**–**	**–**
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)

31 FINANCIAL RISK MANAGEMENT (continued)

	Total return 100 bp increase $'000	Total return 100 bp decrease $'000	Unitholders' funds 100 bp increase $'000	Unitholders' funds 100 bp decrease $'000
Trust				
2016				
Fixed rate instruments				
Loans and borrowings				
– Finance costs	**(4,229)**	**4,229**	**–**	**–**
Collateral loan				
– Finance costs	**(3,000)**	**3,000**	**–**	**–**
Variable rate instruments				
Loans and borrowings				
– Finance costs	**(22,093)**	**22,093**	**–**	**–**
Interest rate swaps				
– Finance costs	**9,682**	**(9,682)**	**–**	**–**
– Change in fair value	**14,529**	**(14,529)**	**–**	**–**
Cross currency swaps				
– Change in fair value	**(26,374)**	**26,374**	**–**	**–**
	(31,485)	**31,485**	**–**	**–**
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)

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 $3,540,000 (2015: $3,660,000). 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 2015 and assumes that all other variables remain the same.

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 fair values of financial assets and liabilities, including their levels of fair value hierarchy are set out below. It does not include the fair value information of financial assets and liabilities not measured at fair value if the carrying amount is at reasonable approximation of fair value.

During the financial years ended 31 March 2016 and 31 March 2015, there were no transfers from Level 1, Level 2 or Level 3, or vice versa.

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									
2016									
Financial assets measured at fair value									
Derivative assets	14	32,948	–	–	32,948	–	32,948	–	32,948
Financial assets not measured at fair value									
Finance lease receivables	6	–	93,000	–	93,000	–	–	137,502	137,502
Trade and other receivables	10	–	24,075	–	24,075				
Cash and cash equivalents	11	–	56,236	–	56,236				
		–	173,311	–	173,311				
Financial liabilities measured at fair value									
Derivative liabilities	14	(84,191)	–	–	(84,191)	–	(84,191)	–	(84,191)
Exchangeable collateralised securities	16	(354,000)	–	–	(354,000)	(354,000)	–	–	(354,000)
		(438,191)	–	–	(438,191)				
Financial liabilities not measured at fair value									
Trade and other payables[(1)]	12	–	–	(165,822)	(165,822)	–	(165,746)	–	(165,746)
Security deposits	13	–	–	(111,724)	(111,724)	–	(115,139)	–	(115,139)
Term loans and short term bank borrowings	15	–	–	(2,167,070)	(2,167,070)				
Medium term notes	15	–	–	(1,143,508)	(1,143,508)	–	(1,263,239)	–	(1,263,239)
		–	–	(3,588,124)	(3,588,124)				

(1) Excludes rental received in advance

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	14	38,736	–	–	38,736	–	38,736	–	38,736
Financial assets not measured at fair value									
Finance lease receivables	6	–	93,844	–	93,844	–	–	145,478	145,478
Trade and other receivables	10	–	20,913	–	20,913				
Cash and cash equivalents	11	–	41,590	–	41,590				
		–	156,347	–	156,347				
Financial liabilities measured at fair value									
Derivative liabilities	14	(88,775)	–	–	(88,775)	–	(88,775)	–	(88,775)
Exchangeable collateralised securities	16	(366,024)	–	–	(366,024)	(366,024)	–	–	(366,024)
		(454,799)	–	–	(454,799)				
Financial liabilities not measured at fair value									
Trade and other payables[(1)]	12	–	–	(174,576)	(174,576)	–	(174,499)	–	(174,499)
Security deposits	13	–	–	(107,314)	(107,314)	–	(124,283)	–	(124,283)
Term loans and short term bank borrowings	15	–	–	(1,564,571)	(1,564,571)				
Medium term notes	15	–	–	(797,129)	(797,129)	–	(860,439)	–	(860,439)
		–	–	(2,643,590)	(2,643,590)				

(1) Excludes rental received in advance

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									
2016									
Financial assets measured at fair value									
Derivative assets	14	32,948	–	–	32,948	–	32,948	–	32,948
Financial assets not measured at fair value									
Finance lease receivables	6	–	93,000	–	93,000	–	–	137,502	137,502
Trade and other receivables	10	–	20,464	–	20,464				
Cash and cash equivalents	11	–	6,052	–	6,052				
		–	119,516	–	119,516				
Financial liabilities measured at fair value									
Derivative liabilities	14	(76,940)	–	–	(76,940)	–	(76,940)	–	(76,940)
Collateral loan	16	(354,000)	–	–	(354,000)	–	(354,000)	–	(354,000)
		(430,940)	–	–	(430,940)				
Financial liabilities not measured at fair value									
Trade and other payables[(1)]	12	–	–	(151,043)	(151,043)	–	(150,967)	–	(150,967)
Security deposits	13	–	–	(106,752)	(106,752)	–	(109,813)	–	(109,813)
Term loans and short term bank borrowings	15	–	–	(1,481,108)	(1,481,108)				
Medium term notes	15	–	–	(1,143,508)	(1,143,508)	–	(1,263,239)	–	(1,263,239)
		–	–	(2,882,411)	(2,882,411)				

(1) Excludes rental received in advance

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	14	38,736	–	–	38,736	–	38,736	–	38,736
Financial assets not measured at fair value									
Finance lease receivables	6	–	93,844	–	93,844	–	–	145,478	145,478
Trade and other receivables	10	–	19,878	–	19,878				
Cash and cash equivalents	11	–	14,389	–	14,389				
		–	128,111	–	128,111				
Financial liabilities measured at fair value									
Derivative liabilities	14	(88,775)	–	–	(88,775)	–	(88,775)	–	(88,775)
Collateral loan	16	(366,024)	–	–	(366,024)	–	(366,024)	–	(366,024)
		(454,799)	–	–	(454,799)				
Financial liabilities not measured at fair value									
Trade and other payables[(1)]	12	–	–	(151,730)	(151,730)	–	(151,653)	–	(151,653)
Security deposits	13	–	–	(103,647)	(103,647)	–	(106,202)	–	(106,202)
Term loans and short term bank borrowings	15	–	–	(1,549,046)	(1,549,046)				
Medium term notes	15	–	–	(797,129)	(797,129)	–	(860,439)	–	(860,439)
		–	–	(2,601,552)	(2,601,552)				

(1) Excludes rental received in advance

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 2016 %	Group and Trust 2015 %
Finance lease receivables	**2.18**	2.47
Trade and other payables	**2.05**	1.21
Security deposits	**1.39**	1.67
Medium term notes	**1.02 – 3.10**	1.00 – 3.29

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:

Group and Trust	Investment in debt securities $'000
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	–

33 DETERMINATION OF FAIR VALUES

Fair values of financial assets and liabilities 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 value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

(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.

33 DETERMINATION OF FAIR VALUES (continued)

(vi) Medium term notes

The fair values of the SGD-denominated medium term notes were obtained from market quotes.

The fair value of non-SGD-denominated medium term notes are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

(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 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

The fair value of investment properties of the Group and the Trust of $9,599 million (2015: $7,868 million) and $8,143 million (2015: $7,559 million) as at 31 March 2016, respectively, and the fair value of the property held for sale of the Group and the Trust of $24.8 million, as at 31 March 2015, have been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

33 DETERMINATION OF FAIR VALUES (continued)

(ix) Other financial assets and liabilities (continued)

Fair value hierarchy for investment properties and property held for sale (continued)

There were no transfers between Level 1, Level 2 or Level 3 during both years.

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
2016	**Group**	
Capitalisation Approach	• Capitalisation rates of 5.50% to 7.50% (2015: 5.25% to 7.75%)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price psm increased.
Discounted Cash Flow Method	• Discount rates of 7.50% to 9.50% (2015: 6.93% to 10.43%) • Terminal yields of 5.75% to 7.75% (2015: 5.50% to 8.00%)	
Direct Comparison Method	• Prices (psm) of $1,019 to $4,818 (2015: $1,388 to $6,682)	
	Trust	
Capitalisation Approach	• Capitalisation rates of 5.75% to 7.50% (2015: 5.50% to 7.75%)	
Discounted Cash Flow Method	• Discount rates of 7.50% to 8.50% (2015: 6.93% to 8.75%) • Terminal yields of 6.00% to 7.75% (2015: 5.75% to 8.00%)	
Direct Comparison Method	• Prices (psm) of $1,019 to $4,818 (2015: $1,388 to $6,682)	

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.

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 2016 $'000	Business & Science Park Properties 2015 $'000	Integrated Development, Amenities & Retail Properties 2016 $'000	Integrated Development, Amenities & Retail Properties 2015 $'000	Hi–Specifications Industrial Properties & Data Centres 2016 $'000	Hi–Specifications Industrial Properties & Data Centres 2015 $'000	Light Industrial Properties & Flatted Factories 2016 $'000	Light Industrial Properties & Flatted Factories 2015 $'000	Logistics & Distribution Centres 2016 $'000	Logistics & Distribution Centres 2015 $'000	Total 2016 $'000	Total 2015 $'000
Group												
Gross rental income	**234,358**	209,301	**54,438**	28,593	**153,822**	147,970	**89,783**	92,445	**149,452**	117,836	**681,853**	596,145
Other income	**38,834**	38,308	**3,543**	1,107	**22,967**	25,045	**3,675**	3,709	**10,116**	9,173	**79,135**	77,342
Gross revenue	**273,192**	247,609	**57,981**	29,700	**176,789**	173,015	**93,458**	96,154	**159,568**	127,009	**760,988**	673,487
Property operating expenses	**(88,385)**	(83,773)	**(13,889)**	(9,260)	**(53,882)**	(53,749)	**(26,486)**	(25,918)	**(44,645)**	(38,060)	**(227,287)**	(210,760)
Segment net property income	**184,807**	163,836	**44,092**	20,440	**122,907**	119,266	**66,972**	70,236	**114,923**	88,949	**533,701**	462,727
Gain on disposal of investment properties	**–**	–	**–**	–	**–**	–	**–**	2,023	**–**	–	**–**	2,023
Unallocated finance income											**16,150**	8,273
Unallocated finance costs											**(93,603)**	(113,651)
Unallocated net expenses											**(83,433)**	(91,419)
Net income											**372,815**	267,953
Unallocated net change in fair value of financial derivatives											**(1,236)**	89,363
Net appreciation/ (depreciation) on revaluation of investment properties	**63,409**	19,722	**39,733**	45,311	**21,692**	3,644	**(4,174)**	16,654	**(123,009)**	(38,299)	**(2,349)**	47,032
Share of joint venture's result											**43**	–
Total return for the year before tax											**369,273**	404,348
Tax expense	**(16,424)**	(6,228)	**(5,841)**	–	**–**	(295)	**–**	–	**(979)**	–	**(23,244)**	(6,523)
Unallocated tax expense											**(1,896)**	(220)
Total return for the year											**344,133**	397,605

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 2016						
Assets and liabilities						
Segment assets	**3,577,969**	**726,633**	**2,040,216**	**994,168**	**2,490,238**	**9,829,224**
Unallocated assets						**41,011**
Total assets						**9,870,235**
Segment liabilities	**131,485**	**36,086**	**32,087**	**33,982**	**48,805**	**282,445**
Unallocated liabilities:						
– loans and borrowings (including Exchangeable Collateralised Securities)						**3,664,578**
– others						**137,891**
Total liabilities						**4,084,914**
Other segmental information						
Capital expenditure						
– investment properties	**46,338**	**11,467**	**12,028**	**22,464**	**40,373**	**132,670**
Depreciation	**35**	**–**	**–**	**152**	**–**	**187**
Impairment losses (reversed)/ recognised on trade receivables	**(91)**	**74**	**(9)**	**13**	**(290)**	**(303)**
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	140,375	40,395	43,470	32,213	43,574	300,027
Unallocated liabilities:						
– loans and borrowings (including Exchangeable Collateralised Securities)						2,727,724
– others						118,989
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 recognised/(reversed) on trade receivables	142	52	(4)	41	378	609

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		Australia		China		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Group								
External revenue	**705,817**	649,854	**29,244**	–	**25,927**	23,633	**760,988**	673,487
Non-current assets[1]	**8,142,694**	7,558,932	**1,082,109**	–	**373,963**	312,364	**9,598,766**	7,871,296

(1) Exclude financial assets.

35 SUBSEQUENT EVENTS

There were the following events subsequent to the reporting date:

- On 7 April 2016, the Group issued $130.0 million Series 13 Notes under the MTN 2009 Programme. The notes will mature on 7 April 2021 and will bear a fixed interest rate of 2.655% per annum, payable semi-annually in arrear.

- A lessee of one of the finance leases of the Group and the Trust exercised its option to purchase the property under the lease arrangement. On 29 April 2016, the Group completed the divestment of the property for $34.0 million, of which $33.4 million was recognised as a finance lease receivable in the statement of financial position as at 31 March 2016. The proforma impact of the divestment on the Group's distribution per unit for the financial year ended 31 March 2016 is approximately 0.11 cents, assuming the divestment was completed on 1 April 2015.

- On 9 May 2016, the Trust issued 6,827,603 new Units at an issue price of $2.0505 per Unit pursuant to a notice of exchange received for the exchange of ECS amounting to $14.0 million. The issue price represents the adjusted exchange price applicable at the time that the ECS was exchanged and cancelled. Following the completion of the exchange of ECS, the face value of ECS outstanding as at the date of issuance of these financial statements is $286.0 million.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID-UP UNITS

2,672,403,653 units (Voting rights: one vote per unit)
Market Capitalisation S$6,280,148,584 (based on closing price of $2.35 as at 17 May 2016)

TOP 20 UNITHOLDERS AS AT 17 MAY 2016

As listed in the Register of Unitholders

	Name of Unitholder	No. of Units	% of Units in Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	662,103,487	24.77%
2	DBS NOMINEES (PRIVATE) LIMITED	592,191,668	22.16%
3	ASCENDAS LAND (SINGAPORE) PTE LTD	476,167,336	17.82%
4	HSBC (SINGAPORE) NOMINEES PTE LTD	320,549,060	11.99%
5	DBSN SERVICES PTE. LTD.	191,631,872	7.17%
6	RAFFLES NOMINEES (PTE) LIMITED	103,325,236	3.87%
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	72,606,906	2.71%
8	ASCENDAS FUNDS MANAGEMENT (S) LIMITED	58,622,721	2.19%
9	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	26,323,650	0.99%
10	DB NOMINEES (SINGAPORE) PTE LTD	15,645,303	0.59%
11	BANK OF SINGAPORE NOMINEES PTE. LTD.	6,271,692	0.23%
12	ABN AMRO NOMINEES SINGAPORE PTE LTD	3,398,199	0.13%
13	OCBC SECURITIES PRIVATE LIMITED	3,294,792	0.12%
14	CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,426,520	0.09%
15	E M SERVICES PTE LTD	2,064,000	0.08%
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,902,917	0.07%
17	MERRILL LYNCH (SINGAPORE) PTE LTD	1,823,092	0.07%
18	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,577,310	0.06%
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,532,181	0.06%
20	MACQUARIE CAPITAL SECURITIES (SINGAPORE) PTE LIMITED	1,274,955	0.05%
	TOTAL	**2,544,732,897**	**95.22%**

UNITHOLDERS DISTRIBUTION AS AT 17 MAY 2016

Size of holdings	No. of Unitholders	No. of Units
1 - 99	30	475
100 - 1,000	965	846,631
1,001 - 10,000	6,033	30,457,120
10,001 - 1,000,000	2,328	96,366,530
1,000,001 AND ABOVE	20	2,544,732,897
GRAND TOTAL	**9,376**	**2,672,403,653**

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. Based on the information made available to the Manager as at 17 May 2016, about 73.86% of A-REIT's Units are held in public hands.

Substantial Unitholders as at 17 May 2016

	Direct Interest	Deemed Interest	Percentage
Ascendas Land (Singapore) Pte Ltd	476,167,336	–	17.82%
Ascendas Pte Ltd	–	534,790,057 (1)	20.01%
Ascendas-Singbridge Pte. Ltd.	–	534,790,057 (1)	20.01%
TJ Holdings (III) Pte. Ltd.	–	534,790,057 (1)	20.01%
Glenville Investments Pte. Ltd.	–	534,790,057 (1)	20.01%
Mawson Peak Holdings Pte. Ltd.	–	534,790,057 (1)	20.01%
Bartley Investments Pte. Ltd.	–	534,790,057 (1)	20.01%
Tembusu Capital Pte. Ltd.	–	534,790,057 (1)	20.01%
Temasek Holdings (Private) Limited	–	553,568,457 (1)	20.71%
JTC Corporation	–	534,790,057 (1)	20.01%
BlackRock, Inc.	–	145,080,313 (2)	5.43%
The PNC Financial Services Group, Inc.	–	145,080,313 (3)	5.43%

(1) Temasek Holdings (Private) Limited ("Temasek"), Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Mawson Peak Holdings Pte. Ltd., Glenville Investments Pte. Ltd., TJ Holdings (III) Pte. Ltd., Ascendas-Singbridge Pte. Ltd., JTC Corporation and Ascendas Pte Ltd are deemed to be interested in the units held by Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited. Temasek is also deemed to have an interest in the units in which other subsidiaries and associated companies of Temasek hold or have deemed interests.

(2) BlackRock, Inc. is deemed to be interested in the units held by its subsidiaries.

(3) The PNC Financial Services Group is deemed to be interested in the units held by BlackRock, Inc. subsidiaries.

Unitholdings of the Directors of the Manager as at 21 April 2016

	Direct Interest	Deemed interest
Mr Koh Soo Keong	–	–
Mr Miguel Ko	–	–
Mr Khiatani Manohar Ramesh	–	–
Mr Chan Pengee, Adrian	–	–
Mr Teo Eng Cheong	–	–
Mr Teo Choon Chye, Marc	26,000	–
Mr Wong Yew Meng	–	–
Ms Chong Chiet Ping	–	–
Ms Lim Sau Hoong	–	–
Mr Chia Nam Toon	112,100	–

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the financial year falling under the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS (excluding transactions of less than $100,000 each) are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000) $'000	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	38,780	–
Temasek Holdings (Private) Limited and its related companies		–
– Acquisition fees	15,196[1]	–
– Acquisition of property	420,000	–
– Carpark income	654	–
– Divestment fees	194[2]	–
– Lease rental, service charge and utilities income	37,347	–
– Base management fees	42,999[3]	–
– Marketing fees paid during the year	12,606	–
– Performance fees	17,436[4]	–
– Property service fees	32,381	–
– Receipts/recovery of expenses paid on behalf	1,656	–
– Service charge and reimbursables	3,663	
HSBC Institutional Trust Services (Singapore) Ltd and its related companies		
– Trustee fees	2,643	–
– Utilities income	357	–
	625,912	–

(1) Acquisition fee of 1.0% on the purchase price of investment properties acquired by the Group during the financial year.

(2) Divestment fee of 0.5% on the sale price of investment properties divested by the Group during the financial year.

(3) Base management fee of 0.5% per annum on the Adjusted 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.

(4) Performance fee of 0.2% on the average Adjusted Deposited Property as the growth in distributions per Unit after performance fees for the financial year exceeds 5.0%.

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 2016 nor any material contracts entered by A-REIT or any of its subsidiaries that involve the interests of the CEO, any Directors 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	FY15/16 $'000	FY14/15 $'000
- Base management fee	42,999	38,137
- Performance fee	17,436	–
Total fees paid to the Manager	60,435	38,137
% of Total amount available for distribution (before all fees)	13.17%	9.37%
% of Total assets	0.61%	0.47%
- Lease management fee	6,722	5,937
- Property management fee	10,605	9,324
Total fees paid to the Property Managers	17,327	15,261
% of Total amount available for distribution (before all fees)	3.78%	3.75%
% of Total assets	0.18%	0.19%
Trustee's fee	2,834	2,323
Total fees paid to the Trustee	2,834	2,323
% of Total amount available for distribution (before all fees)	0.62%	0.57%
% of Total assets	0.03%	0.03%

Major transactional fees	FY15/16 $'000	FY14/15 $'000
- Acquisition fee	15,196	7,349
- Performance fee	17,436	–
- Divestment fee	194	63
Total transactional fees paid to Manager	32,826	7,412
% of Total assets	0.33%	0.09%
- Project management fee	2,038	2,600
Total transactional fees paid to the Property Managers	2,038	2,600
% of Total assets	0.02%	0.03%

LISTING OF A-REIT NEW UNITS

An aggregate of 259.9 million new Units were issued during the year bringing the total number of Units on issue to 2,665.6 million as at 31 March 2016.

GLOSSARY

3PL	Third-party logistics providers
AC	Audit Committee
ACPL	Ascendas (China) Pte Ltd
ACRA	Accounting and Corporate Regulatory Authority
AEC	ASEAN Economic Community
AFM	Ascendas Funds Management (S) Limited
AFMA	Ascendas Funds Management (Australia) Pty Ltd
AGM	Annual General Meeting
A-HBT	Ascendas Hospitality Business Trust
A-HREIT	Ascendas Hospitality Real Estate Investment Trust
AIPL	Ascendas Investment Pte Ltd
A-REIT	Ascendas Real Estate Investment Trust
ASB	Ascendas-Singbridge Pte Ltd
ASPL	Ascendas Services Pte Ltd
AUD	Australian Dollars
AUM	Assets under management
BTS	Build-to-Suit
Board	Board of Directors of the Manager
CAAS	Civil Aviation Authority Singapore
CBP	Changi Business Park
CCS	Cross Currency Swaps
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
CIS	The Code of Collective Investment Schemes issued by the Monetary Authority of Singapore
CMBS	Commercial Mortgage Backed Securities
CMS	Capital Markets services
CODM	Chief Operating Decision Maker
CPF	Central Provident Fund
CPI	Consumer Price Index
DPU	Distribution per unit
ECS	Exchangeable Collateralised Securities
EDB	Economic Development Board
EPU	Earnings per unit
ERM	Enterprise Risk Management
EUR	Euro
FRS	Singapore Financial Reporting Standards
FCCA	Fellow of the Association of Chartered Certified Accountants UK
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
HDB	Housing Development Board
HKD	Hong Kong Dollar
HQ	Headquarter
IBP	International Business Park
IC	Investment Committee
IDAR	Integrated Development, Amenities & Retail
IFRS	International Financial Reporting Standards
IGLS	Industrial Government Land Sales
Interbank GIRO	General Interbank Recurring Order
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
IPT	Interested Person Transaction
IRAS	Inland Revenue Authority of Singapore
ISDA	International Swaps and Derivatives Association
JPY	Japanese Yen
JTC	Jurong Town 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
MNCs	Multinational corporations
NAV	Net Asset Value
Net Lettable Area	Consists of the total gross floor area less the common areas, such as corridors, amenities' area and management offices
NHRRC	Nominating, human Resource & Remuneration Committee
NPI	Net Property Income
ORMC	Operational risk Management Committee
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
RAP	Statement of Recommended Accounting Practice
RBA	Reserve Bank of Australia
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
SMEs	Small-and Medium Enterprises
SOR	Swap Offer Rate
Sqm	Square metres
S-REIT	Singapore-listed REIT
SRS	Supplementary Retirement Scheme
SSAs	Singapore Standards on Auditing
SSD	Sellers' Stamp Duty
STI	Straits Times Index
TDSR	Total Debt Servicing Ratio
TOP	Temporary occupation permit
TPP	Trans-Pacific Partnership
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
TUR	Total Unit holders Return
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)
URA	Urban Redevelopment Authority
WALE	Weighted Average Lease Expiry

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]	FY 15/16[1,2]
Gross Revenue (S$m)	22.8	65.9	129.0	227.2	283.0	322.3	396.5	413.7	447.6	503.3	575.8	613.6	673.5	761.0
Net Property Income (S$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	533.7
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	378.3
Distribution per Unit (cents)	7.630[3]	8.160	9.560	11.680	12.750	14.130	15.180	13.100	13.230	13.560	13.740	14.240	14.600	15.357

As at 31 March	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012[1]	2013[1]	2014[1,2]	2015[1,2]	2016[1,2]
Number of Properties in Portfolio	8	16	36	64	77	84	89	93	93	102	103	105	107	133
Total Assets (S$m)	636	1,021	2,112	2,808	3,307	4,205	4,548	4,854	5,420	6,564	6,959	7,358	8,160	9,870
Number of Units in Issue (m)	545	707	1,161	1,277	1,322	1,326	1,684	1,871	1,874	2,085	2,399	2,403	2,406	2,666
Net Asset Value per Unit (S$)[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	2.06
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	3,675
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%	37.3%

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 distibution 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 14 development projects and achieved total cumulative unrealised gains of S$311.4 million (30.3% over cost of development).

	Development	Sector	Development Cost (S$'m)	Revaluation as at 31 March 2016 (S$'m)	Completion
1	Courts Megastore	IDAR	46.0	65.3	Nov-06
2	Giant Hypermart	IDAR	65.4	86.0	Feb-07
3	Hansapoint@CBP	Business & Science Park Properties	26.1	90.7	Feb-08
4	15 Changi North Way	Logistics & Distribution Centres	36.2	48.4	Jul-08
5	Pioneer Hub	Logistics & Distribution Centres	79.3	119.8	Aug-08
6	1,3 & 5 Changi Business Park Crescent	Business & Science Park Properties	200.9	312.4	Feb-09, Sep-09, Dec-10
7	71 Alps Avenue	Logistics & Distribution Centres	25.6	22.1	Sep-09
8	38A Kim Chuan Road	High-Specifications Industrial Properties & Data Centre	170.0	185.5[(1)]	Dec-09
9	90 Alps Avenue	Logistics & Distribution Centres	37.9	50.4	Jan-12
10	FoodAxis @ Senoko[(2)]	Light Industrial Properties & Flatted Factories	57.8	83.3	Feb-12
11	Four Acres Singapore	Business & Science Park Properties	58.7[(3)]	60.0	Apr-13
12	Nexus @one-north	Business & Science Park Properties	181.3	191.4	Sep-13
13	DBS Asia Hub Phase 2	Business & Science Park Properties	21.8	N.A.[(4)]	Apr-14
14	A-REIT Jiashan Logistics Centre	Logistics & Distribution Centres	22.1	25.2	Mar-15
	Total		1,029.1	1,340.5	

Notes:

(1) Property was valued by independent valuer at S$185.5 million. A-REIT has recorded the property at S$185.5 million comprising S$123.1 million in land and building and S$62.4 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.

(4) Valuation for DBS Asia Hub Phase 2 is not available. The entire property was valued at S$168.2 million.

This page has been intentionally left blank.

www.a-reit.com