GAINING GREATER **MOMENTUM**

ANNUAL REPORT
FY18/19

ascendas Reit

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Any discrepancies in the table 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 **VISION**

TO BE A LEADING GLOBAL REAL ESTATE INVESTMENT TRUST

OUR **MISSION**

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

ABOUT ASCENDAS REIT

Ascendas Real Estate Investment Trust (Ascendas Reit) is Singapore's first and largest listed business space and industrial real estate investment trust (REIT).

As one of Singapore's REIT pioneers, Ascendas Reit has played a crucial role in the development of the Singapore REIT sector. It provides an attractive platform for investment in business and industrial properties in Singapore, Australia and the United Kingdom. Ascendas Reit has a well-diversified portfolio of 98 properties in Singapore, 35 properties in Australia and 38 properties in the United Kingdom as at 31 March 2019. These properties host a customer base of around 1,360 international and local companies from a wide range of industries and activities.

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

HIGHLIGHTS OF FY18/19

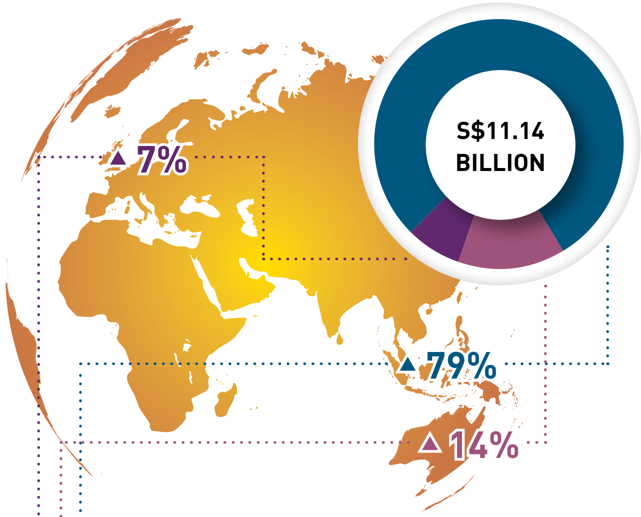
DIVERSIFYING AND GROWING THE PORTFOLIO

Ascendas Reit acquired S$948.0 million worth of properties across Australia and the United Kingdom (UK) in FY18/19. Underpinned by the large domestic economies and growth in e-commerce, the well-located logistics properties are well-positioned to provide Ascendas Reit with a sustainable income stream.

The S$181.2 million build-to-suit development for Grab in one-north will enhance Ascendas Reit's market leadership in the business & science park segment when completed in 2020. Read more about the investments on pages 34 to 38.

Cargo Business Park, Brisbane, Australia

Units 1a, 1b, 2 & 3 Upwell Street, United Kingdom



SINGAPORE

- S$8.77 billion Investment Properties Under Management
- 98 Properties
- 88.3% Occupancy Rate
- 1,251 Customers
- 3.8 Years Weighted Average Lease Expiry

AUSTRALIA

- S$1.56 billion Investment Properties Under Management
- 35 Properties
- 98.0% Occupancy Rate
- 82 Customers
- 4.5 Years Weighted Average Lease Expiry

UNITED KINGDOM

- S$0.81 billion Investment Properties Under Management
- 38 Properties
- 100% Occupancy Rate
- 29 Customers
- 9.3 Years Weighted Average Lease Expiry

FY18/19

S$11.14 BILLION

INVESTMENT PROPERTIES UNDER MANAGEMENT

FY17/18: S$10.14 billion

FY18/19

3 COUNTRIES

A MORE GEOGRAPHICALLY DIVERSIFIED PORTFOLIO IN MATURE DEVELOPED MARKETS

FY17/18: 2 Countries

REPOSITIONING AND ENHANCING THE PORTFOLIO FOR THE FUTURE

A multi-year plan is in place to transform Ascendas Reit's properties in Singapore to meet the future needs of businesses. In FY18/19, a total of S$97.9 million worth of asset enhancement and redevelopment projects were completed. Read more about these projects on pages 39 to 42.

Newly refurbished Nordic European Centre, Singapore

DELIVERING A STABLE FY18/19 PERFORMANCE

Total amount available for distribution rose 3.8% y-o-y to S$485.7 million and distribution per Unit rose 0.3% y-o-y to 16.035 cents in FY18/19. For more financial highlights, please refer to pages 4 to 5.

MAINTAINING A SOLID BALANCE SHEET

As at 31 March 2019, aggregate leverage was healthy at 36.3%. The Manager adopts a disciplined approach to capital management, with 83% of its S$4.1 billion of borrowings on fixed interest rates with an average term of 3.6 years. To minimise the effects of adverse exchange rate fluctuations, a high level of natural hedge is maintained for Australia and UK investments. More details on our capital and risk management are on pages 43 to 45.

SUSTAINABILITY

Delivering long-term value to Unitholders remains a key focus. The Manager continually assesses the economic, environmental, social and governance (EESG) practices to ensure that Ascendas Reit remains resilient whilst creating value and enhancing returns for Unitholders. Read about Ascendas Reit's EESG performance and new initiatives in its FY18/19 Integrated Sustainability Report, which is available on Ascendas Reit's website at ir.ascendas-reit.com/sustainability.html.

Electric vehicle charging at our property

For more information, visit our website
www.ascendas-reit.com

Feedback

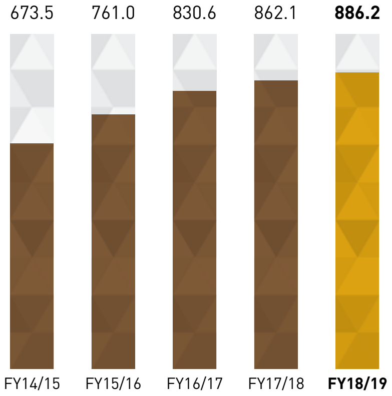
The Manager strives to continuously improve its business and sustainability practices. Stakeholders are encouraged to share their views, suggestions or feedback, which may be directed to **a-reit@ascendas-singbridge.com**.

Accessibility of Annual & Integrated Sustainability Reports

As part of its environmental conservation efforts, Ascendas Reit no longer distributes its annual and integrated sustainability reports via CD-roms and continues to print limited copies of these reports. PDF versions are available for download from the corporate website: **ir.ascendas-reit.com/ar.html**

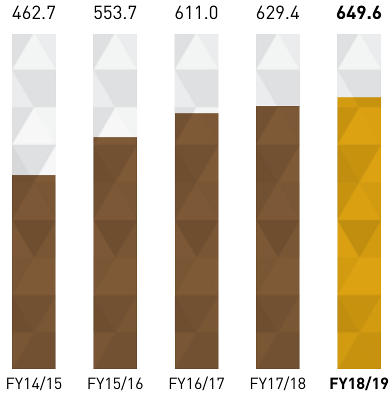
FINANCIAL **HIGHLIGHTS**

GROSS REVENUE
(S$ million)



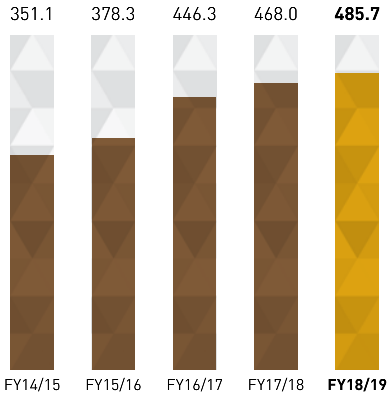
S$886.2
MILLION

NET PROPERTY INCOME
(S$ million)



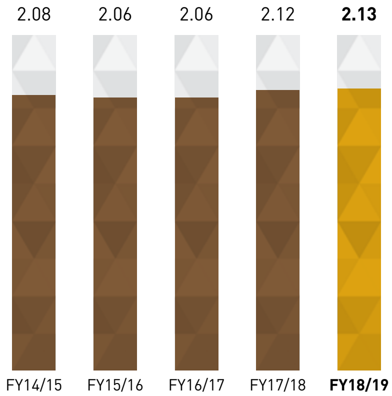
S$649.6
MILLION

TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION
(S$ million)



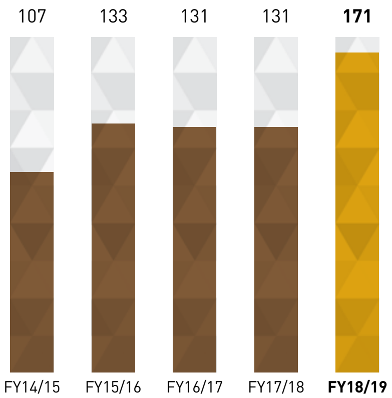
S$485.7
MILLION

NET ASSET VALUE PER UNIT[1]
(S$)



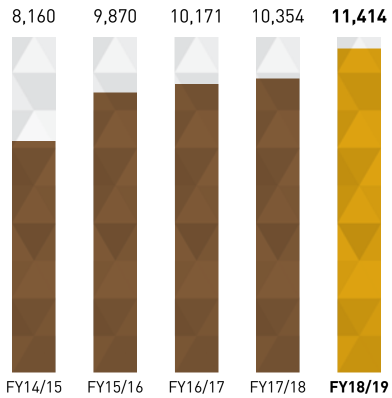
S$2.13
PER UNIT

NUMBER OF PROPERTIES



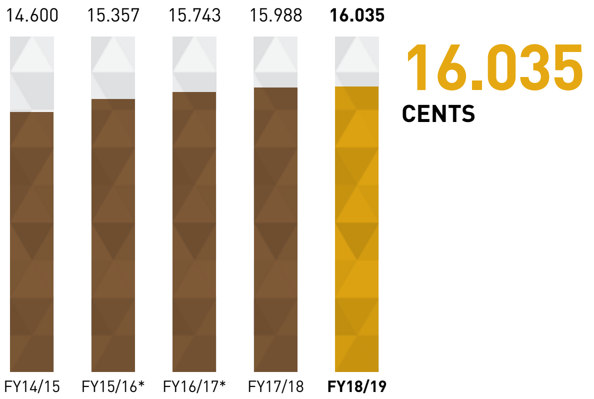
171
PROPERTIES

TOTAL ASSETS
(S$ million)

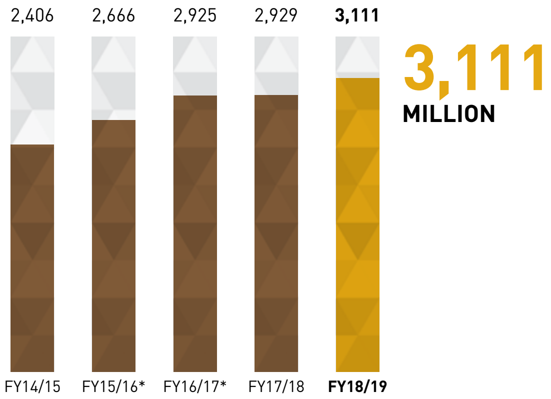


S$11,414
MILLION

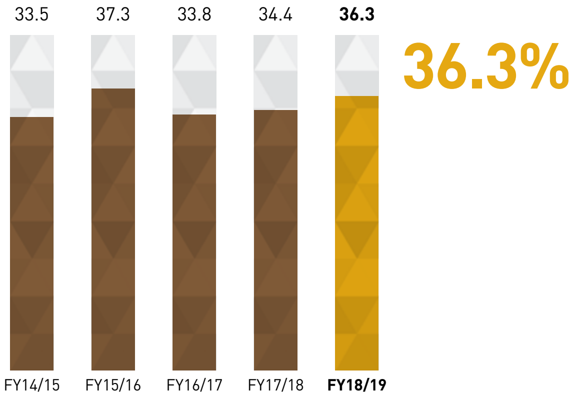
DISTRIBUTION PER UNIT
(Singapore cents)



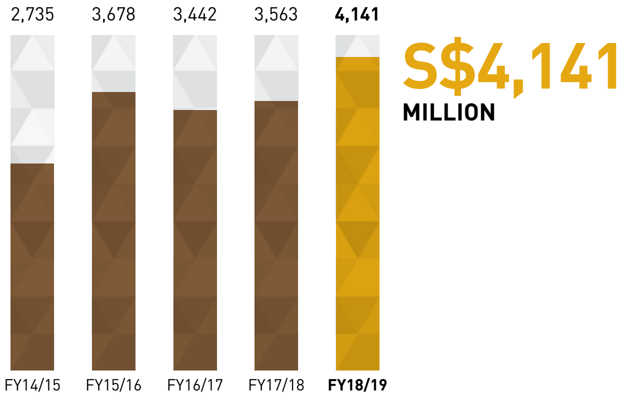
UNITS IN ISSUE
(million)



AGGREGATE LEVERAGE[2]
(%)



TOTAL GROSS BORROWING[3]
(S$ million)



NOTES:
* Distribution Per Unit (DPU) after performance fee.
(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 Ascendas Reit has committed to.

CHAIRMAN'S MESSAGE

> On a portfolio basis, we were able to maintain a stable occupancy rate of 91.9% and a positive rent reversion of 3.7%.

Dear Unitholders

On behalf of the Board of Directors of Ascendas Funds Management (S) Limited (AFM), the Manager of Ascendas Reit, I am pleased to present Ascendas Reit's Annual Report for the financial year ended 31 March 2019.

A STEADY PERFORMANCE

Ascendas Reit delivered a stable distribution per Unit (DPU) of 16.035 cents (FY17/18: 15.988 cents). The performance was underpinned by contributions from recently acquired properties in the United Kingdom (UK) and Australia, and two redeveloped properties in Singapore.

We faced uncertain global market conditions and a challenging environment in Singapore as industrial landlords competed for customers amidst an oversupplied market. Nevertheless, on a portfolio basis, we were able to maintain a stable occupancy rate of 91.9% and a positive rent reversion of 3.7%.

Ascendas Reit has a solid balance sheet, healthy leverage at 36.3% and sound financial metrics. We continued to maintain our Moody's A3 credit rating.

Assets Under Management has exceeded **S$11 BILLION**

Acquired **38 LOGISTICS PROPERTIES** **in the United Kingdom**

Two properties in Singapore were divested at more than **15%** **above their book values**

RECENT MILESTONES

Assets under management (AUM) has, for the first time, exceeded S$11 billion.

We took a major strategic step forward and expanded into the UK and acquired 38 logistics properties for S$832.4 million. We see strong demand for logistics space in the UK as a result of the high e-commerce penetration rate there and constrained supply. Other attractive attributes include well-located properties sitting on freehold land and a long portfolio weighted average lease of 9.3 years.

In Australia, we grew further with the acquisition of four logistics properties worth S$115.6 million in Melbourne and Brisbane. AUM in Australia stood at S$1.6 billion.

Our overseas investments amounted to S$2.4 billion and accounted for 21% of AUM, enabling us to achieve a more diversified income stream and expanding our customer base. These overseas investments have also enabled us to increase the proportion of freehold land in our portfolio to 22% of AUM.

In Singapore, our good track record in the business park sector gave us a competitive edge in securing a partnership with leading technology company, Grab. We will design and build Grab's new headquarters in one-north. To be completed in end 2020, the S$181.2 million property will expand Ascendas Reit's footprint in the vibrant one-north precinct.

In line with our active portfolio management strategy, two properties in Singapore were divested at more than 15% above their book values. Net capital gains of S$5.1 million were realised, and the proceeds were redeployed to improve returns.

INVESTING FOR THE FUTURE

We are going to build better products and roll out better services for our customers.

In FY18/19, S$97.9 million worth of asset enhancement and redevelopment projects were completed. There are S$56.5 million worth of projects currently on-going.

For example, 20 Tuas Avenue 1 was redeveloped into a modern ramp-up logistics facility. The 41,134 sq m logistics space is 91% occupied.

Two light industrial buildings at 25 & 27 Ubi Road 4 are being redeveloped and repositioned into a high-specifications building given their close proximity to the Ubi MRT station. When completed, the building will have a larger floor plate and higher ceilings. We are confident that the take-up rate will be high.

We have also successfully implemented the first flexible workspace in an industrial property to serve the needs of the new economy industries. "The Workshop" at Techplace II offers 21,000 square feet of flexible workspaces. Occupancy has been rising steadily to 78% currently.

22 of Ascendas Reit's properties have achieved the BCA Green Mark certifications. Ascendas Reit continues to advance its long-term sustainability agenda by planning to increase this number further.

In support of Singapore's Climate Action Plan in reducing carbon emissions, we have partnered SP Group (Singapore Power) to provide high-speed electric vehicle charging points in six of our properties, catering to the growing pool of electric cars in Singapore.

CHAIRMAN'S **MESSAGE**

LOOKING AHEAD

We look forward to building on our track record to deliver stable operational and financial results.

However, the global growth outlook remains uncertain. We will stay vigilant in monitoring the ever-changing market conditions and customer expectations.

A STRONG SPONSOR

On 12 April 2019, the strategic acquisition of the Ascendas-Singbridge Group by CapitaLand was approved by CapitaLand's shareholders. The transaction will result in the creation of Asia's largest diversified real estate group and one of the world's top 10 real estate managers with AUM of over S$123 billion. Once we are part of the larger CapitaLand group, we look forward to potentially benefitting from a platform with expanded resources and capabilities.

BOARD RENEWAL

Mr Teo Choon Chye, Marc has retired from the Board after six years of service. We would like to thank Marc for his exceptional guidance and support throughout his tenure. It has been a pleasure working with him and his presence will be missed.

The Board and Management welcomes Mr Daniel Cuthbert Ee Hock Huat to the Board as an Independent Director of AFM. His considerable experience in banking will enhance the diverse expertise of the Board. We look forward to his guidance.

> "We look forward to building on our track record to deliver stable operational and financial results."

ACKNOWLEDGEMENTS

Finally, I would like to express my appreciation to the employees of the Manager and Property Manager who have played invaluable roles in translating our strategies to reality. I would also like to thank our customers, business partners, service providers and Unitholders for their continued trust and support.

LIM HOCK SAN
Chairman
4 June 2019

INTERVIEW
WITH CEO

MR WILLIAM TAY WEE LEONG
Executive Director & CEO

Q WHAT IS THE PROGRESS ON YOUR STRATEGIC PLANS THAT YOU TALKED ABOUT LAST YEAR?

In our previous report, I addressed the three value pillars underpinning our strategies and I am pleased to report that we are making good progress on all three fronts.

- **Value-Add:** Ascendas Reit's AUM surpassed S$11 billion as we continued to add well-located and good quality assets to the portfolio.

  We expanded into the UK with a sizeable investment of S$832.4 million and further boosted our Australia portfolio by acquiring S$115.6 million worth of logistics properties. We also secured a partnership with Grab to design and build their headquarters in Singapore for S$181.2 million. These investments strengthened Ascendas Reit's resilience through a more geographically diversified portfolio with a broad customer base.

- **Value Creation:** During the year we completed asset enhancement and redevelopment projects worth S$97.9 million across eight properties in Singapore, improving the overall quality of our spaces to cater to high customer expectations.

  At 20 Tuas Avenue 1, we created value by maximising plot ratio and redeveloping the property into a modern ramp-up logistics facility. Within a year, this speculative redevelopment achieved an occupancy rate of 91%.

  At 169 Australis Drive, in Melbourne, Australia, we completed the construction of a super awning attached to the warehouse to provide all weather loading for potential users. This assisted in locating a customer for 100% of the property prior to completion of the project.

  Several new projects totalling S$56.5 million are on-going. Next to Ubi MRT station in Singapore, two light industrial buildings, 25 and 27 Ubi Road 4, will be redeveloped into a single building with enlarged floorplates and repositioned to a high-specifications facility, which is expected to generate higher returns for us.

- **Value Management:** We embarked on several initiatives to improve the overall management and performance of our properties.

  For example, we rolled out the Ascendas-Singbridge Operations Centre, which leverages technology to analyse data for more efficient building performance. Our lease agreements were also simplified using plain English to improve customer experience and Ascendas-Singbridge is now the first real estate company in Singapore to achieve the Crystal Mark Accreditation[1].

  As at 31 March 2019, the same-store valuation of our properties improved by approximately S$110 million, reflecting our proactive asset management and good quality portfolio.

  To optimise returns, two Singapore properties were divested for S$37.6 million and at a premium of more than 15% above their book values.

  In addition, our sound financial metrics have allowed us to tap into various sources of funds at competitive rates, whilst ensuring that we are well mitigated against interest and forex risks.

Overall, we have delivered a stable DPU despite challenging market conditions. Going forward, these three value pillars will continue to drive our strategies and guide us in delivering more value to Unitholders.

1 The Crystal Mark is awarded by the Plain English Campaign (PEC) Firm in the UK, the world leader in plain-language advocacy.

INTERVIEW
WITH CEO

Q HOW DO YOU THINK INDUSTRY 4.0 WILL AFFECT BUSINESS AND INDUSTRIAL SPACE REQUIREMENTS? WHERE ARE THE OPPORTUNITIES FOR ASCENDAS REIT?

With the government's strong support through its Industry 4.0 initiatives, we can expect to see a new range of high value activities, such as digitization, robotics and augmented reality, being attracted to Singapore. There will be more industry collaborations as organisations seek to build up their capabilities across multiple functions.

As we move towards a sharing economy and knowledge-based business models, business and industrial space requirements will evolve in tandem. Organisations will be looking for spaces and landlords who can meet their needs to not only house their operations but also help to retain a dynamic workforce.

Ascendas Reit has the right products to benefit from this. In Singapore, over 60% of our properties (by asset value) are in the business park and high-specifications industrial segments, where majority of the high value-add activities qualify under the authorities' regulations on industrial land usage. In addition, these properties are well located to transport networks and in close proximity to amenities such as F&B establishments, childcare centres etc.

We have introduced collaborative workspaces in some of our properties to cater to the needs of today's workforce and plan to launch more of such spaces in the coming years.

As a key player in the Singapore industrial market, we look forward to participating in the development of the government's new industrial districts such as the Jurong Innovation District and Punggol Digital District, which have been designated to house R&D and capability developers, start-ups, technology enablers, and digital and cybersecurity industries.

In short, there are many exciting opportunities for Ascendas Reit and we are actively positioning our portfolio to be future ready.

Q WHY DID YOU CHOOSE TO ACQUIRE PROPERTIES IN THE UNITED KINGDOM (UK) DESPITE THE CONCERNS SURROUNDING BREXIT?

Every country has its challenges and opportunities. Our strategy is to focus on the underlying fundamentals of the market segment and assets that will offer us sustainable income over the long term.

UK is a mature and developed market, similar to Singapore and Australia. Its large industrial real estate market offers a deep pool of good quality assets for us to scale up our S$800 million portfolio over time.

The demand for logistics space, largely driven by the thriving e-commerce sector, has outpaced supply, leading to low vacancy rates and healthy rental growth. The on-going shift from offline to online shopping is expected to continue to underpin demand for logistics space.

The 38 logistics properties are well-located, sited on freehold land, have long weighted average lease expiry of 9.3 years, and are well-occupied by good quality customers. These attributes will stand Ascendas Reit in good stead to overcome any potential impact arising from Brexit.

Q HOW DO YOU PLAN TO MANAGE CURRENCY RISKS AS YOU CONTINUE TO EXPAND OVERSEAS?

We have put in place a high level of natural hedge in Australia and the UK to minimise the effects of adverse exchange rate fluctuations.

As at 31 March 2019, our A$1.6 billion investment in Australia was 75.5% matched with Australian dollar borrowings.

In the UK, our £0.5 billion investment was fully matched with sterling pound borrowings.

In addition, we also forward hedge our overseas cashflow coming back to Singapore for one year. We will continue to remain prudent to minimise currency risks.

Q WHAT IS YOUR OUTLOOK FOR ASCENDAS REIT AND WHERE DO YOU SEE GROWTH COMING FROM?

The uncertainties surrounding the global economic outlook will continue to pose challenges as customers remain cautious with their investments and space requirements.

In addition, the excessive supply of industrial properties in Singapore is expected to keep a lid on leasing activity and industrial property rents.

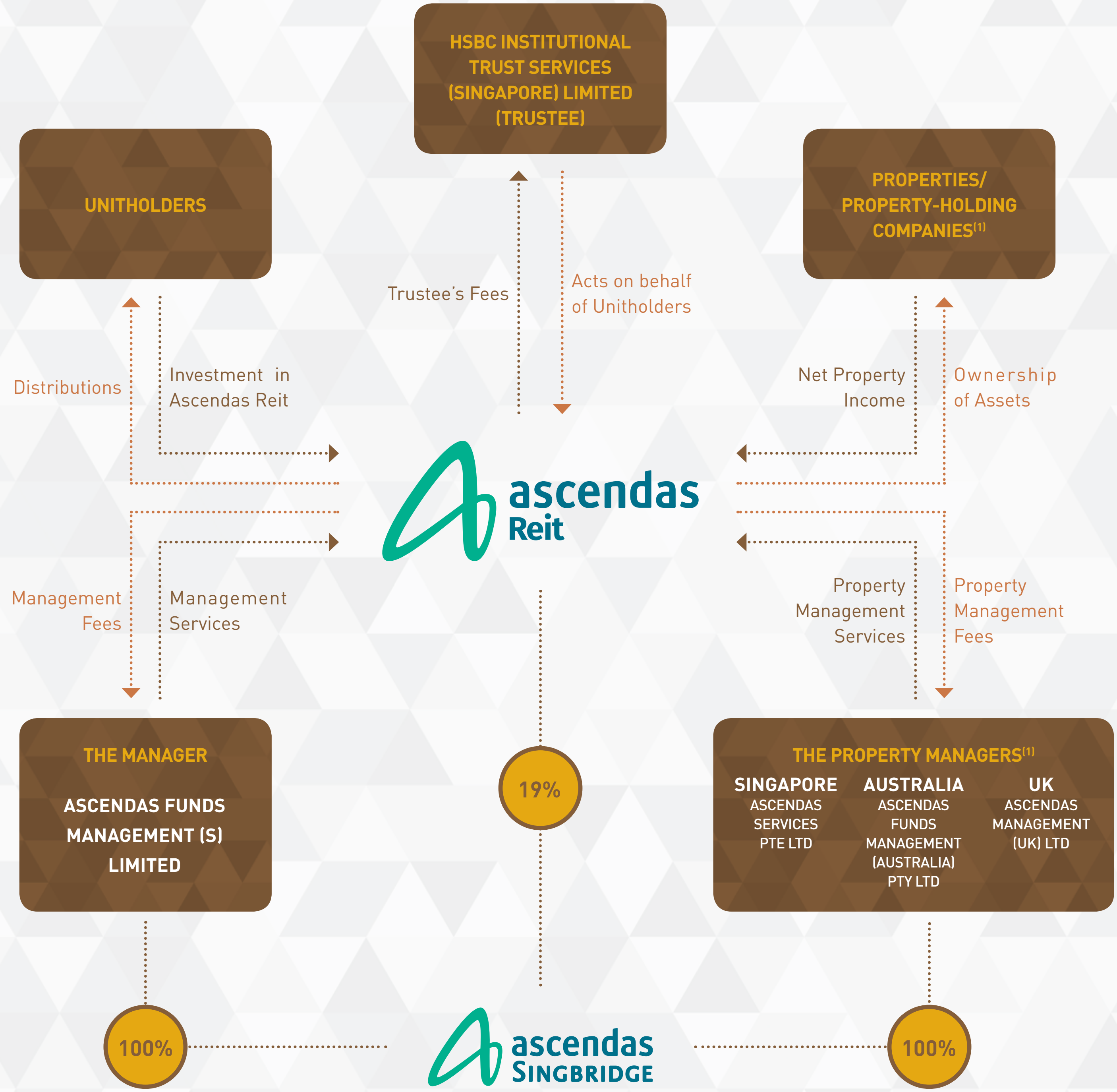
However, we are confident to ride out the volatilities in the current market. Ascendas Reit's portfolio comprises good quality properties and is well-diversified geographically and across industrial segments.

Majority of our investments are expected to remain in Singapore. We can potentially grow our business and science park segment through the Sponsor's pipeline of properties in Singapore. We will also continue to identify third-party properties that fit our criteria to grow.

We plan to scale up our overseas portfolios in Australia and the UK/Europe over the next few years, focusing on logistics and suburban offices/business park properties in good locations.

ASCENDAS REIT'S **STRUCTURE**

AS AT 4 JUNE 2019



(1) Properties located in Singapore are held directly by Ascendas Reit.

Properties located in Australia are held through wholly owned subsidiaries and sub-trusts of Ascendas Reit, and are managed by Ascendas Funds Management (Australia) Pty Ltd together with third-party managing agents.

Properties located in the United Kingdom are held through wholly owned subsidiaries of Ascendas Reit and are managed by Ascendas Management (UK) Ltd together with third-party managing agents.

BUSINESS
MODEL

The Manager draws on an appropriate mix of six types of capitals[1] and employs a three-pronged strategy to drive its business activities. Please refer to Ascendas Reit's Integrated Sustainability Report FY18/19 for more information.

FINANCIAL CAPITAL
Available pool of funds leveraged to optimise value for Unitholders

SOCIAL & RELATIONSHIP CAPITAL
Brand and reputation are essential to ensure a sustainable business. Fostering strong relationships with stakeholders is a key priority of the Manager

INTELLECTUAL CAPITAL
Specialised asset management expertise and knowledge to develop premium and attractive solutions

HUMAN CAPITAL
Commitment and drive from employees contribute towards business growth

MANUFACTURED CAPITAL
Capability to acquire and develop high-quality properties to achieve value-adding investments

NATURAL CAPITAL
Energy and water are important resources to the business operations of Ascendas Reit

(1) As defined under the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.


SUSTAINABILITY CONTEXT
OUR BUSINESS ACTIVITIES
Energy & Carbon
Supply Chain Management
Market Changes
Customers' Needs
Innovation & Technology
RISKS & OPPORTUNITIES
GOVERNANCE
VISION
To be a leading global real estate investment trust
MISSION
To deliver predictable distributions and achieve long-term capital stability for Unitholders
STRATEGY & RESOURCE ALLOCATION
Prudent Capital & Risk Management
Disciplined Value-Adding Investments
ENHANCING VALUE CAPITALS
Value of the six capitals are enhanced as a result of business activities and outputs. The Manager is committed to deliver sustainable value for Ascendas Reit and its stakeholders

BUSINESS
MODEL

THREE-PRONGED STRATEGY

1 PROACTIVE PORTFOLIO MANAGEMENT

Maximising organic growth potential and returns of the portfolio through active asset management. The Manager works closely with the Property Manager in carrying out these principal strategies and the relevant activities.

- Proactive marketing and leasing of spaces to achieve a healthy occupancy rate
- Providing high standards of property and customer services to customers
- Enhancing operational efficiency and optimisation of operating costs
- Carrying out asset enhancement initiatives

2 DISCIPLINED VALUE-ADDING INVESTMENTS

Undertaking disciplined value-adding investments through acquisitions and development of high-quality properties.

- Acquiring income-producing properties leased to established customers
- Acquiring high-quality properties with strong income stream and/or asset enhancement potential
- Developing build-to-suit projects to cater to prospective customers' operational requirements and specifications
- Selective development/ redevelopment to capitalise on the Manager's development capabilities
- Sourcing of overseas investment opportunities to strengthen portfolio diversification and resilience

3 PRUDENT CAPITAL & RISK MANAGEMENT

Optimising Ascendas Reit's funding structure and costs. Maintaining an effective system of risk management and internal controls.

- Regular reviews of Ascendas Reit's debt and capital management, and financial policy
- Diversifying sources of funding, managing interest rate risk, liquidity risk, credit risk and foreign currency risk
- Monitoring Ascendas Reit's exposure to various risk elements and externally imposed requirements in the markets it operates in by closely adhering to clearly established management policies and procedures
- Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Ascendas Reit's strategic direction
- Creating an acceptable balance between the benefits derived from managing risks and the cost of managing those risks

WHAT ASCENDAS REIT **INVESTS IN**

BUSINESS & SCIENCE PARK PROPERTIES AND SUBURBAN OFFICES

Characteristics

In Singapore, business and science park properties are 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.

In Australia, our suburban offices comprise high-quality office space located in precincts outside the central business districts. The properties are well-serviced by public transportation and surrounding amenities include F&B and shopping malls.

Typical Customers

Singapore: 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.

Australia: Government departments, data centres, regional corporate HQs 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 corporations 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 AND DATA CENTRES

Characteristics

High-specifications industrial properties are vertical corporate campuses with higher office content combined with high-specifications mixed-use industrial space. Properties typically have modern facades, air-conditioned units, and sufficient floor loading and ceiling height as well as high power capacity to allow both office functions and manufacturing activities to be carried out. Data centres house predominantly heavy equipment, such as servers.

Typical Customers

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 AND 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 general 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 of Sydney, Melbourne, Brisbane and Perth.

The portfolio in the United Kingdom comprises logistics properties located in established industrial areas across various regions including Yorkshire and the Humber, North West England, East and West Midlands, South East England and East of England.

Typical Customers

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

SIGNIFICANT EVENTS

APR 2018

23rd
Announced results for the financial year ended 31 March 2018: Net property income grew by 3.0% y-o-y. DPU increased by 1.6% y-o-y to 15.988 cents from 15.743 cents.

30th
Completed the divestment of 30 Old Toh Tuck Road for S$24.0 million.

MAY 2018

16th
Issued HK$729.0 million (S$125.0 million) 7-year Medium Term Notes due 2025 at a fixed coupon of 3.66% per annum.

JUN 2018

4th
Completed the acquisition of 169 – 177 Australis Drive, in Melbourne, Australia for A$34.0 million (S$34.5 million).

26th
Completed the acquisition of 1314 Ferntree Gully Drive, in Melbourne, Australia for A$16.2 million (S$16.4 million).

28th
Ascendas Reit's Annual General Meeting was held and all resolutions were approved by Unitholders.

Ascendas Reit's Annual General Meeting

JUL 2018

30th
Announced results for the three months ended 30 June 2018: Net property income grew by 3.8% y-o-y.

24th
Participated in the SIAS Corporate Connect Seminar as part of its retail investor outreach programme

SIAS Corporate Connect Seminar

AUG 2018

2nd
Ascendas Reit was named one of the 'Top 100 Singapore Brands 2018' by Brand Finance, ranked 33rd.

16th
Completed Ascendas Reit's maiden acquisition in the United Kingdom (UK), comprising a portfolio of 12 logistics properties for £207.3 million (S$373.2 million).

20th
Completed the divestment of 41 Changi South Avenue 2 for S$13.6 million.

SEP 2018

6th
Launched a pre-emptive private placement that was 2.2 times covered. Ascendas Reit raised approximately S$452.1 million mainly to fund its UK acquisitions and a build-to-suit business park development in Singapore for Grab.

7th
Completed the acquisition of 1 – 7 Wayne Goss Drive in Brisbane, Australia for A$30.0 million (S$30.8 million).

12th
Participated in the CFA Institute's "Future State of REIT Investment" event

Panel at the CFA Institute event

17th
Completed the acquisition of Cargo Business Park in Brisbane, Australia for A$33.5 million (S$33.9 million).

18th
Ascendas Reit was recognised at the Alpha Southeast Asia Corporate Institutional Investor Awards for Strongest Adherence to Corporate Governance (Second place), Best Strategic Corporate Social Responsibility (Second place) and Best Senior Management IR Support (Third place)

Alpha Southeast Asia Corporate Institutional Investor Awards

30th
Mr Teo Choon Chye, Marc stepped down as independent director after serving on the board for six years.

OCT 2018

1st
Appointment of Mr Daniel Cuthbert Ee Hock Huat as Independent Director the Board, the Audit and Risk Committee and the Investment Committee.

4th
Completed the second UK portfolio acquisition comprising of 26 logistics properties for £257.5 million (S$459.2 million).

25th
Announced results for the three months ended 30 September 2018: Net property income declined by 1.0% y-o-y.

Analyst and media briefing

JAN 2019

14th
CapitaLand entered into a proposed transaction with Temasek to acquire Ascendas Reit's Sponsor (Ascendas-Singbridge Pte Ltd and its subsidiaries).

30th
Entered into an agreement with Grab to develop a business park property for its Singapore Headquarters in one-north for S$181.2 million.

Announced results for the three months ended 31 December 2018: Net property income grew by 6.6% y-o-y.

MAR 2019

20th
Issued HK$1,450 million (S$250 million) 10-year Medium Term Notes due 2029 at a fixed coupon of 3.57% per annum.

29th
Ascendas Reit and Grab broke ground for Grab's new headquarters at one-north.

Grab's HQ groundbreaking ceremony

APR 2019

29th
Announced results for the financial year ended 31 March 2019: Net property income grew by 3.2% y-o-y. DPU increased by 0.3% y-o-y to 16.035 cents from 15.988 cents.

BOARD OF **DIRECTORS**

MR LIM HOCK SAN
Chairman, Independent Director

Mr Lim is the President and Chief Executive Officer of United Industrial Corporation Limited, a real estate developer. Prior to that, he was the Director-General of Civil Aviation of the Civil Aviation Authority of Singapore (CAAS) from 1980 – 1992. Mr. Lim started his career in 1966 as an Assistant Tax Examiner with the then Inland Revenue Department of Singapore. He served as an Accountant of Mobil Oil Malaya Sdn Bhd since 1967 before joining the Port of Singapore Authority in 1968, working his way up to the position of Assistant Director, before joining CAAS.

Date of appointment as Director:
1 July 2016

Length of service as Director:
2 years 11 months

Board Committees Served On:
- Nominating and Remuneration Committee (Chairman)
- Investment Committee (Member)

Academic & Professional Qualifications:
- Bachelor of Accountancy, University of Singapore
- Master of Science (Management), Alfred P Sloan School of Management, MIT, U.S.A.
- Advanced Management Program, Harvard Business School
- Senior Executive Programme, London Business School
- Fellow Member, Institute of Singapore Chartered Accountants
- Fellow Member, Chartered Institute of Management Accountants (U.K.)

Present Directorships

Listed companies
- United Industrial Corporation Limited
- Gallant Venture Ltd
- Indofood Agri Resources Ltd
- Interra Resources Limited

Others
- Singapore Land Limited
- Marina Centre Holdings Pte Ltd
- Realty Management Services (Pte) Ltd
- Beijing Landmark Towers Company Limited
- Singapore-Suzhou Township Development Pte Ltd
- UIC Technologies Pte Ltd
- Marina Bay Hotel Pte Ltd
- Hotel Marina City Pte Ltd
- China-Singapore Suzhou Industrial Park Development Co., Ltd
- UIC Jin Travel (Tianjin) Co. Ltd
- Singland Chengdu Development Co Ltd
- Aquamarina Hotel Pte Ltd

Major Appointment
President & CEO, United Industrial Corporation Limited

Past Directorships In Listed Companies Held Over The Preceding 3 Years
Nil

MR MIGUEL KO
Vice Chairman, Non-Executive Director

Mr Ko is the Executive Director and Group CEO of Ascendas-Singbridge. Previously, he was Chairman and President of Starwood Asia Pacific Hotels & Resorts and prior to that Deputy Chairman and CEO of CDL Hotels International. Between 1992 and 1999, Mr Ko was the President of Asia-Pacific at Pepsi-Cola International. He is widely recognised for his knowledge and insights on business and culture in Asia Pacific, particularly in the travel, leisure and property development sectors. Mr Ko was voted as Regional Hotel Chief of the Year in 2007 and 2008 by the readers of the Travel Weekly and also won the Visionary Leader of the Year in 2007.

Date of appointment as Director:
1 January 2016

Length of service as Director:
3 years and 5 months

Board Committees Served On:
- Investment Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications:
- Bachelor of Arts in Economics, University of Massachusetts, U.S.A.
- Master 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
- Ascendas Hospitality Fund Management Pte Ltd (Manager of Ascendas Hospitality REIT) (Chairman)
- Ascendas Hospitality Trust Management Pte Ltd (Trustee-Manager of Ascendas Hospitality BT) (Chairman)

Others
- Ascendas-Singbridge Pte Ltd
- Ascendas-Singbridge Holdings Pte Ltd
- CTM Property Trust (Steering Committee)
- Jilin Food Zone Pte Ltd
- Singapore-Sichuan Investment Holdings Pte Ltd

Major Appointment
- Group CEO, Ascendas-Singbridge Pte Ltd

Past Directorships In Listed Companies Held Over The Preceding 3 Years
- Samsonite International S.A.

BOARD OF **DIRECTORS**

MR MANOHAR KHIATANI
Non-Executive Director

Mr Khiatani is the Deputy Group CEO of Ascendas-Singbridge. Before joining Ascendas in 2013, Mr Khiatani served as the CEO of JTC Corporation (JTC), where he spearheaded the development of specialised infrastructure solutions for various sectors and positioned the organisation as an industrial infrastructure innovator. Prior to joining JTC in 2009, Mr Khiatani was the Deputy Managing Director at the Singapore Economic Development Board where he played an instrumental role in the development and transformation of important sectors in Singapore's economy. Between 1994 and 1999, Mr Khiatani was the Managing Director of Preussag SEA, a diversified German conglomerate, where he was responsible for developing the group's business in South-East Asia.

Date of appointment as Director:
10 June 2013

Length of service as Director:
5 years and 11 months

Board Committees Served On:
- Audit and Risk Committee (Member)
- Investment Committee (Member)

Academic & Professional Qualifications:
- Master's 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 (Trustee-Manager of Ascendas India Trust)
- Ascendas Hospitality Fund Management Pte Ltd (Manager of Ascendas Hospitality REIT)
- Ascendas Hospitality Trust Management Pte Ltd (Trustee-Manager of Ascendas Hospitality BT)

Others
- Ascendas-Singbridge Pte Ltd
- Ascendas-Singbridge Holdings Pte Ltd
- 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
- Jilin Food Zone Pte Ltd
- Nusajaya Tech Park Sdn Bhd
- Singapore Amaravati Investment Holdings Pte Ltd
- Directorships in other Ascendas-Singbridge Group companies

Major Appointment
Deputy Group CEO, Ascendas-Singbridge Pte Ltd

Past Directorships In Listed Companies Held Over The Preceding 3 Years
Nil

MR WILLIAM TAY WEE LEONG
Executive Director, CEO

Mr Tay is the Executive Director and CEO of Ascendas Funds Management (S) Limited, Manager of Ascendas Reit. Prior to this, he was the Deputy CEO of Singapore and South East Asia and CEO for South Korea of the Ascendas-Singbridge Group. Mr Tay has more than 22 years of wide-ranging experience in real estate, straddling both the public and private sectors as well as Singapore and overseas. He started his career with JTC Corporation where he spent 12 years involved in the development and marketing of Ready-Built Factories, Wafer Fabrication Parks and Logistics Parks, as well as strategic and corporate planning.

Date of appointment as Director:
1 February 2018

Length of service as Director:
1 year and 4 months

Board Committees Served On:
- Investment Committee (Member)

Academic & Professional Qualifications:
- Bachelor of Science (Estate Management), National University of Singapore

Present Directorships

Listed companies
Nil

Others
- Ascendas Funds Management (Australia) Pty Ltd

Major Appointment
CEO, Ascendas Funds Management (S) Limited

Past Directorships In Listed Companies Held Over The Preceding 3 Years
Nil

BOARD OF **DIRECTORS**

MR CHAN PENGEE, ADRIAN
Lead Independent Director

Mr Chan is Head of the Corporate Department and a Senior Partner at the law firm, Lee & Lee. He is recommended as a leading corporate lawyer in many legal publications, including Chambers Global and The Asia Pacific Legal 500. He is a Board member of the Accounting and Corporate Regulatory Authority and the Vice-Chairman of the Singapore Institute of Directors. He serves on the Legal Service Commission, which is constituted under the Constitution of the Republic of Singapore, and the SGX has appointed him to its Catalist Advisory Panel to review Catalist Sponsor and Registered Professional applications.

Date of appointment as Director:
1 December 2014

Length of service as Director:
4 years and 6 months

Board Committees Served On:
- Audit and Risk Committee (Chairman)

Academic & Professional Qualifications:
- Bachelor of Laws (Honours), National University of Singapore

Present Directorships

Listed companies
- Yoma Strategic Holdings Ltd
- Hong Fok Corporation Limited
- AEM Holdings Ltd
- Best World International Limited
- Bowsprit Capital Corporation Limited

Others
- Hogan Lovells Lee & Lee
- Shared Services For Charities Limited
- Azalea Asset Management Pte Ltd
- Want Want Holdings Ltd
- Singapore Institute of Directors
- Astrea III Pte Ltd
- Astrea IV Pte Ltd
- Astrea V Pte Ltd

Major Appointments
- Head of Corporate, Lee & Lee
- Honorary Secretary, Association of Small and Medium Enterprises
- Board Member, Accounting and Corporate Regulatory Authority
- Member, Legal Service Commission
- Council member, the Law Society of Singapore
- Member, SGX Catalist Advisory Panel
- Member, Pro-Enterprise Panel
- Member, Singapore Management University's Enterprise Board
- Member, Requisition of Resources Compensation Board
- Member, Institutional Review Board, Singapore Polytechnic

Past Directorships In Listed Companies Held Over The Preceding 3 Years
- Nobel Design Holdings Ltd
- Global Investments Limited

MS CHONG CHIET PING
Independent Director

Ms Chong is the Managing Partner of Small World Group Incubator Pte Ltd as well as GreenMeadows Accelerator Pte Ltd. She is appointed as the Technical Advisor (Central Gap Fund) of National Research Foundation and is involved in early stage incubation of technology companies working in conjunction with National Research Foundation Holding and Spring Seed Capital. Ms Chong had worked for 33 years with Hewlett Packard and her last position was Senior Vice President of Operations, HP Asia Pacific. Her experience includes the areas of supply chain, logistics, process and information technology re-engineering.

Date of appointment as Director:
1 November 2015

Length of service as Director:
3 years and 7 months

Board Committees Served On:
- Audit and Risk Committee (Member)
- Nominating and 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
- Lean Care Solutions Corporation Pte Ltd
- GreenMeadows Accelerator Pte Ltd
- Nucleus Dynamics Pte Ltd
- Smart Animal Husbandry Care Pte Ltd
- Hyfluxshop Holdings Ltd

Major Appointments
- Managing Partner, Small World Group Incubator Pte Ltd
- Managing Partner, GreenMeadows Accelerator Pte Ltd
- Technical Advisor, National Research Foundation

Past Directorships In Listed Companies Held Over The Preceding 3 Years
Nil

BOARD OF **DIRECTORS**

MR DANIEL CUTHBERT EE HOCK HUAT
Independent Director

Mr Ee is an independent director of Keppel Infrastructure Fund Management Pte Ltd (trustee-manager of Keppel Infrastructure Trust) and an independent director and the non-executive chairman of Olive Tree Estates Ltd. He has more than 14 years of experience in the banking sector and was the Chief Executive of Standard Chartered Merchant Bank Asia Ltd from 1996 to 1999. He served as a non-executive director of Citibank Singapore Limited from 2005 to 2015. Mr Ee was formerly the Chairman of CitySpring Infrastructure Management Pte Ltd (trustee-manager of CitySpring Infrastructure Trust) and was also formerly the Deputy Chairman of the Securities Industry Council and the Singapore Institute of Directors.

Date of appointment as Director:
1 October 2018

Length of service as Director:
8 months

Board Committees Served On:
- Audit and Risk Committee (Member)
- Investment Committee (Member)

Academic & Professional Qualifications:
- Bachelor of Science in Systems Engineering (1st Class Honours), University of Bath, UK
- Master of Science in Industrial Engineering, National University of Singapore

Present Directorships

Listed companies
- Keppel Infrastructure Fund Management Pte Ltd (Trustee Manager of Keppel Infrastructure Trust)
- Olive Tree Estates Limited

Others
- Singapore Mediation Centre

Major Appointment
Nil

Past Directorships In Listed Companies Held Over The Preceding 3 Years
Nil

MS LIM SAU HOONG
Independent Director

Ms Lim was formally the CEO and Executive Creative Director of 10AM Communications, an advertising agency that she founded in 2000. Since its founding, 10AM has garnered more than 300 awards including Cannes, the One Show, the British Designer & Art Directors club, Clio and Communication Arts. Prior to the founding of 10AM communications, she spent 12 years in both BBDO Asia (Singapore) and Ogilvy & Mather (Singapore, Beijing & Shanghai) as the head of the creative teams, attaining more than 500 awards for the two agencies. She was nominated as one of the top three most influential persons in media, marketing, and advertising in Singapore.

Date of appointment as Director:
1 November 2015

Length of service as Director:
3 years and 7 months

Board Committees Served On:
- Nominating and 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
- Hyfluxshop Holdings Ltd
- Chinese Development Assistance Council
- NTUC Fairprice Co-operative Limited
- Singapore NTUC FairPrice Foundation

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

BOARD OF **DIRECTORS**

MR WONG YEW MENG
Independent Director

Mr Wong was a Certified Public Accountant and an audit partner at PricewaterhouseCoopers, Singapore, before he retired in June 2008. He specialised in the audit of banks and financial institutions and had experience in auditing companies in a wide range of industries including manufacturing, telecommunication, IT development, trading and services. He helped build up the financial services practice in the then PriceWaterhouse, Singapore, and was the lead partner in charge of the Singapore financial services practice for 13 years.

Date of appointment as Director:
1 November 2015

Length of service as Director:
3 years and 7 months

Board Committees Served On:

- Audit and Risk Committee (Member)

Academic & Professional Qualifications:

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

Present Directorships

Listed companies

- Venture Corporation Limited

Others

- Land Transport Authority of Singapore
- Singapore Deposit Insurance Corporation Limited
- Nanyang Technological University
- Kidney Dialysis Foundation Limited

Major Appointment

Nil

Past Directorships In Listed Companies Held Over The Preceding 3 Years

Nil

THE ASCENDAS **REIT TEAM**

(From left to right)
Mr James Goh, Mr Paul Toussaint, Mr William Tay Wee Leong (CEO), Ms Yeow Kit Peng, Mr Lawden Tan, Ms Koo Lee Sze, Mr Dacon Pao, Ms Serena Teo

THE ASCENDAS **REIT TEAM**

MR WILLIAM TAY WEE LEONG

Chief Executive Officer

William was appointed as Executive Director and CEO of the Manager of Ascendas Reit on 1 February 2018. Prior to his current appointment, William was the Deputy CEO of Singapore and South East Asia (SSEA) of the Ascendas-Singbridge Group. In addition to leading Ascendas-Singbridge SSEA regional teams in Singapore, Malaysia, Indonesia and Vietnam, he was concurrently the CEO for South Korea, overseeing the real estate private equity funds business and investments in South Korea.

William has more than 22 years of wide-ranging experience in real estate, straddling both the public and private sectors as well as Singapore and overseas. Since joining Ascendas-Singbridge in 2007, he held various leadership positions in investment, business development, asset and fund management as well as country operations. William started his career with JTC Corporation where he spent 12 years in the development and marketing of Ready-Built Factories, Wafer Fabrication Parks and Logistics Parks, as well as strategic and corporate planning.

William holds a Bachelor's Degree in Estate Management (Honours) from the National University of Singapore.

MS KOO LEE SZE

Chief Financial Officer

Lee Sze oversees financial and regulatory reporting, risk management and taxation matters. She develops key business strategies of Ascendas Reit together with the management team, ensures principle base governance and executes the strategies through financial management.

Prior to joining the Manager, Lee Sze was the Director of Finance at Popular Holdings Limited where she was responsible for the financial accounting and reporting of various aspects of the business including retail and distribution, publishing and e-Learning.

Lee Sze started her career in the audit and assurance division of Deloitte & Touche after graduation. She has extensive exposure in real estate, manufacturing, retail and service industries; and has more than two decades of experience in key financial and managerial roles.

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 & Investor Relations

Kit Peng drives the capital structure, funding and hedging strategy, treasury, and corporate development of Ascendas Reit. She also heads up the Investor Relations function.

Kit Peng has established a strong network with both local and international financial institutions to maximise the capital market strategy of Ascendas Reit. In Investor Relations, she is intimately involved in the promotion of Ascendas Reit to investors globally.

She has over 25 years of professional experience that spans across buy-side and sell-side sectors of capital markets, as well as in corporate strategies and development. Her area of exposure and experience covers Asia Pacific. Her stint includes Corporate Strategies and Development in Ascendas, followed by Associate Director of Equity Research at Standard & Poor's. Prior to her joining the Manager, she was an Asian Property Analyst at Nomura Asset Management. Her role involved strategising on REITs and property investments in Asia Pacific.

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

MR PAUL TOUSSAINT

CEO, Ascendas Funds Management (Australia)

Paul is responsible for the overall performance of Ascendas Reit's Australian property portfolio and operations.

He was previously Chief Investment Officer of Commercial & Industrial Property Pty Ltd and was responsible for the development, strategy and performance of its investment management platform. He has over 25 years of real estate experience including funds management, property investment, client relationships, asset management, valuations and development. During his 15 years with ING Real Estate, Paul was Chief Executive Officer of ING Industrial Fund, an ASX-listed REIT which invested in industrial properties, business parks and office parks located in Australia, Canada and Western Europe. Prior to his current role, Paul held senior executive positions at Logos Australia, ING Real Estate, Heine Management and Knight Frank.

Paul holds a Diploma in Valuations from RMIT University in Melbourne, was appointed as a Valuer by the Valuers Qualification Board in 1988 and was admitted to the Australian Property Institute as an Associate Valuer in 1988 and Associate Land Economist in 1990.

MS SERENA TEO

Head, Singapore Portfolio and Asset Management

Serena oversees Portfolio and Asset Management in Singapore. She is responsible for formulating and executing business strategies to maximise income and asset value of Ascendas Reit's portfolio of properties in Singapore. In addition, she oversees the Property Manager, ASPL, in the delivery of marketing and leasing, property management, lease management, customer care services and asset enhancement initiatives.

Serena has more than 20 years of work experience spanning private and public sectors. Since joining Ascendas-Singbridge in 2008, she has held various positions in strategy, funds management as well as country operations, with experience in Singapore and India. Prior to Ascendas-Singbridge, she was in the Singapore Economic Development Board and EDB Investments, where she spent more than 10 years in the development of the semiconductors and other electronics industries in Singapore, as well as direct equity investments in communications, software and logistics companies. Serena started her career as an engineer in Chartered Semiconductors.

Serena holds a Master in Business Administration from INSEAD and a Bachelor in Electrical and Electronic Engineering (Hons) degree from the National University of Singapore.

MR DACON PAO

Head, Singapore Asset Planning and Development

Dacon joined the Manager of Ascendas Reit as Head, Singapore Asset Planning and Development on 15 October 2018. He is responsible for driving the strategy of value creation in asset positioning and development as well as responsible for the performance of the redeveloped assets.

Prior to this, Dacon was the Country Head for Ascendas Malaysia, spearheading the development of its 200-hectare high-tech industrial and commercial project in Iskandar Malaysia.

Dacon has over 22 years of working experience in real estate covering business development, marketing, asset planning, development and management. He was previously the Head of Sales and Marketing for Ascendas Singapore. His experience also includes an overseas stint in Ascendas' flagship project in Suzhou Industrial Park, China.

Dacon holds a Masters of Business Administration from the University of Warwick, UK and a Bachelor's degree in Civil and Structural Engineering (Hons) from the Nanyang Technological University.

MR LAWDEN TAN

Head, Investment and Business Development

Lawden is responsible for developing and executing Ascendas Reit's investment and business development strategy. He leads the team to actively look for suitable acquisitions and development opportunities to drive the portfolio growth in Singapore and overseas markets.

Prior to joining the Manager, Lawden was with the Ascendas-Singbridge Group serving as Co-Head (Business Development, Singapore and Southeast Asia). Lawden has over 20 years of experience in real estate industry covering investment, development, asset management and property management.

Lawden holds a Bachelor of Science (First Class Honours) in Estate Management from the University of Reading, a Master of Science in Real Estate and a Master of Business Administration from the National University of Singapore. He is a member of the Singapore Institute of Surveyors and Valuers and the Association of Property and Facility Managers.

MR JAMES GOH

Head, International Portfolio Management

James joined the Manager of Ascendas Reit as Head, International Portfolio Management on 1 August 2018. He is responsible for supporting the overseas operations to achieve the financial and operational performance targets set out for Ascendas Reit's overseas properties. Prior to joining the Manager, James led both the Investor Relations (IR) and Asset Management (AM) departments for Ascendas India Trust (a-iTrust). As Head of IR, he planned and executed investor outreach initiatives for a-iTrust. In his role as Head of AM, he was responsible for the financial and operational performance of assets in the Trust portfolio.

James has more than 18 years of experience in the fields of investor relations, asset management, analytical research, and strategic planning. He has extensive experience in the real estate industry, having worked at several leading property companies, including Global Logistics Properties, Frasers Property and CapitaLand.

James is a CFA charter holder and a graduate of Nanyang Technological University with a Bachelor of Accountancy (Honours) degree.

THE PROPERTY **MANAGER**

The daily operations of Ascendas 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 150 staff members providing proactive and professional services to Ascendas Reit's customers, and enhancing the market positioning and attractiveness of Ascendas 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 has the following responsibilities:

MARKETING AND LEASING

ASPL, through Ascendas-Singbridge's Customer Services and Solutions business unit, is responsible for the marketing and leasing of vacant space in Ascendas Reit's portfolio of properties. The team proactively conducts direct prospecting and partners property consultants to win new customers so as to enhance the portfolio occupancy and revenue. The team also develops new services and solutions to enhance its ability to attract, retain and grow with their customers.

In addition, customer care programmes, including bazaars, exhibitions and other customer related events are organised to improve vibrancy and create conducive human-centric work-live-play-learn environments.

COST MANAGEMENT

The ASPL team adopts a prudent operational strategy in line with the Manager's objective of maximising returns without compromising its service standards. They strive to continuously improve operating processes to raise 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

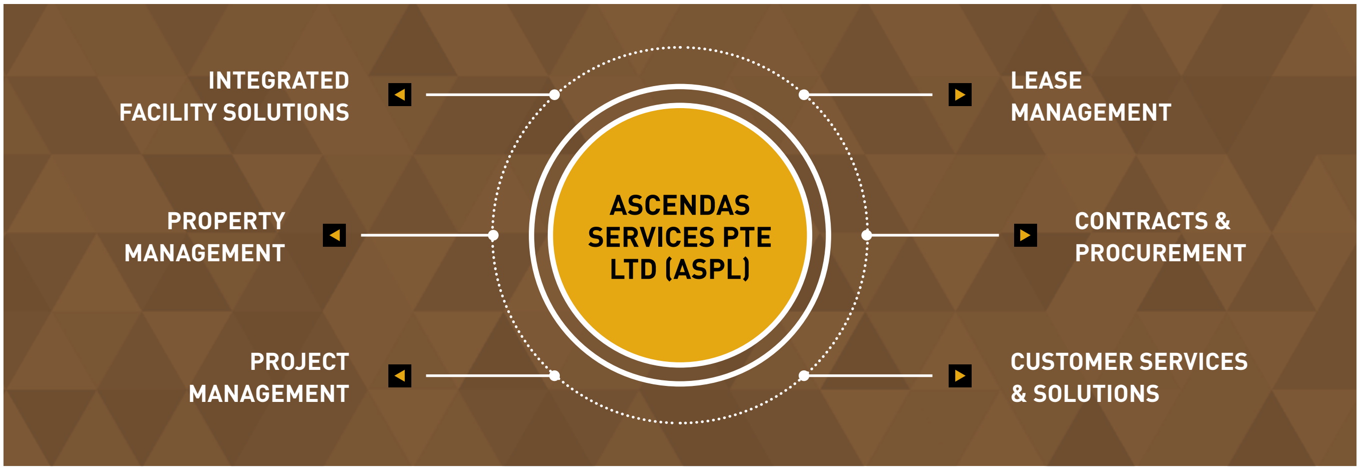
Working hand-in-hand with the Manager's portfolio and asset management team, ASPL ensures that the property specifications and service levels are commensurate with the intended market positioning of each property. The ASPL team is also responsible for managing site staff to ensure that the desired level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

PROJECT MANAGEMENT

The ASPL team provides expertise in the areas of construction and project management for development projects undertaken by Ascendas Reit. They liaise closely with the Manager and external professionals such as architects to ensure that 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 Ascendas Reit's customers as well as to enhance the value of Ascendas 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 Ascendas 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 the Ascendas-Singbridge Group, 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.

THE MANAGER'S REVIEW OF FY18/19

HIGHLIGHTS OF FY18/19

GROSS REVENUE
+2.8%
FY18/19: S$886.2 million
FY17/18: S$862.1 million

NET PROPERTY INCOME (NPI)
+3.2%
FY18/19: S$649.6 million
FY17/18: S$629.4 million

TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION
+3.8%
FY18/19: S$485.7 million
FY17/18: S$468.0 million

DISTRIBUTION PER UNIT (DPU)
+0.3%
FY18/19: 16.035 cents
FY17/18: 15.988 cents

TOTAL ASSETS
+10.2%
FY18/19: S$11.41 billion
FY17/18: S$10.35 billion

PROACTIVE PORTFOLIO MANAGEMENT

- Overall portfolio occupancy improved to 91.9%
- Achieved positive rental reversion of 3.7% in FY18/19 despite intense competition for customers
- Completed one redevelopment project and seven asset enhancement initiatives for a combined cost of S$97.9 million

Portfolio Occupancy
FY18/19: 91.9%
FY17/18: 91.5%

Portfolio Rental Reversion
FY18/19: 3.7%
FY17/18: 0.7%

DISCIPLINED VALUE-ADDING INVESTMENT AND DIVESTMENT

- Maiden entry into the United Kingdom (UK) through the acquisition of two logistics portfolios for a combined purchase consideration of S$832.4 million
- Acquired four freehold logistics properties in Australia for a combined purchase consideration of S$115.6 million:
  - 169 – 177 Australis Drive in Melbourne,
  - 1314 Ferntree Gully Drive in Melbourne,
  - 1 – 7 Wayne Goss Drive in Brisbane
  - Cargo Business Park in Brisbane
- Divested two leasehold properties in Singapore for combined sale proceeds of S$37.6 million. Realised net gains of S$5.1 million over book value:
  - 30 Old Toh Tuck Road, a 5-storey ramp-up logistics building
  - 41 Changi South Avenue 2, a 4-storey light industrial building
- Total valuation of 171 properties was S$11.14 billion. Capitalisation rate was 6.18% for Singapore, 6.08% for Australia and 5.77%[1] for UK as at 31 March 2019

Portfolio Capitalisation Rate

FY18/19:	FY17/18:
Singapore portfolio: 6.18%	Singapore portfolio: 6.22%
Australia portfolio: 6.08%	Australia portfolio: 6.32%
UK portfolio: 5.77%[1]	

PRUDENT CAPITAL AND RISK MANAGEMENT

- Maintained A3 credit rating from Moody's
- Aggregate leverage remained healthy at 36.3% as at 31 March 2019
- Weighted average all-in borrowing cost was maintained at 3.0% per annum
- Weighted average term of debt was lengthened to 4.0 years
- High level of natural currency hedge at 75.5% for Australia and 100.0% for UK to minimise the effects of adverse exchange rate fluctuations
- 83.0% of borrowings are at fixed interest rates for a weighted average duration of 3.6 years to minimise the volatility of interest rate movements
- Good access to debt and equity markets
  - Key Issuances include:
    - S$125.0 million (HK$729 million) 7-year notes
    - S$250.2 million (HK$1.45 billion) 10-year notes
    - Secured S$270.8 million (A$282.2 million) 7-year onshore bank loan
    - Raised S$452.1 million of equity through pre-emptive private placement of 178,007,000 new units at S$2.54 per unit i.e. approximately 25% premium to the adjusted net asset value per Unit[2]

Aggregate Leverage
FY18/19: 36.3%
FY17/18: 34.4%

Weighted Average Term of Debt
FY18/19: 4.0 years
FY17/18: 3.2 years

All-in Borrowing Cost (weighted average)
FY18/19: 3.0%
FY17/18: 2.9%

1 Refers to equivalent yield, which reflects the current level of return on property investments in the UK.
2 Based on unaudited financial results for the financial period 1 April 2018 to 30 June 2018.

THE MANAGER'S REVIEW OF FY18/19

FINANCIAL PERFORMANCE

	FY18/19	FY17/18	Variance
Number of Properties as at 31 March	171	131	+40 properties
Gross Revenue (S$ million)	886.2	862.1	+2.8%
NPI (S$ million)	649.6	629.4	+3.2%
Total Amount Available for Distribution (S$ million)	485.7	468.0	+3.8%
DPU for the Financial year (cents)	16.035	15.988	+0.3%

Gross revenue increased 2.8% y-o-y to S$886.2 million, mainly attributable to contributions from the acquisition of the 38 logistics properties in the UK, 100 Wickham Street, 108 Wickham Street, 169-177 Australis Drive and Cargo Business Park in Australia, and the completion of the redevelopment of Schneider Electric Building and 20 Tuas Avenue 1 in Singapore.

Net property income increased 3.2% y-o-y from S$629.4 million to S$649.6 million underpinned by the growth in gross revenue and net property tax savings.

Total amount available for distribution grew 3.8% y-o-y to S$485.7 million in tandem with the increase in net property income and due to higher rollover adjustments in FY18/19. Included in the amount available for distribution was approximately S$9.8 million (or DPU of 0.318 cents) of income support in relation to certain properties that was received and paid to Unitholders in FY18/19.

Despite an enlarged number of Units in issue, DPU remained stable at 16.035 cents in FY18/19 as compared to 15.988 cents in FY17/18.

As at 31 March 2019, Ascendas Reit is the largest business space and industrial REIT listed on the SGX-ST with total assets and market capitalisation of S$11.4 billion and S$9.1 billion respectively.

INVESTMENT HIGHLIGHTS

During the financial year, the Manager further diversified and improved the quality of its portfolio to achieve a stable income stream with long-term growth prospects.

In June 2018, the Manager completed the acquisition of 169 – 177 Australis Drive, Melbourne, Australia for S$34.5 million (A$34.0 million)[3], a freehold modern logistics facility, located in the established industrial precinct of Derrimut. 169 – 177 Australis Drive is 100.0% occupied as at 31 March 2019, by key customers in the building such as Hitachi Transport System, United Wholesalers and HB Commerce.

In the same month, the Manager also completed the acquisition of 1314 Ferntree Gully Drive, Melbourne, Australia for S$16.4 million (A$16.2 million)[4]. The freehold property comprises three levels of office space, fully racked warehousing, and is situated in the established industrial precinct of Scoresby.

In August 2018, Ascendas Reit made its maiden entry into the UK with the acquisition of 12 logistics properties for S$373.2 million (£207.3 million)[5]. The freehold properties range between 2,785 sq m to 47,298 sq m, and are located across regions such as Yorkshire and the Humber, North West England, East Midlands, West Midlands, South East England and East of England. The portfolio is occupied by quality customers such as DHL, Howden Joinery Group, Bibby Distribution and Amazon.

Subsequently, Ascendas Reit acquired 1 – 7 Wayne Goss Drive, Brisbane, Australia for S$30.8 million (A$30.0 million)[6] in September 2018. The brand new freehold logistics facility,

3 S$ amount for 169 – 177 Australis Drive was based on exchange rate of A$1.00: S$1.0133 as at 31 March 2018.
4 S$ amount for 1314 Ferntree Gully Drive based on exchange rate of A$1.00: S$1.0099 as at 30 June 2018.
5 S$ amount for 1st Portfolio of 12 logistics properties in the UK were based on exchange rate of £1.00:S$1.8003 as at 29 June 2018.
6 S$ amount for 1 – 7 Wayne Goss Drive was based on exchange rate of A$1.00: S$1.0258 as at 30 November 2017.

developed by Goodman Property Services (Aust) Pty Ltd, is located in the industrial precinct of Berrinba in Brisbane.

Ascendas Reit also acquired Cargo Business Park, Brisbane, Australia for S$33.9 million (A$33.5 million)[7] in September 2018, a freehold development that comprises three buildings with office and warehousing facilities. Sited in the established industrial precinct of Eagle Farm in Queensland, the property is occupied by key customers such as Commonwealth of Australia (Bureau of Meteorology), Asics and Nike.

In October 2018, the Manager expanded Ascendas Reit's footprint in the UK with another acquisition comprising 26 logistics properties for S$459.2 million (£257.5 million)[8]. The freehold properties range between 835 sq m to 35,104 sq m, with 70% of the gross internal area residing within West Midlands, an important logistics hub located at the heart of the UK's motorway network. The portfolio is occupied by reputable customers such as Aston Martin Lagonda, Amethyst Group, Eddie Stobart, Royal Mail, Sainsbury and Vax.

To sustain and improve portfolio returns to Unitholders, the Manager actively identifies assets that are suitable for redevelopment and asset enhancement. In the financial year, the Manager completed one redevelopment project and seven asset enhancement initiatives in Singapore totalling S$97.9 million.

The redevelopment of 20 Tuas Avenue 1 involved the construction of a ramp-up 3-storey warehouse block that maximised the plot ratio of the site. The speculative redevelopment achieved an occupancy rate of 91.1% as at 31 March 2019.

Asset enhancement initiatives were completed at one logistics property (21 Changi South Avenue 2), four high-specifications industrial properties (KA Centre, KA Place, 1 Jalan Kilang and 138 Depot Road), one business park property (Nordic European Centre) and one integrated development (Aperia).

During the year, the Manager embarked on a S$181.2 million built-to-suit business park development for Grab's headquarters, a S$35.0 million redevelopment to convert two existing light industrial buildings to a single high-specifications industrial development, and S$21.5 million worth of asset enhancement initiatives across four properties. These projects are on-going as at 31 March 2019 and are expected to complete between FY19/20 to FY21/22.

Investments in FY18/19

Property/Portfolio	Country	Price (S$ million)	Valuation as at acquisition (S$ million)	Occupancy as at 31 March 2019 (%)	Completion Date
Acquisitions		**948.0**			
169 – 177 Australis Drive	Australia *(Melbourne)*	34.5	34.5[1]	100	4 Jun 2018
1314 Ferntree Gully Drive	Australia *(Melbourne)*	16.4	16.4[1]	100[2]	26 Jun 2018
1st UK Portfolio (12 logistics properties)	United Kingdom *(England)*	373.2[3]	373.3[4]	100[2]	16 Aug 2018
1 – 7 Wayne Goss Drive	Australia *(Brisbane)*	30.8	30.8[1]	100[2]	7 Sep 2018
Cargo Business Park	Australia *(Brisbane)*	33.9	33.9[1]	100[2]	17 Sep 2018
2nd UK Portfolio (26 logistics properties)	United Kingdom *(England)*	459.2[3]	459.2[4]	100[2]	4 Oct 2018
Total		**948.0**	**948.1**		

7 S$ amount for Cargo Business Park was based on exchange rate of A$1.00: S$1.0126 as at 31 July 2018.
8 S$ amount for 2nd portfolio of 26 logistics properties were based on exchange rate of £1.00:S$1.7835 as at 28 September 2018.
(1) The valuations were based on the capitalisation method and discounted cashflow method.
(2) Takes into account rental guarantee for vacant spaces provided by the vendors.
(3) Refers to Agreed Portfolio Value at acquisition.
(4) The valuations were based on capitalisation approach.

THE MANAGER'S REVIEW OF FY18/19

Completed Redevelopment and Asset Enhancement Initiatives in FY18/19

Property	Country	Cost (S$ million)	Completion Date
Redevelopment		**61.4**	
20 Tuas Avenue 1	Singapore	61.4	Apr 2018
Asset Enhancement Initiatives		**36.5**	
21 Changi South Avenue 2	Singapore	4.5	Apr 2018
KA Centre, KA Place and 1 Jalan Kilang	Singapore	7.8	Jun 2018
Nordic European Centre	Singapore	8.5	Jan 2019
Aperia	Singapore	11.8	Jan 2019
138 Depot Road	Singapore	3.9	Mar 2019
Total		**97.9**	

On-going Development, Redevelopment and Asset Enhancement Initiatives as at 31 March 2019

Property	Country	Estimated Cost (S$ million)	Estimated Completion Date
Development		**181.2**	
Built-to-suit business park property for Grab's Headquarters	Singapore	181.2	4Q 2020
Redevelopment		**35.0**	
25 & 27 Ubi Road 4	Singapore	35.0	2Q 2021
Asset Enhancement Initiatives		**21.5**	
52 & 53 Serangoon North Avenue 4	Singapore	8.5	1Q 2020
Plaza 8 (Part of 1, 3 & 5 Changi Business Park Crescent)	Singapore	8.5	1Q 2020
ONE@Changi City	Singapore	4.5	4Q 2019
Total		**237.7**	

ACQUISITIONS

169-177 Australis Drive, Melbourne, Australia

169-177 Australis Drive is a modern logistics facility acquired from Abacus Funds Management on 4 June 2018. The property sits within the highly regarded West Park Industrial Estate, in the established industrial precinct of Derrimut, and is serviced by the Western Ring Road, the Western Freeway and the Princes Freeway. It is located 16 km west of the Melbourne Central Business District (CBD), 15 km from the Port of Melbourne and 24 km from Melbourne Airport. The freehold property has a land area of 56,330 sq m, and has a total net lettable area of 31,048 sq m.

1314 Ferntree Gully Drive, Melbourne, Australia

1314 Ferntree Gully Drive is a logistics development that comprises three levels of office space and low-bay and ultra-high-bay fully racked warehouses. The property was acquired from Brian Davis Investments Pty Ltd on 26 June 2018. It is situated in the established industrial precinct of Scoresby, a strategic location in Melbourne's eastern suburbs, approximately 30 km east of the Melbourne CBD, 37 km from the Port of Melbourne and 53 km from Melbourne Airport. The freehold property is sited on a land area of 25,785 sq m, and has a total net lettable area of 16,134 sq m.

1st Portfolio of 12 Logistics Properties, UK

The first portfolio of 12 logistics properties in the UK was acquired from Oxenwood Catalina Midco Limited and Oxenwood Catalina II Midco Limited on 16 August 2018. Strategically located in established distribution centres with good connections to core urban areas, the portfolio spans across the regions of Yorkshire and the Humber, North West England, East Midlands, West Midlands, South East England and East of England, and is well-poised to capitalise on the growing demand for supply chain and logistics services in the UK. The freehold properties are sited on a combined land area of 549,201 sq m, and have a total gross internal area of 242,633 sq m.

THE MANAGER'S **REVIEW OF FY18/19**

ACQUISITIONS

1-7 Wayne Goss Drive, Brisbane, Australia

1 – 7 Wayne Goss Drive is a logistics facility that was purchased from and developed by Goodman Property Services (Aust) Pty Ltd. on 7 September 2018. The property is located in the established industrial precinct of Berrinba, 30 km south of Brisbane Central Business District and has good access to Logan, Gateway and Pacific Motorways. The freehold property sits on a land area of 30,196 sq m, and has a total net lettable area of 17,907 sq m.

Cargo Business Park, Brisbane, Australia

Cargo Business Park is a logistics development that comprises three buildings with office and warehousing facilities across a central driveway. The property was acquired from TS1 (Qld) Pty Ltd on 17 September 2018 and is situated in the industrial precinct of Eagle Farm in Queensland, approximately 9 km north east of the Brisbane CBD and 6 km from the Brisbane Domestic and International Airport. The freehold property is sited on a land area of 7,786 sq m, and has a total net lettable area of 8,216 sq m.

2nd Portfolio of 26 Logistics Properties, UK

The second portfolio of 26 logistics properties in the UK was acquired from Griffin Group UK Holding Limited on 4 October 2018. 70% of the portfolio's gross internal area is situated within the West Midlands. They are well accessible by major motorways and junctions such as the M5, M6 and M40, providing good connections to a large catchment of UK's population. The freehold properties are sited on a combined land area of 586,850 sq m, and have a total gross internal area of 266,184 sq m.

COMPLETED REDEVELOPMENT PROJECT

20 Tuas Avenue 1, Singapore

20 Tuas Avenue 1 is located in the Jurong industrial area and was acquired from IDS Logistics Services Pte. Ltd in February 2004 on a "sale-and-leaseback" basis. The redevelopment of the 3-storey ramp-up warehouse block optimises the plot ratio of the site with the addition of 19,289 sq m to the net lettable area. The property is well-equipped to meet the demands of logistics users as it has efficient and regular floor plate sizes and concrete roof carpark for 137 lots of 40 foot container and 37 lots for lorry parking. It also has a ground floor open yard of 2,063 sq m for storage purposes. The redevelopment completed in April 2018.

COMPLETED ASSET ENHANCEMENT INITIATIVES

21 Changi South Avenue 2, Singapore

21 Changi South Avenue 2 is a logistics building situated within Changi South Industrial Estate, and was acquired from Sim Siang Choon Hardware (S) Pte Ltd in March 2008. The building was retrofitted with new cargo lifts, fire protection system, smoke purge fans, closed-circuit television and electrical fittings. Existing toilets were upgraded and the layout of the 3rd and 4th storey in the warehouse were regularised. Aesthetic works such as repainting, re-constructing of existing boundary wall and touch-up to main building façade wall were also done. The enhancement works completed in April 2018.

KA Centre, KA Place and 1 Jalan Kilang, Singapore

KA Centre, KA Place and 1 Jalan Kilang are high-specification industrial buildings located at Kampong Ampat and Jalan Kilang respectively. KA Centre and KA Place were acquired from Singapore Telecommunications Limited on 2 March 2005, while 1 Jalan Kilang was acquired from Dynasty House Investment Pte Ltd on 27 October 2005. The three buildings had upgrades made to their electrical hardware, main and lift lobbies and entrance, drop-off points and toilets. The enhancement works completed in June 2018.

THE MANAGER'S **REVIEW OF FY18/19**

COMPLETED ASSET ENHANCEMENT INITIATIVES

Nordic European Centre, Singapore

Nordic European Centre located at International Business Park, is a business park building that was acquired from Alpha Investment Partners in July 2011. Enhancement works were done to the main lobby, open plaza and corridors to create collaborative open spaces for customers and visitors. End-of-trip facilities and a gym were also incorporated into the building to promote a live-work-play environment. The enhancement works were completed in January 2019.

Aperia, Singapore

Aperia is an integrated development located in Kallang Industrial Park, and was acquired from PLC 8 Development Pte Ltd in August 2014. The atrium skylight, drop-off points and main lobby were enhanced to improve visitor experience, while reconfiguration and mechanical and electrical works were done to the retail mall, link mall and through block link. A 'Food Street' corridor was also created to provide more food and beverage options to patrons. The enhancement works completed in January 2019.

138 Depot Road, Singapore

138 Depot Road is a high-specifications industrial building that was purchased from Ascendas (Tuas) Pte Ltd in March 2006. The property was converted into a multi-tenant building. Asset enhancement works focused on refreshing the building through the installation of full height glass at the main entrance, re-cladding of existing columns, painting façade walls and fitting artificial vertical green walls along the driveway up to the drop-off area. The enhancement works completed in March 2019.

DEVELOPMENT AND REDEVELOPMENT PROJECTS: ON-GOING

Artist's impression

Grab's Headquarters, Singapore

Grab's new headquarters will be located within the one-north business park. The new development, with a gross floor area of 42,310 sq m, will consist of 9-storey and 4-storey tower blocks connected via a sky bridge. The design will incorporate lush greenery on the ground and the mid-level sky terraces and will be integrated with communal spaces and public pedestrian thoroughfares to promote social interactions and exchange of ideas. Anticipated to achieve a Green Mark Gold[Plus] certification from the Building and Construction Authority, Grab's headquarters will include green features such as the use of recycled building materials and energy efficient low emissive glass façade to reduce solar heat gain. Grab will lease 100% of the space for 11 years after completion of the development, which is expected to be around 4Q 2020.

Artist's impression

25 & 27 Ubi Road 4, Singapore

25 & 27 Ubi Road 4 are light industrial buildings located in the Ubi Industrial area and next to the Ubi Mass Rapid Transit (MRT) Station. 25 Ubi Road 4 was acquired from Weltech Industries Pte Ltd in May 2005, while 27 Ubi Road 4 was acquired from SGC Ventures Pte Ltd in April 2005. The two buildings will be demolished and redeveloped into a single high-specifications building with full glass facade and direct visibility along Ubi Avenue 2. The development will have efficient unit layouts on enlarged floor plates of 4,000 sq m with window views and natural lighting. The common areas will include an activated main lobby, integrated ancillary café, collaborative workspaces and end-of-trip facilities to promote a vibrate and conducive environment. A covered walkway will also be built for seamless connectivity to the Ubi MRT Station. The redevelopment is expected to complete around 2Q 2021.

THE MANAGER'S **REVIEW OF FY18/19**

ASSET ENHANCEMENT INITIATIVE: ON-GOING

Artist's impression

52 & 53 Serangoon North Avenue 4, Singapore

52 & 53 Serangoon North Avenue 4 are light industrial buildings located in the Ang Mo Kio Industrial Estate. 52 Serangoon North Avenue 4 was acquired from Ever Technologies Pte Ltd in April 2005, while 53 Serangoon North Avenue 4 was acquired from Autron Singapore Pte Ltd in December 2004. The asset enhancement works at 52 Serangoon North Avenue 4 will involve replacing the canopy at the drop-off point and upgrading existing toilets. At 53 Serangoon North Avenue 4, the remaining plot ratio will be fully utilised, by converting the 5th level to a new production area with new toilets and corridor. A new passenger lift will be added, and the main lobby will be refurbished to be fully air-conditioned when completed. The redevelopment is expected to complete around 1Q 2020.

Artist's impression

Plaza 8 (Part of 1, 3 & 5 Changi Business Park Crescent), Singapore

Plaza 8 is a multi-tenant amenity building located in Changi Business Park. The building was developed by the Manager as an amenity space in September 2009 to serve the needs of the growing population in Changi Business Park. Enhancement works at Plaza 8 will focus on the podiums, reception, lobby, restrooms, common corridors and perimeter walkways. The existing layout of the driveway will be modified and new drop-off bays with new canopies will be constructed. Futsal courts and end of trip facilities will be added to generate vibrancy within the business park community. The redevelopment is expected to complete around 1Q 2020.

Artist's impression

ONE@Changi City, Singapore

ONE@Changi City is a business park building at Changi Business Park and was purchased from Ascendas Frasers Pte Ltd in March 2016. Asset enhancement works to the building will involve creating a new lounge and discussion area at the lobby to boost the mood and ambience for visitors. Enhancement works will also be done to the drop-off area, with a new ceiling design, feature wall and façade glass facing the driveway. The driveway will also be widened to improve traffic flow. The redevelopment is expected to complete around 4Q 2019.

DIVESTMENT

During the financial year, the Manager completed the divestment of 30 Old Toh Tuck Road, a logistics building and 41 Changi South Avenue 2, a light industrial building, for a total sale price of S$37.6 million. The divestments realised a combined net gain of approximately S$5.1 million over book value.

The Manager will continue to selectively divest properties to recycle capital and optimise returns for Unitholders.

Divestments in FY18/19

Property	Country	Sales Price (S$ million)	Valuation (S$ million)[1]	Buyer	Completion Date
Divestments					
30 Old Toh Tuck Road	Singapore	24.0	20.3	Soon Bee Huat Trading Pte Ltd	30 Apr 2018
41 Changi South Avenue 2	Singapore	13.6	11.6	Y K Toh Marketing (S) Pte Ltd	20 Aug 2018
Total		**37.6**	**31.9**		

(1) The valuations for these properties as at 31 March 2018 were based on the Capitalisation Approach and Discounted Cash Flow Analysis.

CAPITAL AND RISK MANAGEMENT

As at 31 March 2019, Ascendas Reit's balance sheet remained strong with healthy aggregate leverage at 36.3%. With a debt headroom of about S$0.7 billion before aggregate leverage reaches 40.0%, Ascendas Reit is well-positioned to seize investment opportunities when they arise.

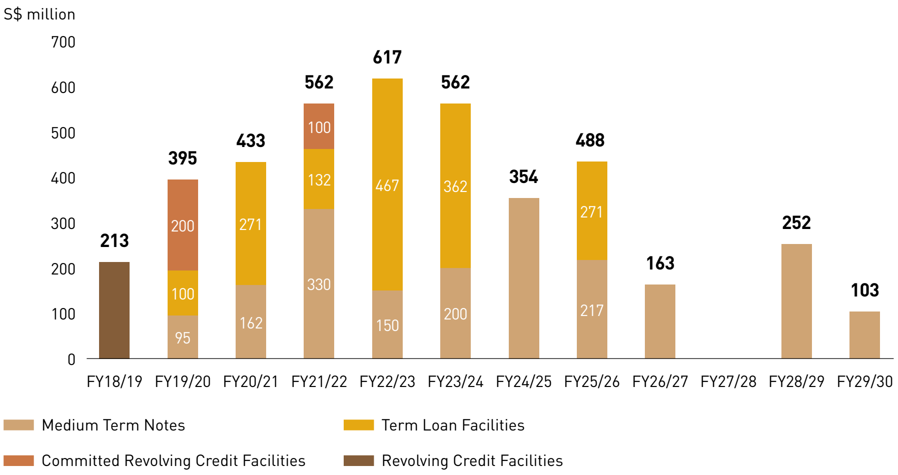
Ascendas Reit's weighted average term of debt is 4.0 years as at 31 March 2019 with a weighted average all-in borrowing cost of 3.0% per annum. The Manager minimises the effects of adverse exchange rate fluctuations through natural currency hedges in Australia and the UK which are at 75.5% and 100.0% respectively. To minimise the impact from the volatility of interest rate movements, approximately 83.0% of Ascendas Reit's borrowing are on fixed rates with a weighted average term of 3.6 years. The Manager continues to keep a well-spread debt maturity profile to minimise refinancing risks.

In FY18/19, the Manager issued S$375.2 million worth of Notes, comprising S$125.0 million (HK$729 million) 7-year Notes and S$250.2 million (HK$1.45 billion) 10-year Notes under its Medium Term Note Programme. All the notes were competitively priced and were used to refinance existing borrowings, to fund new acquisitions and for working capital purposes.

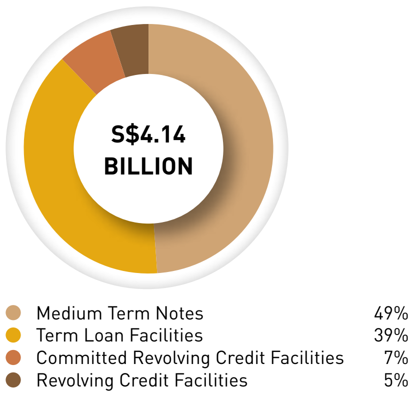
Ascendas Reit continues to maintain its A3 issuer rating from Moody's.

THE MANAGER'S
REVIEW OF FY18/19

Debt Maturity Profile (as at 31 March 2019)



Sources of Debt (as at 31 March 2019)



Key Debt Funding Indicators

Indicators	As at 31 March 2019	As at 31 March 2018
Aggregate Leverage	36.3%	34.4%
Total Debt (S$ million)[1]	4,141	3,563
Fixed Debt as a % of Total Debt	83.0%	71.9%
Weighted Average All-in Borrowing Cost	3.0%	2.9%
Weighted Average Term of Debt Outstanding (years)	4.0	3.2
Weighted Average Term of Fixed Debt Outstanding (years)	3.6	3.3
Interest Cover Ratio	5.2x	5.9x
Total Debt / EBITDA	7.0x	6.2x
Unencumbered Properties as % of Total Investment Properties[2]	90.8%	89.7%

(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 Ascendas Reit has committed to.
(2) Total investment properties exclude properties reported as finance lease receivables.

Successfully raised gross proceeds of approximately S$452.1 million in a pre-emptive private placement in September 2018 to partially fund the acquisition of the 2nd Portfolio of 26 Logistics Properties in the UK and the built-to-suit business park development for Grab's Headquarters in Singapore. Majority of the proceeds have been deployed in accordance with the intended use. The balance of the proceeds has been used to repay outstanding borrowings, pending the full deployment of funds towards the built-to-suit business park development for Grab.

Use of Gross Proceeds from Private Placement in September 2018 (as at 31 March 2019)

Intended Use of Proceeds	Announced Use of Proceeds (S$ million)	Actual Use of Proceeds (S$ million)	Balance of Proceeds (S$ million)
To partially fund the acquisition of the 2nd Portfolio of 26 Logistics Properties in the UK and the associated costs	246.6	246.6	–
To partially fund the built-to-suit business park development for Grab's Headquarters in Singapore	109.0	90.8	18.2
To fund debt repayment and future acquisitions	92.3	92.3	–
To pay the fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Private Placement	4.2	4.2	–
Total	**452.1**	**433.9**	**18.2**

During FY18/19, the balance proceeds of S$0.5 million from the S$154.7 million private placement that took place in August 2016 were utilised for Schneider Electric Building (formerly 50 Kallang Avenue).

Use of Gross Proceeds from Private Placement in August 2016 (as at 31 March 2019)

Intended Use of Proceeds	Announced Use of Proceeds (S$ million)	Actual Use of Proceeds (S$ million)	Balance of Proceeds (S$ million)
To partially fund the acquisitions of 197-201 Coward Street in Sydney, Australia and 52 Fox Drive in Melbourne, Australia and the associated costs	112.1	112.1	–
To fund the asset enhancement of 50 Kallang Avenue located in Singapore to convert the property from a multi-tenant building to a single-tenant building	40.0	40.0	–
To pay the fees and expenses incurred by Ascendas Reit in connection with new Unit issuances	2.6	2.6	–
Total	**154.7**	**154.7**	**–**

CUSTOMER CREDIT & CONCENTRATION RISK MANAGEMENT

To minimise customer credit risk, a credit evaluation process has been established to assess the creditworthiness of Ascendas Reit's customers. Based on standard industry practice, one month's worth of gross rental is usually held as security deposit for each year's lease. However, for long-term leases in single-tenant properties, a larger sum of security deposit may be held. This is dependent on the length of the lease, the credit risks of such customers and commercial negotiation. The weighted average security deposit for the portfolio is approximately 5.5 months of rental income.

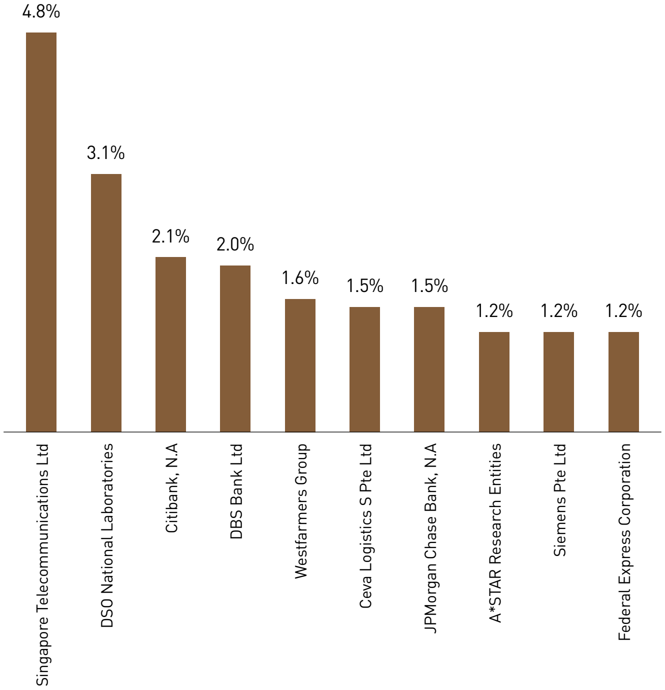
With a customer base of around 1,360 local and international companies, rigorous and conscientious effort has been put in to manage accounts receivables. About 76.7%[1] of rental receipts are collected via interbank GIRO services. This enables us to react efficiently and appropriately towards any delinquency in payment.

(1) 93.9% of rental receipts in Singapore are collected via interbank GIRO services.

THE MANAGER'S
REVIEW OF FY18/19

Top ten customers accounted for not more than 20.2% of Ascendas Reit's gross revenue and the majority of these customers are either multinational or listed companies. Furthermore, no single property accounts for more than 5.3% of Ascendas Reit's monthly gross revenue, offering income diversity within the portfolio.

Top 10 Customers of Ascendas Reit by Gross Revenue (as at 31 March 2019)



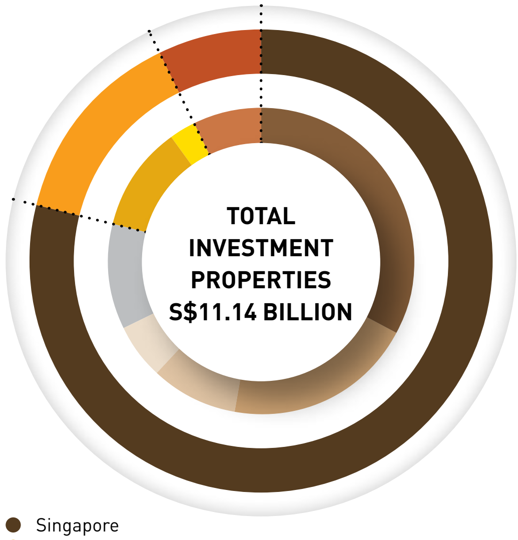
PORTFOLIO MANAGEMENT & PERFORMANCE

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

As at 31 March 2019, Ascendas Reit has 98 properties (79% by asset value) in Singapore, 35 properties (14% by asset value) in Australia and 38 properties (7% by asset value) in the UK.

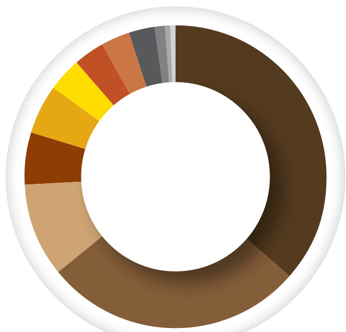
In FY18/19, sources of new demand continued to be broad based, ranging from conventional space requirements for transport and storage, electronics, food and beverages to higher value and knowledge intensive industries such as precision engineering and biomedical.

Well-diversified Portfolio by Asset Value (as at 31 March 2019)



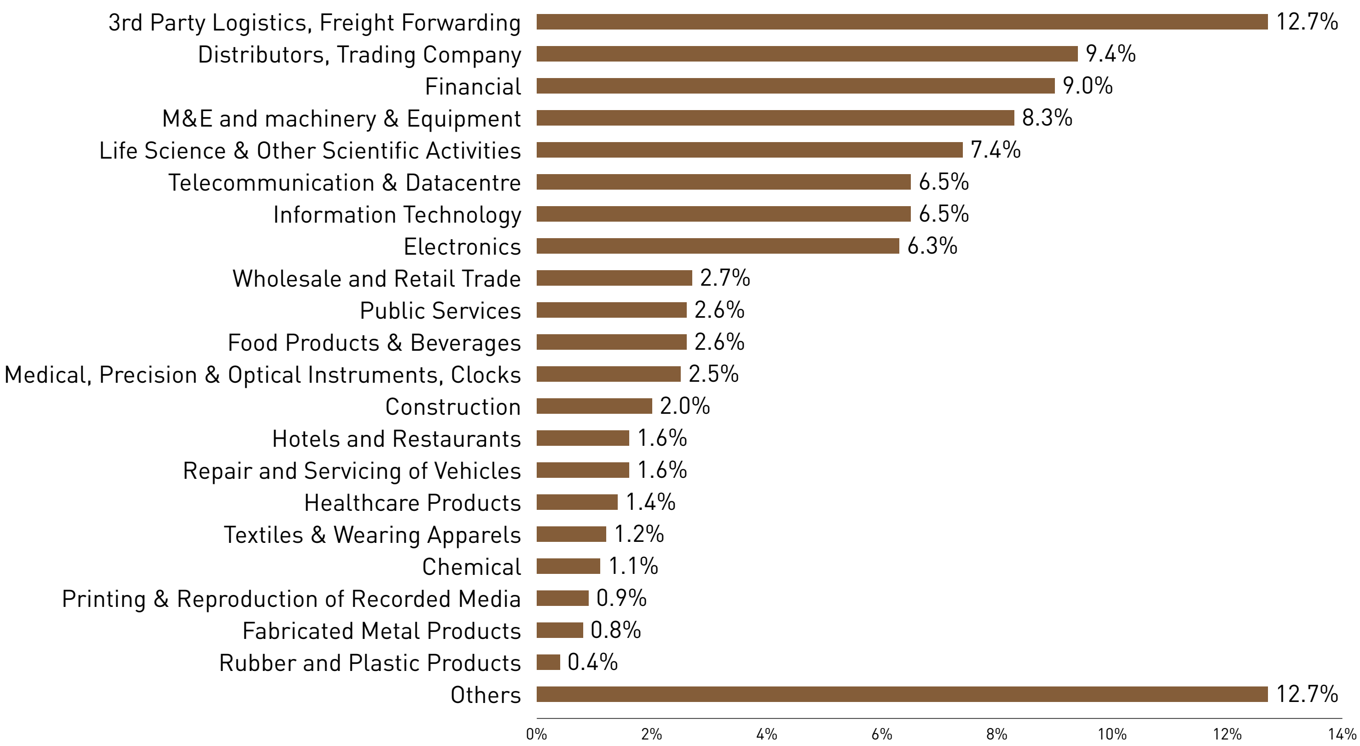
Singapore	79%
Australia	14%
United Kingdom	7%
Business & Science Parks	33%
High-Specifications Industrial and Data Centres	20%
Light Industrial and Flatted Factories	9%
Integrated Development Amenities & Retail	6%
Logistics & Distribution Centres Singapore	11%
Logistics & Distribution Centres Australia	11%
Suburban Offices Australia	3%
Logistics and Distribution Centres United Kingdom	7%

Sources of New Demand in FY18/19 by Gross Rental Income



Others	36.7%
Transport and Storage	27.5%
Precision Engineering	10.0%
Electronics	5.6%
Biomedical	5.4%
Food Products & Beverages	3.6%
Lifestyle and Services	3.2%
Financial Service	3.0%
Information Technology	2.8%
General Manufacturing	1.1%
Telecommunication & Datacentre	0.8%
Structural Engineering	0.3%

Customer's Industry Diversification by Gross Rental Income



POSITIVE RENTAL REVERSION

For FY18/19, Ascendas Reit's portfolio achieved positive weighted average rental reversions ranging from +2.0% to +7.9% across the various property segments. Overall, the weighted average rental reversion was +3.7% for all the renewed leases in multi-tenant buildings signed during the year.

Achieved Positive Rental Reversion in FY18/19

Segments (multi-tenant buildings)	Percentage Change in Renewal Rate[1]	
	FY18/19	FY17/18
Singapore	**3.7%**	**0.5%**
Business & Science Parks	4.3%	3.9%
High-Specifications Industrial and Data Centres	2.0%	-6.6%
Light Industrial and Flatted Factories	3.5%	0.4%
Logistics & Distribution Centres	2.5%	0.1%
Integrated Development, Amenities & Retail	7.9%	11.6%
Australia	**-[2]**	**1.8%**
Suburban Offices	-[2]	-[2]
Logistics & Distribution Centres	-[2]	1.8%
United Kingdom	**-[2]**	**N.A.**
Suburban Offices	-[2]	N.A.
Total Portfolio:	**3.7%**	**0.7%**

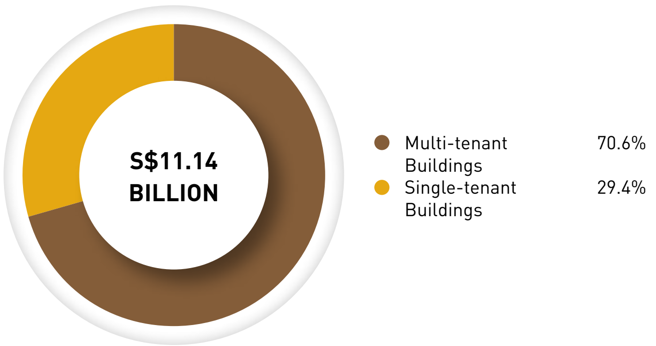
(1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.
(2) There were no renewals signed in the period for the respective segments.

THE MANAGER'S
REVIEW OF FY18/19

LEASE STRUCTURE AND PROFILE

About 29.4% of Ascendas Reit's portfolio comprises long-term leases in single-tenant properties. These leases provide stability in earnings growth as 19.5% of such leases have rental escalation pegged to the Consumer Price Index with a fixed rate floor and 71.4% incorporate fixed rate adjustments. The rest have varying quantum of periodic escalation. The remaining 70.6% of Ascendas Reit's portfolio are multi-tenant buildings, typically with 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.

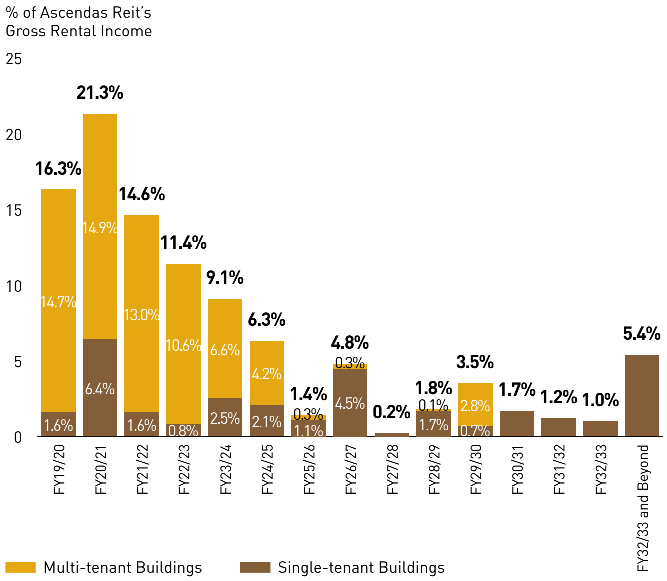
Breakdown of Single-tenant Buildings and Multi-tenant Buildings by Asset Value (as at 31 March 2019)



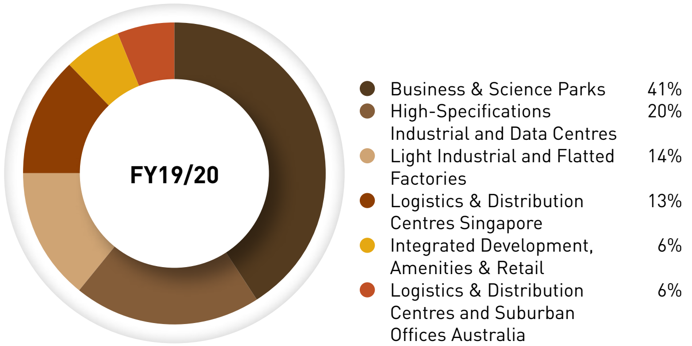
The weighted average lease to expiry for the portfolio is 4.2 years as at 31 March 2019. Specifically, the weighted average lease to expiry in Singapore was at 3.8 years, Australia at 4.5 years and the UK at 9.3 years. Weighted average lease term of new leases signed in FY18/19 was 3.8 years and they accounted for 12.3% of total gross rental income for FY18/19.

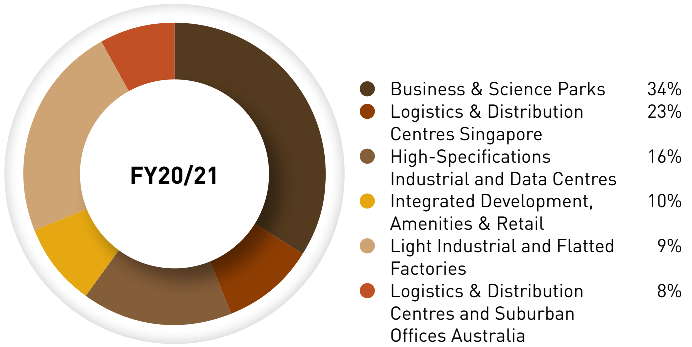
About 16.3% of Ascendas Reit's gross rental income is due for renewal in FY19/20. 1.6% are leases of single-tenant buildings and 14.7% are leases of multi-tenant buildings. The Manager is proactively working on the renewal of these leases.

Ascendas Reit's Portfolio Lease Expiry Profile (as 31 March 2019)



Breakdown of Expiring Leases for FY19/20 and FY20/21 by Gross Rental Income (as at 31 March 2019)





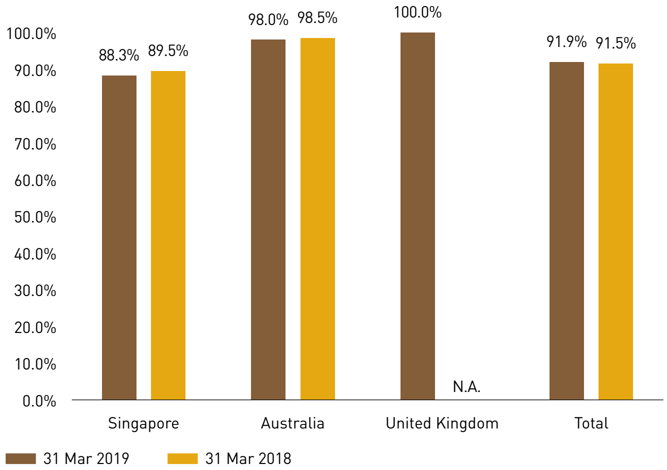
OCCUPANCY

As at 31 March 2019, the occupancy rate for Ascendas Reit's overall portfolio stood at 91.9% (from 91.5% as at 31 March 2018). The occupancy of the Singapore portfolio fell to 88.3% from 89.5% a year ago. The decline in occupancy was mainly attributable to Hyflux Building with an occupancy of 0.0% (from 100.0% as at 31 March 2018), SB Building at 21.4% (from 100.0% as at 31 March 2018) and 31 International Business Park at 55.3% (from 72.8% as at 31 March 2018).

The occupancy rate for Australia also fell overall to 98.0% (from 98.5% as at 31 March 2018) due mainly to 62 Stradbroke Street, Brisbane which had an occupancy of 41.7% (from 100.0% as at 31 March 2018).

The occupancy rate for the UK was 100.0% as at 31 March 2019.

Overview of Portfolio Occupancy



Singapore Portfolio Occupancy

	As at 31 March 2019	As at 31 March 2018	Change
Total Singapore Portfolio GFA (sq m)	3,034,122[1]	3,012,157[2]	0.7%
Singapore Portfolio Occupancy (same store)[3]	88.5%	89.6%	-1.1%
Singapore Multi-tenant Building Occupancy (same store)[4]	85.7%	86.0%	-0.3%
Overall Singapore Portfolio Occupancy	**88.3%**	**89.5%**	**-1.2%**
Singapore Multi-tenant Building Occupancy	**85.5%**	**85.9%**	**-0.4%**

Australia Portfolio Occupancy

	As at 31 March 2019	As at 31 March 2018	Change
Total Australian Portfolio GFA (sq m)	810,772	737,092	10.0%
Australian Portfolio Occupancy (same store)[4]	97.8%	98.4%	-0.6%
Overall Australian Portfolio Occupancy	**98.0%**	**98.5%**	**-0.5%**

United Kingdom Portfolio Occupancy

	As at 31 March 2019	As at 31 March 2018	Change
Total UK Portfolio GFA (sq m)	509,032	N.A.	N.A.
UK Portfolio Occupancy (Same Store)[4]	100.0%	N.A.	N.A.
Overall UK Portfolio Occupancy	**100.0%**	**N.A.**	**N.A.**

(1) Excludes 41 Changi South Avenue 2 and 30 Old Toh Tuck Road which were divested on 20 August 2018 and 30 April 2018 respectively.
(2) Excludes 20 Tuas Avenue 1 which was previously de-commissioned for redevelopment.
(3) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 31 March 2019, excluding new investments completed in the last 12 months and divestments.
(4) Same store multi-tenant building occupancy rates for previous quarters are computed with the same list of properties as at 31 March 2019, excluding new investments completed in the last 12 months, divestments and changes in classification of certain buildings from single-tenant to multi-tenant buildings or vice-versa.

THE MANAGER'S
REVIEW OF FY18/19

ANNUAL REVALUATION

It is a mandatory requirement to revalue the portfolio once a year. The total valuation of Ascendas Reit's 171 properties was S$11,144 million as at 31 March 2019. This comprised of S$8,770 million (79%) of investment properties in Singapore, S$1,561 million (14%) in Australia and S$813 million (7%) in United Kingdom. As at 31 March 2019, certain investment properties recorded a depreciation in revaluation against their corresponding values as at 31 March 2018 due to changing market conditions. For more details on the movement in valuation of the investment properties, please refer to pages 62 to 91.

Weighted average land lease to expiry for the portfolio of properties (excluding freehold properties) is 44.6 years.

95.3% of Ascendas Reit's portfolio has a remaining land lease tenure of more than 30 years.

Land Lease Expiry Profile (by Country)

Land Tenure Expiry (31 March 2019)	Singapore (S$ million)	Australia (S$ million)	United Kingdom (S$ million)	Total (S$ million)	Total (%)
≤ 30 years left	527	-	-	527	4.7%
≤ 60 years left	7,082	-	-	7,082	63.5%
> 60 years left	1,078	-	-	1,078	9.7%
Freehold[1]	83	1,561	813	2,457	22.1%
Total	**8,770**	**1,561**	**813**	**11,144**	**100.0%**

Land Lease Expiry Profile (by Property Segment)

Land Tenure Expiry as at 31 March 2019	Business & Science Parks and Suburban Offices		High-Specifications Industrial and Data Centres		Light Industrial and Flatted Factories		Logistics & Distribution Centres		Integrated Development, Amenities and Retail		Total	
	No. of Properties	Asset Value S$ million	No. of Properties	Asset Value S$ million	No. of Properties	Asset Value S$ million	No. of Properties	Asset Value S$ million	No. of Properties	Asset Value S$ million	No. of Properties	Asset Value S$ million
≤ 30 years left	-	-	-	-	4	130	2	249	2	148	8	527
≤ 40 years left	6	547	11	1,008	22	782	15	828	-	-	54	3,165
≤ 50 years left	13	1,633	7	563	1	41	3	81	-	-	24	2,318
≤ 60 years left	4	971	-	-	-	-	1	52	1	576	6	1,599
> 60 years left	2	540	3	538	-	-	-	-	-	-	5	1,078
Freehold[1]	3	321	1	83	-	-	70	2,053	-	-	74	2,457
Total	**28**	**4,012**	**22**	**2,192**	**27**	**953**	**91**	**3,263**	**3**	**724**	**171**	**11,144**

(1) In the UK, two properties on 999-year leasehold land and one property on 965-year leasehold land are classified under freehold properties.

SUSTAINABILITY REPORT

The Manager is pleased to publish Ascendas Reit's Integrated Sustainability Report FY18/19. The report builds on its sustainability journey and commitment towards responsible Economic, Environment, Social and Governance (EESG) practices since Ascendas Reit's first Sustainability Report in FY12/13.

The Integrated Sustainability report has been prepared in accordance with the SGX-ST Listing Manual Rule 711(B), Global Reporting Initiative (GRI) Standards, and also incorporated elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council, and Sustainability Development Goals (SGDs) of the United Nations.

In FY18/19, the key EESG issues identified in the previous year have been reviewed taking into consideration the current and future business environment, the business strategy and expectations of both internal and external stakeholders. The Board has considered these issues as part of its strategic formulation and found the nine EESG factors still relevant to Ascendas Reit. These material matters will continue to be managed and monitored closely to ensure that Ascendas Reit delivers long-term sustainable value to stakeholders.

Several new initiatives were implemented this year. One of the key initiatives was the establishment of a Sustainability Committee, chaired by the CEO of the Property Manager of Ascendas Reit, to oversee and promote sustainability activities on a group-wide basis.

As part of its efforts to deliver exceptional customer experience, Ascendas-Singbridge became the first real estate company in Singapore to be awarded the Crystal Mark Accreditation for its plain English lease agreements, whilst upholding principles of quality and transparency.

The Manager remains committed to minimising Ascendas Reit's environmental impact through the responsible consumption of energy and water resources in its operations. To further support Singapore's climate action plan to reduce carbon emissions, the Manager collaborated with Singapore Power to launch high-speed charging stations for electric vehicles at six properties in January 2019. This partnership is aligned with Ascendas-Singbridge's corporate sustainability goals and reflects the commitment to create a more sustainable environment.

However, these cannot be achieved without the strong support of the Manager and Property Manager's employees. A suite of training programmes has been introduced to encourage employees to enhance their skills and knowledge as well as for personal development. Employees continue to be actively engaged through multiple touch-points. In FY18/19, Wellness Day was introduced every Wednesday to promote physical and mental well-being of employees.

More details can be found in Ascendas Reit's FY18/19 Integrated Sustainability Report, which is available on Ascendas Reit's website at ir.ascendas-reit.com/sustainability.html

OUTLOOK

The global economy continues to face considerable headwinds including the on-going US-China trade conflict and prolonged Brexit uncertainties. Market expectations of interest rate hikes have been pared down amid the lingering downside risks.

Singapore
The Singapore government expects the economy to grow at 1.5% to 2.5% in 2019 (source: Ministry of Trade and Industry). In view of the uncertain economic outlook, businesses are likely to remain conservative with their capital investments and expansion plans.

On top of the excessive new supply of industrial property space that was built-up over the last 4-5 years, an additional 2.8 million sq m of new industrial space is expected to complete in 2019 and 2020, representing 5.7% of the total stock of 49.1 million sq m as at 31 March 2019.

The above factors, amongst others, are expected to keep a lid on leasing activity and industrial property rents in the meantime.

Australia
Consensus GDP growth forecast for Australia in 2019 is 2.2% (source: Bloomberg). A key external risk to Australia's growth outlook is the potentially slower growth in China, its key trading partner.

Ascendas Reit's Australian properties are well-located in key industrial precincts. The stable performance of the portfolio is underpinned by the long weighted average lease to expiry of 4.5 years and average annual rent escalations of approximately 3% per annum. The Manager will continue to be prudent and look for accretive opportunities to grow the Australia portfolio.

United Kingdom
Consensus GDP growth forecast for 2019 is 1.3% (source: Bloomberg). The lack of clarity over Brexit continues to weigh on the UK's growth outlook.

Logistics properties continue to attract investors, underpinned by constrained supply and the strong demand for space as a result of the high e-commerce penetration rate in the UK.

Strong attributes of Ascendas Reit's UK portfolio such as the long weighted average lease to expiry of 9.3 years and the domestic nature of the customer's logistics business will stand Ascendas Reit in good stead to overcome any potential impact arising from Brexit. The Manager will continue to look for acquisition opportunities to scale up its presence in the UK/Europe.

INVESTOR RELATIONS

Guided by the principles of Timeliness, Objectivity, Clarity and Consistency, the Manager takes a proactive approach in engaging the investment community. Key updates on Ascendas Reit's performance, strategies and initiatives are communicated 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 280 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 several property visits for investors to facilitate better understanding of Ascendas Reit's business operations and property portfolio.

As part of its retail investor outreach programme, the Manager participated in the annual REITs Symposium jointly organised by Shareinvestor and the REIT Association of Singapore (REITAS) as well as the SIAS Corporate Connect Seminar in May 2018.

Ascendas Reit's website is updated regularly, ensuring that all the materials relating to its quarterly financial results, investments, corporate actions and disclosures submitted to the Singapore Exchange are available to the investment community. Investors may also sign up for email alerts via the website to receive the latest updates.

In conjunction with the release of Ascendas Reit's half and full-year results, briefings were organised for the media and analysts. These briefings were helmed by the Chief Executive Officer, Chief Financial Officer and Head of Capital Markets & Investor Relations. The video recordings of the briefings as well as transcripts of the Question and Answer segments are archived on Ascendas Reit's website.

The Annual General Meeting (AGM) is attended by the Board of Directors and senior management of the Manager. During these meetings, the Manager presents Ascendas 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 Board and management during these meetings.

For greater transparency and accessibility, the Manager has published the AGM minutes on Ascendas Reit's website. Electronic voting by poll is also adopted for all resolutions put forth at its AGMs and Extraordinary General Meetings. This results in time savings and enhances accuracy in polling.

All financial results, announcements, press releases and detailed results of all resolutions put forth at the general meetings are uploaded on the Singapore Exchange portal.

Ascendas Reit was recognised by the investment community for its good investor relations practices and received "Best Senior Management Investor Relations Support" (3rd place) at the Alpha Southeast Asia Corporate Institutional Investor Awards 2018.

UNITHOLDERS' ENQUIRIES

To find out more about Ascendas Reit, please speak 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.ascendas-reit.com

Ascendas 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.

FY18/19 results investors' lunch and tour at The Workshop, Techplace II, Singapore

INVESTOR & MEDIA RELATIONS ACTIVITIES FY18/19

1ST QUARTER

- Media & Analysts' Results Briefing for Full Year FY17/18 Financial Results
- FY17/18 Full Year Results Investors' Lunch hosted by Morgan Stanley
- REITs Symposium 2018 (Singapore)
- SIAS Corporate Connect Seminar (Singapore)
- Citi ASEAN Investor Conference 2018 (Singapore)

2ND QUARTER

- Analysts' Briefing on Ascendas Reit's maiden acquisition in the United Kingdom
- 1Q FY18/19 Financial Results Investors' Lunch hosted by J.P.Morgan
- Citi-REITAS-SGX C-Suite Sponsors & REITS Forum 2018 (Singapore)
- SGX-DBS-REITAS Singapore Corporate Day (Bangkok, Thailand)
- CFA Institute's "Future State of REIT Investment" event
- Bank of America Merrill Lynch 2018 Global Real Estate Conference (New York, United States)
- SGX-UBS Singapore Corporate Day (London, United Kingdom)
- SGX-ING Singapore REIT Seminar (Amsterdam, The Netherlands)

3RD QUARTER

- Media & Analysts' Results Briefing for 2Q FY18/19 Financial Results
- 2Q FY18/19 Financial Results Investors' Lunch hosted by Deutsche Bank
- SGX-UBS Singapore Real Estate Day (Melbourne and Sydney, Australia)
- Morgan Stanley 17th Annual Asia Pacific Summit (Singapore)

4TH QUARTER

- DBS Pulse of Asia Conference (Singapore)
- 3Q FY18/19 Financial Results Investors' Lunch hosted by Citi
- Citi 2019 Annual Global Property CEO Conference (Florida, United States)
- Credit Suisse Asian Investment Conference (Hong Kong, China)

FINANCIAL CALENDAR

FY18/19	
1st quarter results announcement	30 July 2018
Advanced distribution payment (1 April 2018 to 17 September 2018)	17 October 2018
2nd quarter and half-year results announcement	25 October 2018
Distribution payment (18 September 2018 to 30 September 2018)	27 November 2018
3rd quarter results announcement	30 January 2019
Full year results announcement	29 April 2019
Distribution payment (1 October 2018 to 31 March 2019)	30 May 2019
Annual General Meeting	9 July 2019

INVESTOR RELATIONS

FINANCIAL CALENDAR (CONT'D)

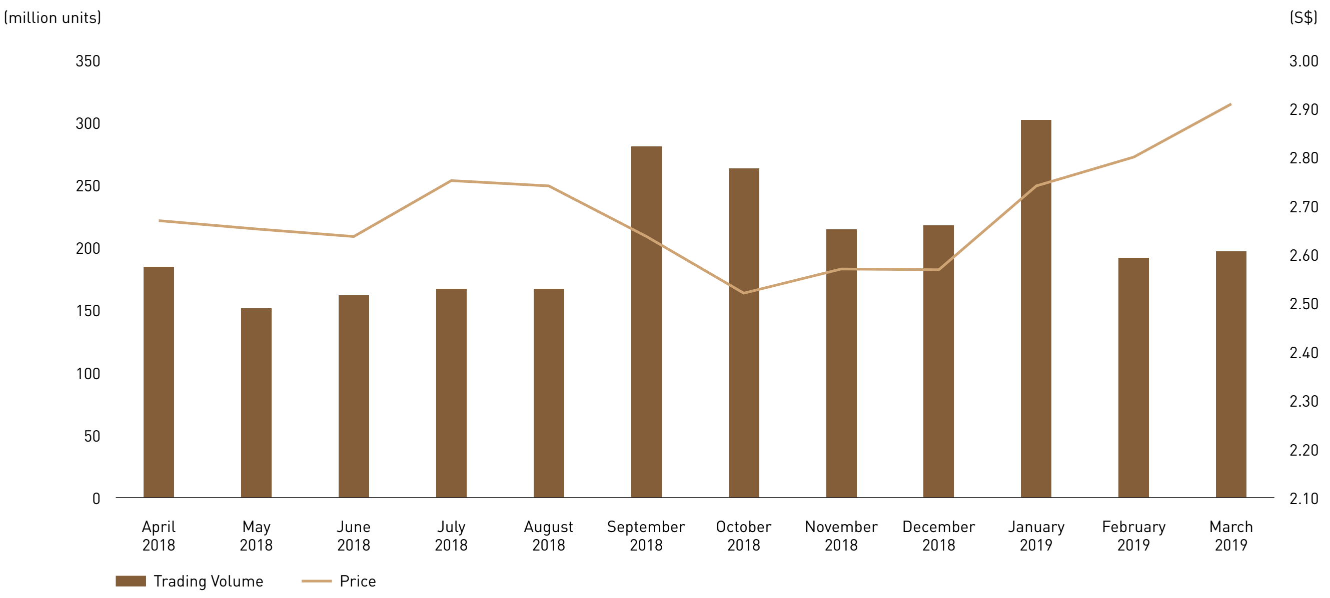
Upcoming (subject to changes)	
Financial period ended 30 June 2019	July 2019
Financial period ended 30 September 2019	October 2019
Distribution payment (1 April 2019 to 30 September 2019)	November 2019
Financial period ended 31 December 2019	January 2020
Distribution payment (1 October 2019 to 31 December 2019)	February 2020
Financial period ended 31 March 2020	April 2020
Annual General Meeting	April 2020

ASCENDAS REIT UNIT PRICE PERFORMANCE

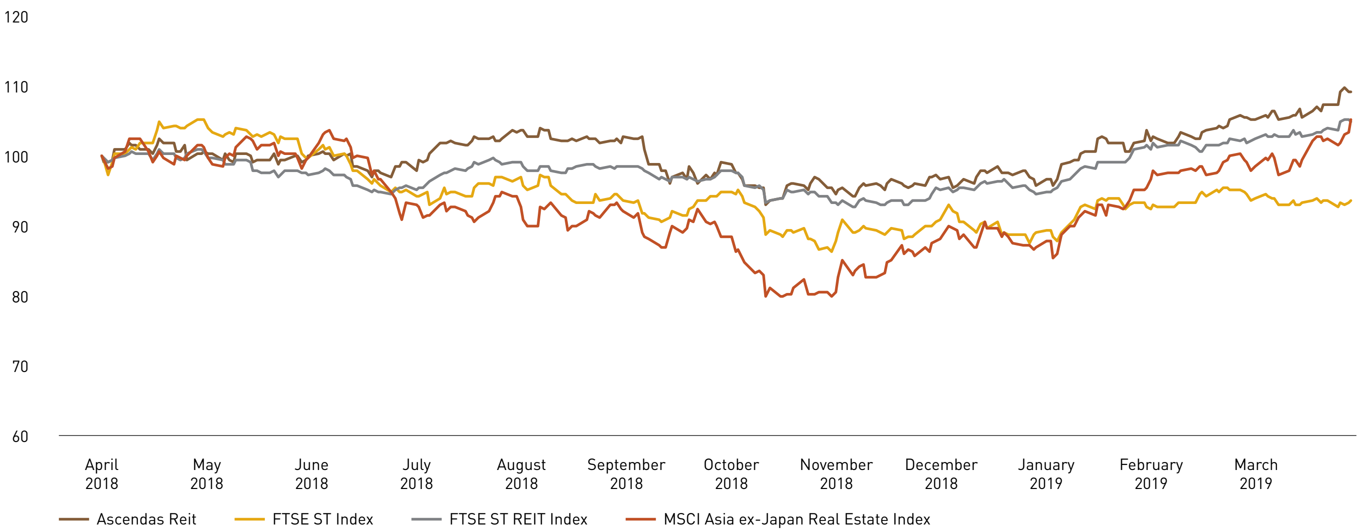
	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19
Opening price (S$)	2.26	2.60	2.38	2.53	2.65
Closing price (S$)	2.59	2.39	2.52	2.63	2.91
High (S$)	2.63	2.68	2.56	2.84	2.92
Low (S$)	2.19	2.13	2.20	2.52	2.48
Trading volume (million units)	1,862	2,544	2,730	2,273	2,502
% of S-REIT trading volume	9.4%	12.3%	12.8%	8.5%	9.1%
Net asset value per Unit (S$)[1]	2.08	2.06	2.06	2.12	2.13
Market capitalisation (S$ million)[2]	6,231	6,371	7,370	7,702	9,053

Notes:
(1) Prior to distribution distributable income.
(2) Based on last trading date of the respective financial year.

ASCENDAS REIT MONTHLY TRADING PERFORMANCE IN FY18/19



ASCENDAS REIT UNIT PRICE PERFORMANCE IN FY18/19 VS MAJOR INDICES

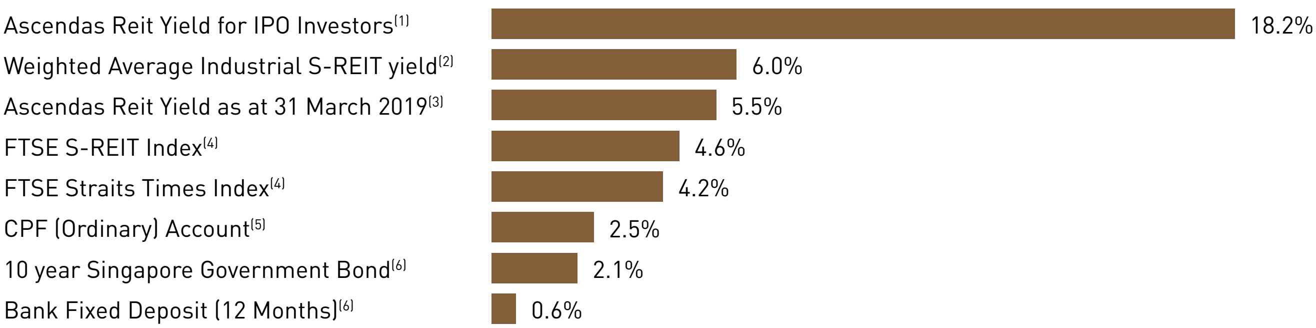


TOTAL UNITHOLDER RETURN

	1-year (from 1 April 2018 to 31 March 2019)	5-year (from 1 April 2014 to 31 March 2019)	Since listing (from 19 November 2002 to 31 March 2019)
Closing unit price on the last trading day prior to the commencement of the period / Unit issue price at listing (S$)	2.63	2.26	0.88
Capital appreciation (%)	10.6%	28.8%	230.7%
Distribution yield (%)	6.1%	34.4%	249.8%
Total return as at 31 March 2019 (%)	**16.7%[1]**	**63.2%[1]**	**480.5%[2]**

(1) Sum of actual distributions and capital appreciation for the period over the closing unit price on the last trading day prior to the commencement for the period.
(2) Sum of actual distributions and capital appreciation for the period over the unit issue price at listing.

COMPETITIVE YIELD RETURNS



(1) Based on Ascendas Reit's IPO price of S$0.88 per unit and DPU of 16.035 cents for FY18/19.
(2) Based on Ascendas Reit's internal research and Bloomberg.
(3) Based on Ascendas Reit's closing price of S$2.91 per unit as at 31 March 2019 and DPU of 16.035 cents for FY18/19.
(4) Based on dividend yield computed by Bloomberg as at 31 March 2019.
(5) Based on interest paid on Central Provident Fund (CPF) ordinary account from 1 January 2019 to 31 March 2019. Source: CPF Website.
(6) Based on bond yields and rates published on the Monetary Authority of Singapore (MAS) website as at 31 Mar 2019. Source: MAS Website.

SINGAPORE

ASCENDAS REIT'S **PORTFOLIO**

AS AT 31 MARCH 2019

BUSINESS & SCIENCE PARK PROPERTIES

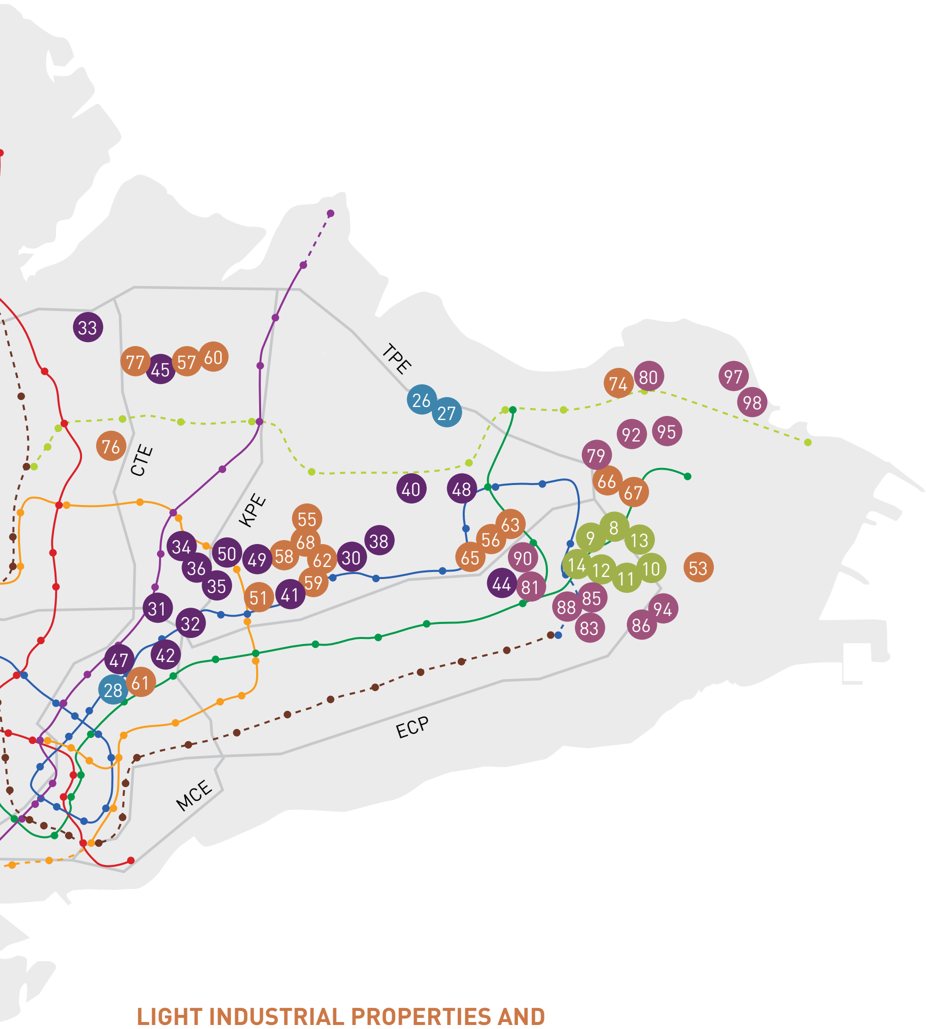
1. Neuros & Immunos
2. Nexus @one-north
3. Techquest
4. iQuest@IBP
5. Acer Building
6. 31 International Business Park
7. Nordic European Centre
8. Honeywell Building
9. 1 Changi Business Park Avenue 1
10. Hansapoint@CBP
11. 1,3 & 5 Changi Business Park Crescent
12. DBS Asia Hub
13. AkzoNobel House
14.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

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

26. Courts Megastore
27. Giant Hypermart
28. Aperia

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES AND DATA CENTRES

29. 10 Toh Guan Road
30. Techlink
31. Siemens Centre
32. Infineon Building
33. Techpoint
34. Wisma Gulab
35. KA Centre
36. KA Place
37. Pacific Tech Centre
38. Techview
39. 1 Jalan Kilang
40. 30 Tampines Industrial Avenue 3
41. 31 Ubi Road 1
42. Schneider Electric Building (formerly 50 Kallang Avenue)
43. 138 Depot Road
44. 2 Changi South Lane
45. CGG Veritas Hub
46. Corporation Place
47. Hyflux Innovation Centre
48. Telepark
49. Kim Chuan Telecommunications Complex
50. 38A Kim Chuan Road



LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

51. Osim Headquarters
52. 12 Woodlands Loop
53. 25 Changi South Street 1
54. 247 Alexandra Road
55. 5 Tai Seng Drive
56. 35 Tampines Street 92
57. 53 Serangoon North Avenue 4
58. 3 Tai Seng Drive
59. 27 Ubi Road 4
60. 52 Serangoon North Avenue 4
61. 202 Kallang Bahru
62. 25 Ubi Road 4
63. Tampines Biz-Hub
64. Hoya Building
65. 37A Tampines Street 92
66. Hamilton Sundstrand Building
67. Thales Building (I & II)
68. Ubi Biz-Hub
69. 2 Senoko South Road
70. 18 Woodlands Loop
71. 9 Woodlands Terrace
72. 11 Woodlands Terrace
73. FoodAxis @ Senoko
74. 8 Loyang Way 1
75. 31 Joo Koon Circle
76. Techplace I
77. Techplace II

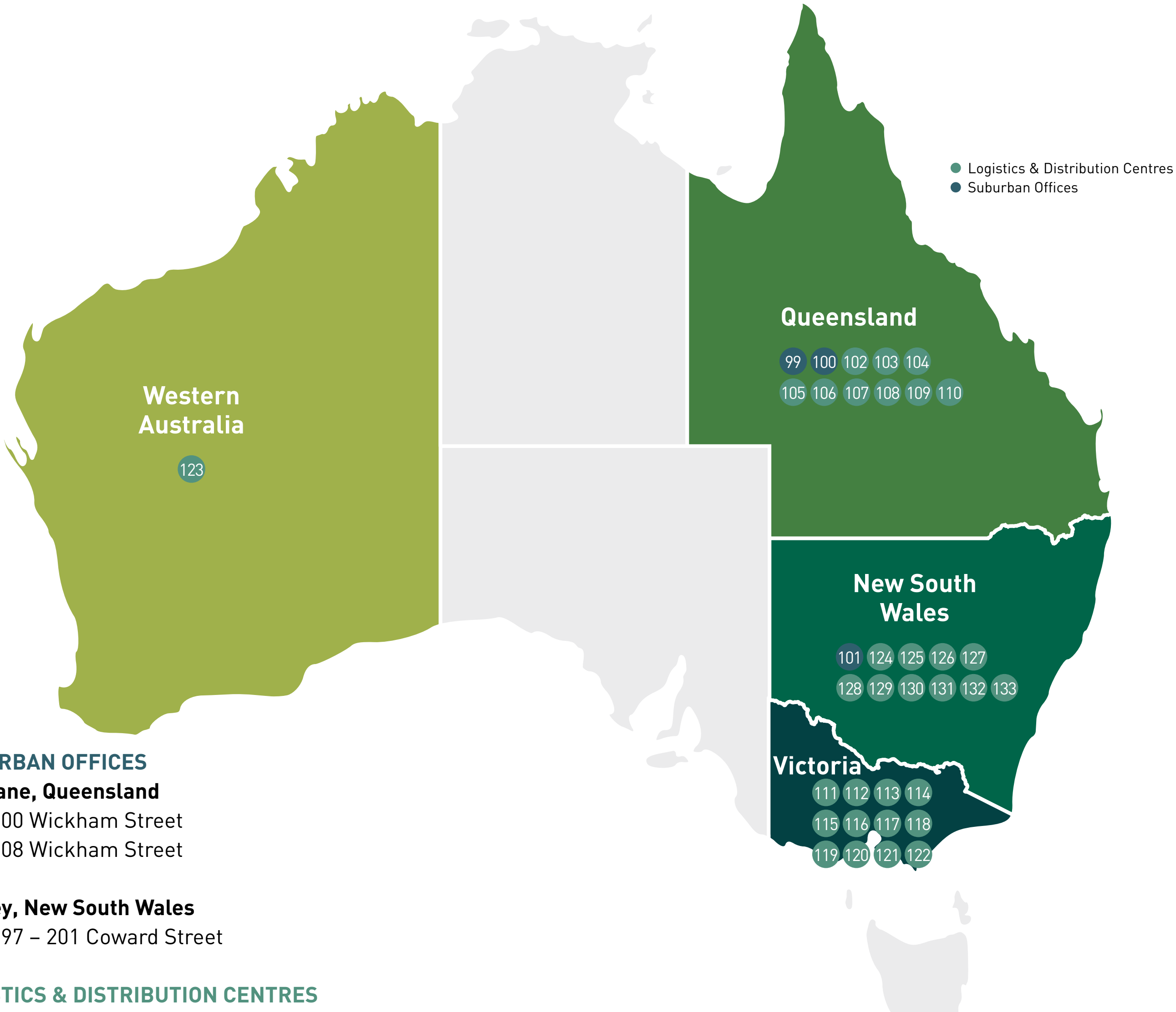
LOGISTICS & DISTRIBUTION CENTRES

78. 20 Tuas Avenue 1
79. LogisTech
80. Changi Logistics Centre
81. 4 Changi South Lane
82. 40 Penjuru Lane
83. Xilin Districentre Building A&B
84. 20 Tuas Avenue 6
85. Xilin Districentre Building D
86. 9 Changi South Street 3
87. 5 Toh Guan Road East
88. Xilin Districentre Building C
89. 19 & 21 Pandan Avenue
90. 1 Changi South Lane
91. Logis Hub @ Clementi
92. 11 Changi North Way
93. 21 Jalan Buroh
94. 21 Changi South Avenue 2
95. 15 Changi North Way
96. Pioneer Hub
97. 71 Alps Avenue
98. 90 Alps Avenue

AUSTRALIA

ASCENDAS REIT'S **PORTFOLIO**

AS AT 31 MARCH 2019



SUBURBAN OFFICES

Brisbane, Queensland

99. 100 Wickham Street
100. 108 Wickham Street

Sydney, New South Wales

101. 197 – 201 Coward Street

LOGISTICS & DISTRIBUTION CENTRES

Brisbane, Queensland

102. 62 Sandstone Place
103. 62 Stradbroke Street
104. 82 Noosa Street
105. 92 Sandstone Place
106. 95 Gilmore Road
107. 77 Logistics Place
108. 99 Radius Drive
109. 1 – 7 Wayne Goss Drive
110. Cargo Business Park

Melbourne, Victoria

111. 676 – 698 Kororoit Creek Road
112. 700 – 718 Kororoit Creek Road
113. 2-16 Aylesbury Drive
114. 9 Andretti Court
115. 14 – 28 Ordish Road
116. 31 Permas Way
117. 35 – 61 South Park Drive
118. 81 – 89 Drake Boulevard
119. 162 Australis Drive
120. 52 Fox Drive
121. 169 – 177 Australis Drive
122. 1314 Ferntree Gully Drive

Perth, Western Australia

123. 35 Baile Road

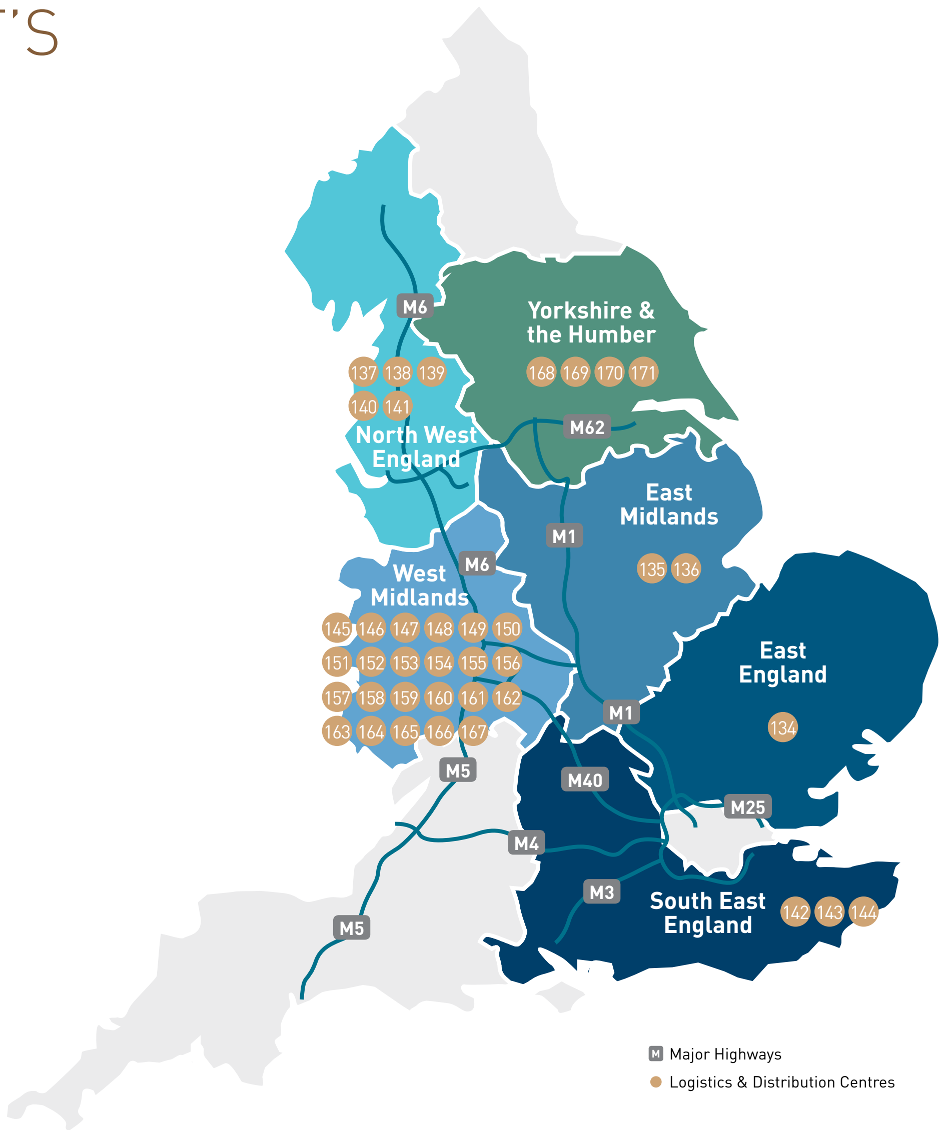
Sydney, New South Wales

124. 484 – 490 Great Western Highway
125. 494 – 500 Great Western Highway
126. 1 Distribution Place
127. 1 – 15 Kellet Close
128. 1A & 1B Raffles Glade
129. 5 Eucalyptus Place
130. 7 Grevillea Street
131. 16 Kangaroo Avenue
132. 94 Lenore Drive
133. 6 – 20 Clunies Ross Road

UNITED KINGDOM

ASCENDAS REIT'S **PORTFOLIO**

AS AT 31 MARCH 2019



LOGISTICS & DISTRIBUTION CENTRES

East England

134. Market Garden Road

East Midlands

135. Common Road
136. Units 1 – 5, Export Drive

North West England

137. Astmoor Road
138. Transpennine 200
139. Leacroft Road
140. Hawleys Lane
141. 8 Leacroft Road

South East England

142. Howard House
143. Units 1 – 2, Tower Lane
144. Lodge Road

West Midlands

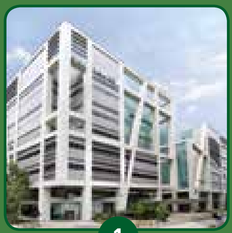
145. Eastern Avenue
146. Vernon Road
147. 1 Sun Street
148. The Triangle
149. Unit 103, Stonebridge Cross Business Park
150. Unit 302, Stonebridge Cross Business Park
151. Unit 401, Stonebridge Cross Business Park
152. Unit 402, Stonebridge Cross Business Park
153. Unit 404, Stonebridge Cross Business Park
154. Unit 1, Wellesbourne Distribution Park
155. Unit 2, Wellesbourne Distribution Park
156. Unit 3, Wellesbourne Distribution Park
157. Unit 4, Wellesbourne Distribution Park
158. Unit 5, Wellesbourne Distribution Park
159. Unit 8, Wellesbourne Distribution Park
160. Unit 13, Wellesbourne Distribution Park
161. Unit 14, Wellesbourne Distribution Park
162. Unit 16, Wellesbourne Distribution Park
163. Unit 17, Wellesbourne Distribution Park
164. Unit 18, Wellesbourne Distribution Park
165. Unit 19, Wellesbourne Distribution Park
166. Unit 20, Wellesbourne Distribution Park
167. Unit 21, Wellesbourne Distribution Park

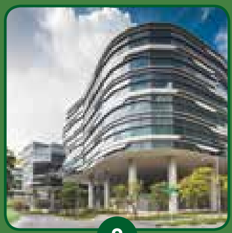
Yorkshire and the Humber

168. 12 Park Farm Road
169. Units 1a, 1b, 2 & 3, Upwell Street
170. Unit 3, Brookfields Way
171. Lowfields Way

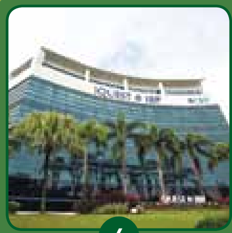
SINGAPORE

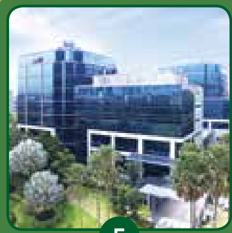
BUSINESS & SCIENCE PARK **PROPERTIES**


1 Neuros & Immunos


2 Nexus @one-north


3 Techquest


4 iQuest@IBP

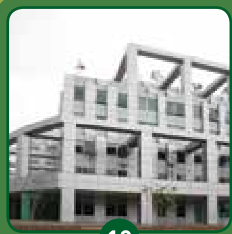

5 Acer Building

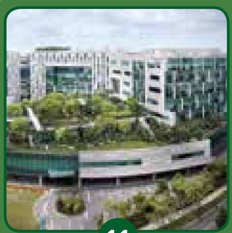

6 31 International Business Park

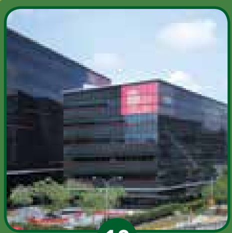

7 Nordic European Centre


8 Honeywell Building

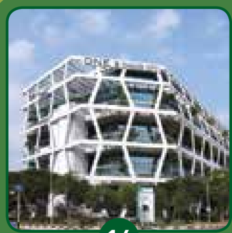

9 1 Changi Business Park Avenue 1


10 Hansapoint@CBP

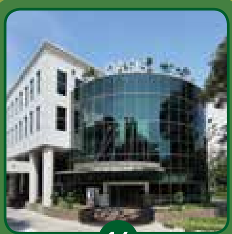

11 1, 3, & 5 Changi Business Park Crescent


12 DBS Asia Hub

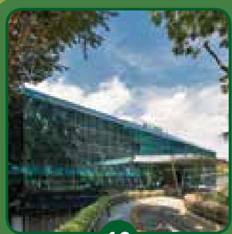

13 AkzoNobel House

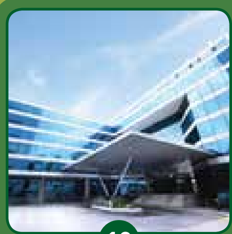

14 ONE@Changi City


15 TÜV SÜD PSB Building

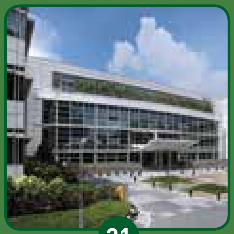

16 The Rutherford & Oasis


17 Cintech I


18 Cintech II

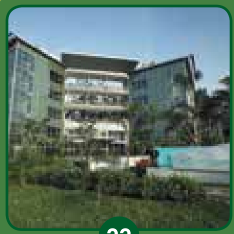

19 Cintech III & IV


20 12, 14 & 16 Science Park Drive



21 The Alpha

22 The Aries, Sparkle & Gemini

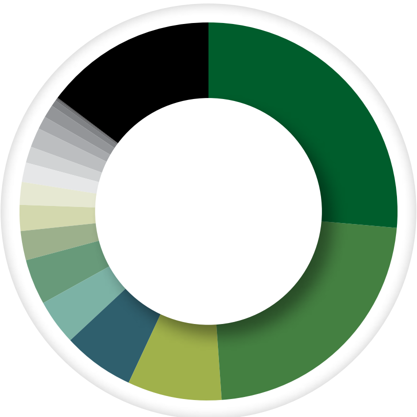


23 The Capricorn

24 The Galen

25 The Kendall

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



Financial	26.6%
Life Science & Other Scientific Activities	22.5%
M&E and Machinery and Equipment	8.0%
Information Technology	6.1%
Electronics	4.0%
Distributors, Trading Company	3.9%
Telecommunication and Datacentre	2.3%
Public Service	2.3%
Chemical	2.0%
Medical, Precision & Optical Instruments, Clocks	1.6%
Printing & Reproduction of Recorded Media	1.5%
Hotels and Restaurants	1.5%
Food Products and Beverages	1.2%
Construction	1.0%
3rd Party Logistics, Freight Forwarding, Shipping	0.5%
Healthcare Products	0.2%
Fabricated Metal Products	0.2%
Rubber and Plastic Products	0.1%
Others	14.5%

Business & Science Park Properties (Singapore)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	23	2	25
No. of Customers	397	2	399
GFA (sq m)	735,183	77,870	813,053
Gross Revenue (S$ million)	269.6	17.4	287.0
Book Value/Valuation as at 31 March 2019 (S$ million)	3,434.3	256.9	3,691.2
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**6.0%**	
Weighted Average Lease to Expiry (in Years)		**3.6**	

SINGAPORE

BUSINESS & SCIENCE PARK **PROPERTIES**

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019 (S$ million)
	one-north Properties			
1	Neuros & Immunos#	31 Mar 11	125.6	139.0
2	Nexus @one-north	04 Sep 13	181.3	192.0
	Total (one-north Properties)		**306.9**	**331.0**
	International Business Park Properties			
3	Techquest** #	05 Oct 05	7.5	23.0
4	iQuest@IBP**	12 Jan 07	18.6	26.6
5	Acer Building**	19 Mar 08	75.0	95.3
6	31 International Business Park**	26 Jun 08	246.8	214.9
7	Nordic European Centre	08 Jul 11	121.6	116.5
	Total (International Business Park Properties)		**469.5**	**476.3**
	Changi Business Park Properties			
8	Honeywell Building** #	19 Nov 02	32.8	70.8
9	1 Changi Business Park Avenue 1	30 Oct 03	18.0	54.6
10	Hansapoint@CBP	22 Jan 08	26.1	119.5
11	1, 3 & 5 Changi Business Park Crescent	16 Feb 09 25 Sep 09 31 Dec 10	200.9	323.7
12	DBS Asia Hub# ^	31 Mar 10 15 Apr 15	137.8	166.9
13	AkzoNobel House	08 Dec 11	80.0	69.1
14	ONE@Changi City#	01 Mar 16	420.0	500.1
	Total (Changi Business Park Properties)		**915.6**	**1,304.7**
	Singapore Science Park I Properties			
15	TÜV SÜD PSB Building	18 Nov 05	35.0	90.0
16	The Rutherford & Oasis#	26 Mar 08	51.5	100.0
17	Cintech I** #	29 Mar 12	47.1	57.5
18	Cintech II#	29 Mar 12	35.3	47.0
19	Cintech III & IV#	29 Mar 12	100.7	133.0
20	12, 14 & 16 Science Park Drive#	16 Feb 17	420.0	450.0
	Total (Singapore Science Park I Properties)		**689.6**	**877.5**
	Singapore Science Park II Properties			
21	The Alpha** #	19 Nov 02	52.3	102.0
22	The Aries, Sparkle & Gemini	19 Nov 02	129.2	204.5
23	The Capricorn#	19 Nov 02	71.8	116.0
24	The Galen#	25 Mar 13	126.0	143.2
25	The Kendall#	30 Mar 15	112.0	136.0
	Total (Singapore Science Park II Properties)		**491.3**	**701.7**
	Total (Business & Science Parks Properties)		**2,872.9**	**3,691.2**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2018 due to changing market conditions.
# Acquired from the Ascendas-Singbridge Group.
^ DBS Asia Hub Phase 2, an extension of DBS Asis Hub was completed on 15 April 2015.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
36,931	26,035	8/8A Biomedical Grove	19.9	100.0%
25,511	20,669	1 & 3 Fusionopolis Link	15.8	100.0%
62,442	**46,704**		**35.7**	**100.0%**
9,079	6,723	7 International Business Park	1.7	55.7%
12,143	9,154	27 International Business Park	1.3	29.9%
29,185	22,489	29 International Business Park	7.2	65.4%
61,720	49,001	31 International Business Park	14.9	55.3%
28,378	21,847	3 International Business Park	8.8	69.6%
140,505	**109,214**		**33.9**	**58.2%**
18,123	14,399	17 Changi Business Park Central 1	6.2	76.0%
11,556	9,150	1 Changi Business Park Avenue 1	5.5	94.0%
19,448	16,417	10 Changi Business Park Central 2	10.0	100.0%
74,660	62,948	1, 3 & 5 Changi Business Park Crescent	28.5	98.6%
45,857	38,172	2 & 2A Changi Business Park Crescent	13.2	100.0%
19,225	15,071	3 Changi Business Park Vista	7.6	97.0%
71,158	61,447	1 Changi Business Park Central 1	34.0	96.5%
260,027	**217,604**		**105.0**	**96.6%**
32,013	21,343	1 Science Park Drive	4.2	100.0%
27,217	18,815	87 & 89 Science Park Drive	6.4	69.3%
14,943	10,529	73 Science Park Drive	4.7	70.4%
13,552	7,915	75 Science Park Drive	3.9	87.2%
25,622	18,459	77 & 79 Science Park Drive	11.3	89.9%
78,871	78,871	12, 14 & 16 Science Park Drive	30.6	100.0%
192,218	**155,932**		**61.1**	**92.4%**
28,533	21,373	10 Science Park Road	7.2	59.9%
49,851	36,405	41, 45 & 51 Science Park Road	15.4	75.5%
28,602	20,543	1 Science Park Road	8.7	66.2%
30,685	21,829	61 Science Park Road	8.1	63.3%
20,190	16,870	50 Science Park Road	11.9	93.7%
157,861	**117,020**		**51.3**	**71.4%**
813,053	**646,474**		**287.0**	**84.8%**

SINGAPORE

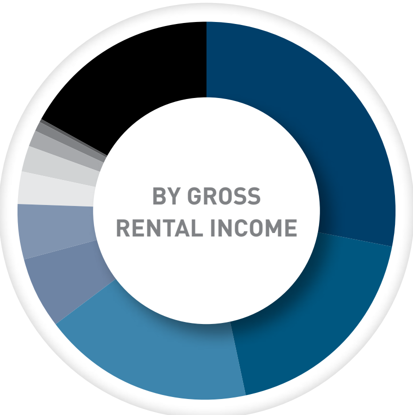
INTEGRATED DEVELOPMENT, **AMENITIES & RETAIL PROPERTIES**

26
Courts Megastore

27
Giant Hypermart


28
Aperia

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



Wholesale and Retail Trade	28.2%
Distributors, Trading company	18.6%
Information Technology	18.0%
Hotels and Restaurants	6.3%
Construction	4.7%
M&E and Machinery & Equipment	2.6%
Financial	2.3%
Food Products & Beverages	1.3%
Telecommunication & Datacentre	0.9%
Electronics	0.4%
Others	16.7%

Integrated Development, Amenities & Retail Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	1	2	3
No. of Customers	109	2	111
GFA (sq m)	86,696	70,604	157,300
Gross Revenue (S$ million)	45.6	15.8	61.4
Book Value/Valuation as at 31 March 2019 (S$ million)	576.0	148.0	724.0
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**5.9%**	
Weighted Average Lease to Expiry (in Years)		**5.0**	

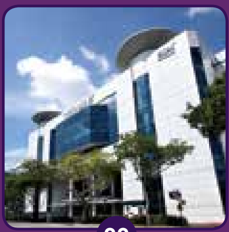
	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019 (S$ million)	GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
26	Courts Megastore**	30 Nov 06	46.0	64.0	28,410	28,410	50 Tampines North Drive 2	7.3	100.0%
27	Giant Hypermart**	06 Feb 07	65.4	84.0	42,194	42,178	21 Tampines North Drive 2	8.5	100.0%
28	Aperia	08 Aug 14	458.0	576.0	86,696	68,583	8, 10 & 12 Kallang Avenue	45.6	95.2%
	Total (Integrated Development, Amenities & Retail Properties)		**569.4**	**724.0**	**157,300**	**139,171**		**61.4**	**97.6%**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2018 due to changing market conditions.

HIGH-SPECIFICATIONS INDUSTRIAL **PROPERTIES AND DATA CENTRES**

29

10 Toh Guan Road



30

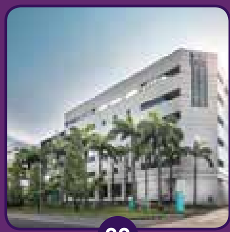
Techlink

31

Siemens Centre

32

Infineon Building

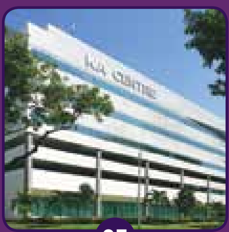


33

Techpoint

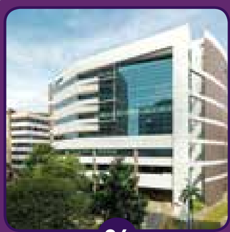
34

Wisma Gulab



35

KA Centre

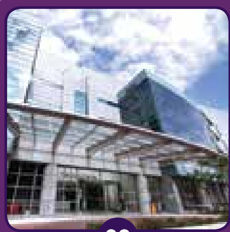


36

KA Place

37

Pacific Tech Centre



38

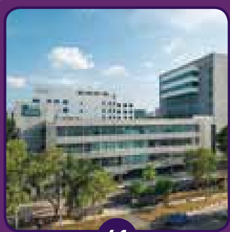
Techview

39

1 Jalan Kilang

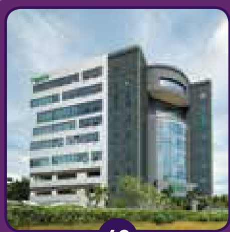
40

30 Tampines Industrial Avenue 3



41

31 Ubi Road 1



42

Schneider Electric Building

(formerly 50 Kallang Avenue)

43

138 Depot Road

44

2 Changi South Lane

45

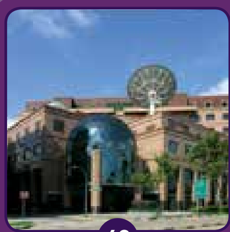
CGG Veritas Hub

46

Corporation Place

47

Hyflux Innovation Centre



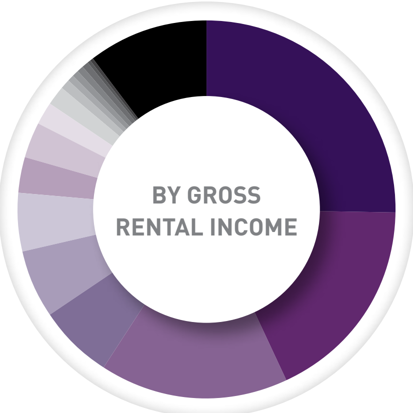
48

Telepark

49
Kim Chuan Telecommunications Complex

50
38A Kim Chuan Road

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



Telecommunication & Datacentre	25.5%
M&E and Machinery & Equipment	17.7%
Electronics	16.0%
Medical, Precision & Optical Instruments, Clocks	6.5%
Information Technology	5.9%
Distributors, Trading Company	5.0%
Financial	3.0%
Textiles & Wearing Apparels	3.0%
Chemical	2.1%
Life Science & Other Scientific Activities	1.6%
Hotels and Restaurants	0.7%
Fabricated Metal Products	0.7%
Construction	0.6%
3rd Party Logistics, Freight Forwarding	0.5%
Food Products & Beverages	0.4%
Printing & Reproduction of Recorded Media	0.3%
Wholesale and Retail Trade	0.2%
Rubber and Plastic Products	0.1%
Others	10.2%

High-Specifications Industrial Properties & Data Centres	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	14	8	22
No. of Customers	283	7	290
GFA (sq m)	515,792	176,681	692,473
Gross Revenue (S$ million)	141.8	52.9	194.7
Book Value/Valuation as at 31 March 2019 (S$ million)	1,559.0	632.5	2,191.5
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**6.3%**	
Weighted Average Lease to Expiry (in Years)		**5.0**	

SINGAPORE

HIGH-SPECIFICATIONS INDUSTRIAL **PROPERTIES AND DATA CENTRES**

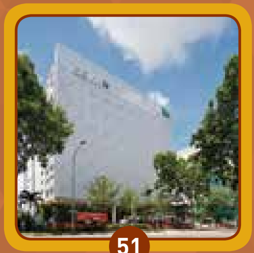
	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019 (S$ million)
	High-Specifications Industrial Properties			
29	10 Toh Guan Road	05 Mar 04	92.0	129.0
30	Techlink** #	19 Nov 02	69.8	124.0
31	Siemens Centre	12 Mar 04	65.8	106.1
32	Infineon Building#	01 Dec 04	50.9	87.6
33	Techpoint#	01 Dec 04	75.0	155.1
34	Wisma Gulab	01 Dec 04	55.7	83.4
35	KA Centre	02 Mar 05	19.2	50.7
36	KA Place	02 Mar 05	11.1	21.7
37	Pacific Tech Centre	01 Jul 05	62.0	90.7
38	Techview#	05 Oct 05	76.0	152.9
39	1 Jalan Kilang	27 Oct 05	18.7	25.0
40	30 Tampines Industrial Avenue 3	15 Nov 05	22.0	37.8
41	31 Ubi Road 1	21 Feb 06	23.0	32.1
42	Schneider Electric Building^ (formerly 50 Kallang Avenue)	27 Feb 06 21 Jun 17	45.2	91.6
43	138 Depot Road#	15 Mar 06	42.3	66.9
44	2 Changi South Lane	01 Feb 07	30.0	38.3
45	CGG Veritas Hub#	25 Mar 08	18.3	24.3
46	Corporation Place	08 Dec 11	99.0	123.8
47	Hyflux Innovation Centre	30 Jun 14	191.2	212.3
	Total (High-Specifications Industrial Properties)		**1,067.2**	**1,653.3**
	Data Centres			
48	Telepark	02 Mar 05	186.0	268.7
49	Kim Chuan Telecommunications Complex	02 Mar 05	100.0	143.1
50	38A Kim Chuan Road##	11 Dec 09	98.4	126.4
	Total (Data Centres)		**384.4**	**538.2**
	Total (High-Specifications Industrial Properties and Data Centres)		**1,451.6**	**2,191.5**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
- * Purchase Price excludes transaction cost associated with the purchase of the property.
- ** As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2018 due to changing market conditions.
- # Acquired from the Ascendas-Singbridge Group.
- ## 38A Kim Chuan Road was valued by independent valuer at S$179.3 million. Ascendas Reit has recorded the property at S$179.3 million comprising S$126.4 million in land and building, and S$52.9 million in M&E equipment.
- ^ Schneider Electric Building (formerly 50 Kallang Avenue) was first acquired on 27 February 2006 for S$28.6 million and was subsequently redeveloped into a single-tenant building for a multinational corporation. The redevelopment was completed on 21 June 2017.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
52,147	39,942	10 Toh Guan Road	10.8	64.9%
49,837	36,346	31 Kaki Bukit Road 3	13.7	82.5%
36,529	28,000	60 MacPherson Road	12.0	95.1%
27,278	27,278	8 Kallang Sector	9.2	100.0%
56,107	40,934	10 Ang Mo Kio Street 65	15.0	91.2%
15,557	11,821	190 MacPherson Road	5.5	100.0%
19,638	13,557	150 Kampong Ampat	5.2	95.5%
10,163	6,652	159 Kampong Ampat	1.7	66.8%
25,718	19,573	1 Jalan Kilang Timor	6.2	75.2%
50,985	37,607	1 Kaki Bukit View	14.8	74.2%
7,158	6,071	1 Jalan Kilang	1.8	92.2%
9,593	9,593	30 Tampines Industrial Ave 3	3.4	100.0%
17,709	12,987	31 Ubi Road 1	3.5	73.4%
18,970	18,970	50 Kallang Avenue	6.3	100.0%
29,626	26,695	138 Depot Road	5.9	98.1%
26,300	20,939	2 Changi South Lane	2.6	100.0%
9,782	8,671	9 Serangoon North Avenue 5	3.0	100.0%
76,185	55,711	2 Corporation Road	13.3	68.5%
43,435	34,955	80 Bendemeer Road	17.5	87.5%
582,717	**456,302**		**151.4**	**84.8%**
40,555	24,596	5 Tampines Central 6	20.4	98.8%
35,456	25,129	38 Kim Chuan Road	11.4	100.0%
33,745	32,885	38A Kim Chuan Road	11.5	100.0%
109,756	**82,610**		**43.3**	**99.6%**
692,473	**538,912**		**194.7**	**87.1%**

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES
AND FLATTED FACTORIES


51
Osim Headquarters


52
12 Woodlands Loop

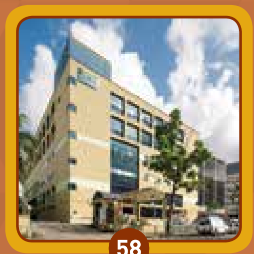

53
25 Changi South Street 1


54
247 Alexandra Road


55
5 Tai Seng Drive


56
35 Tampines Street 92


57
53 Serangoon North Avenue 4


58
3 Tai Seng Drive


59
27 Ubi Road 4

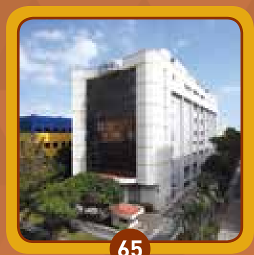

60
52 Serangoon North Avenue 4


61
202 Kallang Bahru

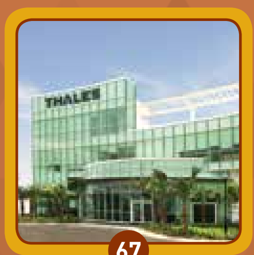

62
25 Ubi Road 4


63
Tampines Biz-Hub

64
Hoya Building


65
37A Tampines Street 92


66
Hamilton Sundstrand Building



67
Thales Building (I & II)


68
Ubi Biz-Hub

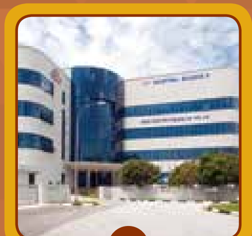

69
2 Senoko South Road


70
18 Woodlands Loop

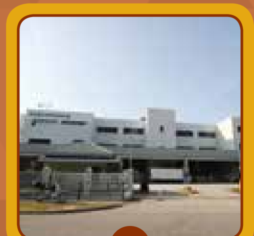
71
9 Woodlands Terrace

72
11 Woodlands Terrace

73
FoodAxis @ Senoko

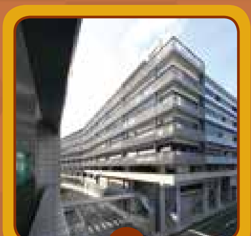


74
8 Loyang Way 1



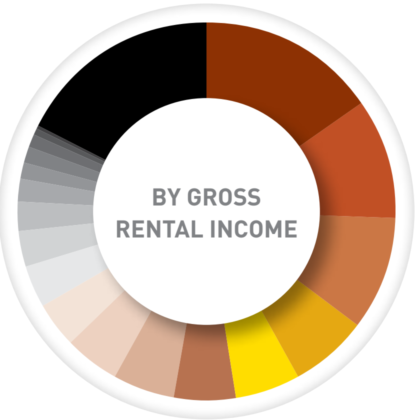
75
31 Joo Koon Circle

76
Techplace I



77
Techplace II

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



M&E and Machinery & Equipment	15.5%
Food Products & Beverages	10.3%
Electronics	9.7%
Repair and Servicing of Vehicles	6.6%
Healthcare Products	5.4%
Distributors, Trading Company	5.4%
Hotels and Restaurants	5.2%
Fabricated Metal Products	4.7%
Rubber and Plastic Products	4.0%
Information Technology	3.6%
Medical, Precision & Optical Instruments, Clocks	3.1%
Construction	2.4%
3rd Party Logistics, Freight Forwarding	2.0%
Life Science & Other Scientific Activities	1.5%
Printing & Reproduction of Recorded Media	1.3%
Textiles & Wearing Apparels	1.1%
Telecommunication & Datacentre	0.6%
Financial	0.1%
Others	17.5%

Light Industrial Properties and Flatted Factories	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	18	9	27
No. of Customers	388	9	397
GFA (sq m)	441,963	117,420	559,383
Gross Revenue (S$ million)	69.2	21.2	90.4
Book Value/Valuation as at 31 March 2019 (S$ million)	711.7	241.5	953.2
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**6.2%**	
Weighted Average Lease to Expiry (in Years)		**3.1**	

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019 (S$ million)
	Light Industrial Properties			
51	Osim Headquarters	20 Jun 03	35.0	39.5
52	12 Woodlands Loop	29 Jul 04	24.8	28.2
53	25 Changi South Street 1**	26 Nov 04	17.8	19.9
54	247 Alexandra Road	01 Dec 04	44.8	66.0
55	5 Tai Seng Drive	01 Dec 04	15.3	22.4
56	35 Tampines Street 92	01 Dec 04	9.4	12.6
57	53 Serangoon North Avenue 4**	27 Dec 04	14.0	13.5
58	3 Tai Seng Drive	01 Apr 05	19.5	20.6
59	27 Ubi Road 4	01 Apr 05	12.6	12.5
60	52 Serangoon North Avenue 4	04 Apr 05	14.0	21.8
61	202 Kallang Bahru**	04 Apr 05	19.0	18.5
62	25 Ubi Road 4**	16 May 05	9.0	8.7
63	Tampines Biz-Hub	05 Oct 05	16.8	24.2
64	Hoya Building#	05 Oct 05	5.3	8.8
65	37A Tampines Street 92	01 Dec 05	12.3	15.9
66	Hamilton Sundstrand Building#	09 Dec 05	31.0	41.0
67	Thales Building (I & II)#	03 Jan 06 20 Mar 08	5.8	12.0
68	Ubi Biz-Hub	27 Mar 06	13.2	18.5
69	2 Senoko South Road	08 Jan 07 08 Apr 16	33.5	39.0
70	18 Woodlands Loop	01 Feb 07	17.2	33.4
71	9 Woodlands Terrace	01 Feb 07	1.9	3.6
72	11 Woodlands Terrace	01 Feb 07	1.9	4.6
73	FoodAxis @ Senoko^	15 May 07 16 Feb 12	57.8	91.1
74	8 Loyang Way 1	05 May 08	25.0	23.6
75	31 Joo Koon Circle	30 Mar 10	15.0	18.8
	Total (Light Industrial Properties)		**471.9**	**618.7**
	Flatted Factories			
76	TechPlace I#	19 Nov 02	105.3	144.6
77	TechPlace II#	19 Nov 02	128.9	189.9
	Total (Flatted Factories)		**234.2**	**334.5**
	Total (Light Industrial Properties and Flatted Factories)		**706.1**	**953.2**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis, except for 3 & 5 Tai Seng Drive which included Direct Comparison Method.

* Purchase Price excludes transaction cost associated with the purchase of the property.
** As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2018 due to changing market conditions.
# Acquired from the Ascendas-Singbridge Group.
^ FoodAxis @ Senoko was first acquired on 15 May 2007 for S$11.2 million and was subsequently redeveloped to maximise the allowable plot ratio. The redevelopment was completed on 16 February 2012.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
17,683	15,068	65 Ubi Avenue 1	3.2	100.0%
19,887	16,077	12 Woodlands Loop	2.5	100.0%
13,998	11,709	25 Changi South Street 1	0.6	21.4%
13,699	12,803	247 Alexandra Road	5.1	100.0%
12,930	11,273	5 Tai Seng Drive	2.5	97.0%
8,931	8,060	35 Tampines Street 92	0.9	52.8%
10,589	7,847	53 Serangoon North Avenue 4	1.5	80.7%
14,929	11,761	3 Tai Seng Drive	1.4	45.6%
9,087	7,215	27 Ubi Road 4	1.9	67.6%
14,767	11,047	52 Serangoon North Avenue 4	2.8	100.0%
20,465	16,980	202 Kallang Bahru	1.4	0.0%
7,998	6,108	25 Ubi Road 4	1.3	53.0%
18,086	14,551	11 Tampines Street 92	2.3	64.8%
6,505	6,282	455A Jalan Ahmad Ibrahim	1.2	100.0%
12,011	9,740	37A Tampines Street 92	1.1	41.8%
17,737	16,744	11 Changi North Rise	3.7	100.0%
7,772	7,772	21 Changi North Rise	1.5	100.0%
12,978	10,697	150 Ubi Avenue 4	2.3	96.3%
23,457	17,632	2 Senoko South Road	5.2	99.1%
18,422	16,056	18 Woodlands Loop	4.7	100.0%
2,774	2,341	9 Woodlands Terrace	0.6	100.0%
2,810	2,219	11 Woodlands Terrace	0.0	0.0%
43,362	44,439	1 Senoko Avenue	10.0	100.0%
13,725	13,725	8 Loyang Way 1	2.0	100.0%
17,638	15,421	31 Joo Koon Circle	1.4	100.0%
362,240	**313,567**		**61.1**	**81.8%**
81,981	59,531	Blk 4008 – 4012 Ang Mo Kio Avenue 10	12.8	91.3%
115,162	83,200	Blk 5000 – 5004, 5008-5014 Ang Mo Kio Avenue 5	16.5	87.1%
197,143	**142,731**		**29.3**	**88.9%**
559,383	**456,298**		**90.4**	**84.0%**

SINGAPORE

LOGISTICS & DISTRIBUTION **CENTRES**


78
20 Tuas Avenue 1


79
LogisTech


80
Changi Logistics Centre


81
4 Changi South Lane


82
40 Penjuru Lane


83
Xilin Districentre Building A&B

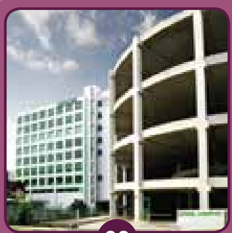

84
20 Tuas Avenue 6


85
Xilin Districentre Building D


86
9 Changi South Street 3


87
5 Toh Guan Road East

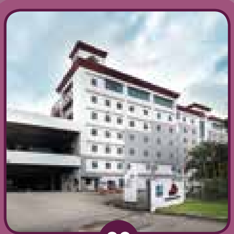

88
Xilin Districentre Building C


89
19 & 21 Pandan Avenue


90
1 Changi South Lane


91
Logis Hub @ Clementi


92
11 Changi North Way

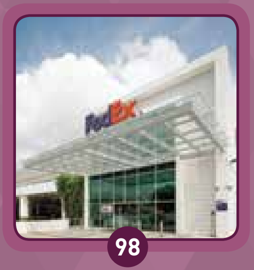

93
21 Jalan Buroh


94
21 Changi South Avenue 2


95
15 Changi North Way

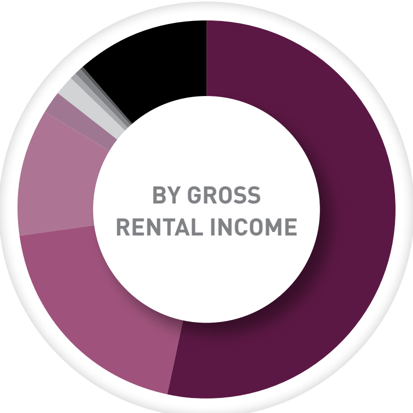

96
Pioneer Hub


97
71 Alps Avenue



90 Alps Avenue

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



3rd Party Logistics, Freight Forwarding	53.6%
Distributors, Trading company	19.4%
Information Technology	10.8%
Electronics	2.0%
Public Service	1.5%
M&E and Machinery & Equipment	0.7%
Medical, Precision & Optical Instruments, Clocks	0.4%
Hotels and Restaurants	0.3%
Others	11.3%

Logistics & Distribution Centres (Singapore)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	15	6	21
No. of Customers	103	7	110
GFA (sq m)	602,502	209,411	811,913
Gross Revenue (S$ million)	88.0	26.2	114.2
Book Value/Valuation as at 31 March 2019 (S$ million)	888.1	321.5	1,209.6
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**6.5%**	
Weighted Average Lease to Expiry (in Years)		**2.4**	

LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019 (S$ million)
	Logistics & Distribution Centres			
78	20 Tuas Avenue 1^	19 Feb 04 02 Apr 18	61.4	86.4
79	LogisTech	04 Mar 04	32.0	50.6
80	Changi Logistics Centre**	09 Mar 04	45.6	78.6
81	4 Changi South Lane**	31 May 04	23.3	26.0
82	40 Penjuru Lane**	21 Jul 04	225.0	241.5
83	Xilin Districentre Building A&B	02 Dec 04	31.1	35.6
84	20 Tuas Avenue 6	02 Dec 04	5.5	7.7
85	Xilin Districentre Building D**	09 Dec 04	33.5	24.7
86	9 Changi South Street 3	28 Dec 04	32.0	43.6
87	5 Toh Guan Road East	28 Dec 04	36.4	27.9
88	Xilin Districentre Building C	05 May 05	30.6	29.0
89	19 & 21 Pandan Avenue	23 Sep 05 01 Feb 08	105.2	126.4
90	1 Changi South Lane	05 Oct 05	34.8	47.4
91	Logis Hub @ Clementi** #	05 Oct 05	18.1	31.5
92	11 Changi North Way	18 Nov 05	11.0	17.4
93	21 Jalan Buroh	14 Jun 06	58.4	76.5
94	21 Changi South Avenue 2**	19 Mar 08	31.9	21.0
95	15 Changi North Way	29 Jul 08	36.2	41.7
96	Pioneer Hub	12 Aug 08	79.3	122.5
97	71 Alps Avenue	02 Sep 09	25.6	21.8
98	90 Alps Avenue	20 Jan 12	37.9	51.8
	Total (Logistics & Distribution Centres)		**994.8**	**1,209.6**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2018 due to changing market conditions.
# Acquired from the Ascendas-Singbridge Group.
^ 20 Tuas Avenue 1 was first acquired on 19 February 2004 for S$50.0 million and was subsequently redeveloped to maximise the allowable plot ratio. The redevelopment was completed on April 2018.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
44,449	41,134	20 Tuas Avenue 1	4.6	91.1%
37,554	30,144	3 Changi North Street 2	7.1	94.0%
51,742	39,460	19 Loyang Way	7.7	62.8%
18,794	15,550	4 Changi South Lane	2.1	96.3%
160,938	152,404	40 Penjuru Lane	17.2	91.9%
24,113	20,788	3 Changi South Street 2	4.7	100.0%
5,085	5,085	20 Tuas Avenue 6	0.6	100.0%
18,619	15,966	6 Changi South Street 2	3.5	94.9%
28,648	23,753	9 Changi South Street 3	4.7	92.3%
29,740	23,607	5 Toh Guan Road East	3.3	100.0%
18,708	13,035	7 Changi South Street 2	3.2	96.7%
87,842	71,749	19 & 21 Pandan Avenue	7.5	100.0%
25,768	23,528	1 Changi South Lane	5.1	96.8%
26,505	23,071	2 Clementi Loop	3.4	89.6%
10,107	9,494	11 Changi North Way	1.1	100.0%
48,139	48,167	21 Jalan Buroh	6.8	100.0%
13,120	11,440	21 Changi South Avenue 2	1.1	36.1%
31,961	28,974	15 Changi North Way	4.4	100.0%
91,048	80,533	15 Pioneer Walk	18.0	99.3%
12,756	11,046	71 Alps Avenue	2.3	100.0%
26,277	26,277	90 Alps Avenue	5.8	100.0%
811,913	**715,205**		**114.2**	**93.4%**

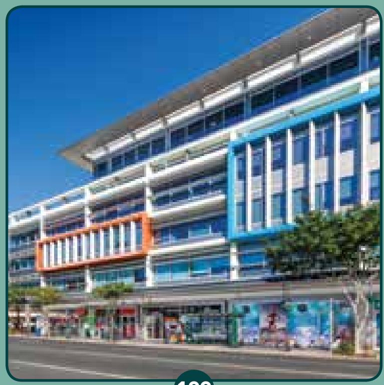
AUSTRALIA

SUBURBAN **OFFICES**

▶ BRISBANE

99

100 Wickham Street



100

108 Wickham Street

▶ SYDNEY

101

197 – 201 Coward Street

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019

Public Services	34.9%
Construction	26.2%
3rd Party Logistics, Freight Forwarding	16.6%
Information Technology	6.0%
Food Products & Beverages	3.4%
Medical, Precision & Optical Instruments, Clocks	1.9%
Others	11.1%

Suburban Offices (Australia)	Multi-tenant Buildings	Total
No. of Properties	3	3
No. of Customers	27	27
GFA (sq m)	47,477	47,477
Gross Revenue (S$ million)	29.8	29.8
Book Value/Valuation as at 31 March 2019 (S$ million)	321.0	321.0
Weighted Average Capitalisation Rate as at 31 March 2019 (%)	**6.2%**	
Weighted Average Lease to Expiry (in Years)	**3.1**	

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019^^# (S$ million)	GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
	Brisbane, Queensland								
99	100 Wickham Street##	25 Sep 17	90.3	68.6	13,030	13,030	100 Wickham Street, Fortitude Valley	9.0	84.7%
100	108 Wickham Street^ ##	22 Dec 17	109.0	90.2	11,913	11,913	108 Wickham Street, Fortitude Valley	7.4	100.0%
	Total (Suburban Offices, Brisbane)		**199.3**	**158.8**	**24,943**	**24,943**		**16.4**	**92.0%**
	Sydney, New South Wales								
101	197 – 201 Coward Street	9 Sep 16	145.6	162.2	22,534	22,534	197 – 201 Coward Street, Mascot	13.4	100.0%
	Total (Suburban Offices, Sydney)		**145.6**	**162.2**	**22,534**	**22,534**		**13.4**	**100.0%**
	Total (Suburban Offices, Australia)		**344.9**	**321.0**	**47,477**	**47,477**		**29.8**	**95.8%**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase Price excludes transaction cost associated with the purchase of the property.
^ Purchase Price includes outstanding incentives reimbursed by the Vendor.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
# Based on exchange rate of A$1.00: S$0.9596 as at 31 March 2019.
As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding AUD values as at 31 March 2018 due to changing market conditions.

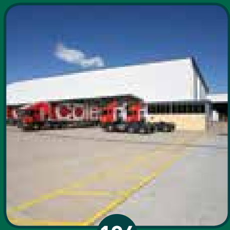
AUSTRALIA

LOGISTICS & DISTRIBUTION **CENTRES**

BRISBANE


102
62 Sandstone Place


103
62 Stradbroke Street


104
82 Noosa Street

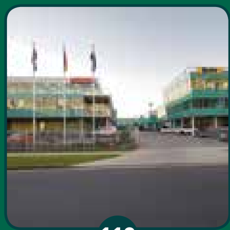

105
92 Sandstone Place


106
95 Gilmore Road


107
77 Logistics Place


108
99 Radius Drive


109
1 – 7 Wayne Goss Drive


110
Cargo Business Park

MELBOURNE


111
676 – 698 Kororoit Creek Road


112
700 – 718 Kororoit Creek Road

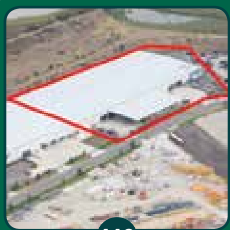

113
2 – 16 Aylesbury Drive

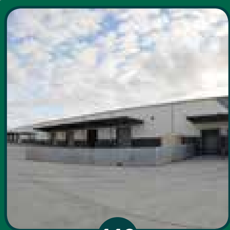

114
9 Andretti Court

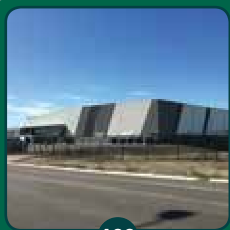

115
14 – 28 Ordish Road


116
31 Permas Way


117
35 – 61 South Park Drive


118
81 – 89 Drake Boulevard


119
162 Australis Drive


120
52 Fox Drive

PERTH

121

169 – 177 Australis Drive

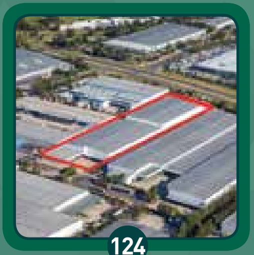
122

1314 Ferntree Gully Drive

123

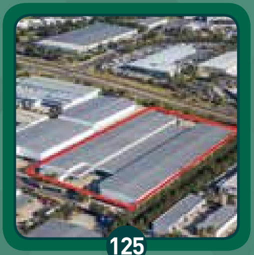
35 Baile Road

SYDNEY



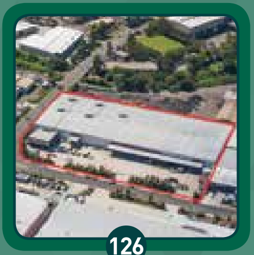
124

484 – 490 Great Western Highway



125

494 – 500 Great Western Highway



126

1 Distribution Place

127

1 – 15 Kellet Close

128

1A & 1B Raffles Glade

129

5 Eucalyptus Place

130

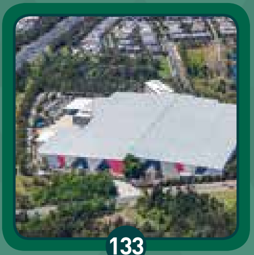
7 Grevillea Street

131

16 Kangaroo Avenue

132

94 Lenore Drive



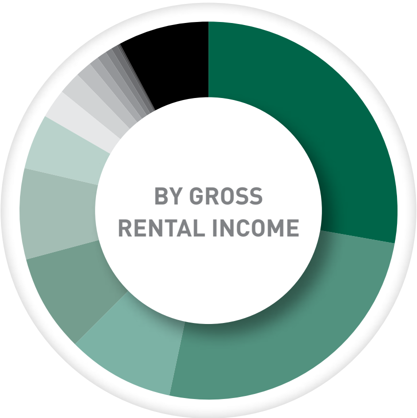
133

6 – 20 Clunies Ross Road

AUSTRALIA

LOGISTICS & DISTRIBUTION **CENTRES**

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



3rd Party Logistics, Freight Forwarding	28.0%
Distributors, Trading Company	25.5%
Food Products & Beverages	9.1%
Healthcare Products	8.5%
Public Services	7.7%
Textiles & Wearing Apparels	4.7%
Repair and Servicing of Vehicles	2.5%
Printing & Reproduction of Recorded Media	2.1%
Information Technology	1.2%
Wholesale and Retail Trade	0.9%
Medical, Precision & Optical Instruments, Clocks	0.8%
M&E and Machinery & Equipment	0.7%
Electronics	0.5%
Construction	0.1%
Telecommunication & Datacentre	0.1%
Others	7.7%

	Property	Acquisition/ Completion Date	Purchase Price*^/ Development Cost (S$ million)	Valuation as at 31 March 2019^^ # (S$ million)
	Brisbane, Queensland			
102	62 Sandstone Place##	23 Oct 15	22.8	20.7
103	62 Stradbroke Street	23 Oct 15	35.9	35.0
104	82 Noosa Street##	23 Oct 15	66.0	54.5
105	92 Sandstone Place##	23 Oct 15	28.6	22.5
106	95 Gilmore Road##	23 Oct 15	76.8	81.1
107	77 Logistics Place##	18 Nov 15	28.4	25.2
108	99 Radius Drive##	18 Nov 15	29.0	24.5
109	1 – 7 Wayne Goss Drive** +	07 Sep 18	30.8	25.9
110	Cargo Business Park** +	17 Sep 18	33.9	32.3
	Total (Logistics & Distribution Centres, Brisbane)		**352.2**	**321.7**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** Purchase Price includes rental guarantee provided by the Vendor.
^ Purchase Price includes outstanding incentives reimbursed by the Vendors except for 1 – 7 Wayne Goss Drive and 1314 Ferntree Gully Drive.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
# Based on exchange rate of A$1.00: S$0.9596 as at 31 March 2019.
As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding AUD values as at 31 March 2018 due to changing market conditions.
+ Gross Revenue from acquisition date to 31 March 2019.

Logistics & Distribution Centres (Australia)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	10	22	32
No. of Customers	35	20	55
GFA (sq m)	227,395	535,900	763,295
Gross Revenue (S$ million)	25.6	61.3	86.9
Book Value/Valuation as at 31 March 2019 (S$ million)	379.1	860.8	1,239.9
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**6.1%**	
Weighted Average Lease to Expiry (in Years)		**4.7**	

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
9,260	9,260	62 Sandstone Place, Parkinson	1.8	100.0%
24,791	24,791	62 Stradbroke Street, Heathwood	1.4	41.7%
38,000	38,000	82 Noosa Street, Heathwood	3.6	100.0%
13,738	13,738	92 Sandstone Place, Parkinson	2.4	100.0%
41,318	41,318	95 Gilmore Road, Berrinba	6.3	100.0%
14,296	14,296	77 Logistics Place, Larapinta	2.1	100.0%
14,592	14,592	99 Radius Drive, Larapinta	1.8	100.0%
17,907	17,907	1 – 7 Wayne Goss Drive, Berrinba	0.0	100.0%
8,216	8,216	56 Lavarack Avenue, Eagle Farm	1.4	100.0%
182,118	**182,118**		**20.8**	**92.1%**

AUSTRALIA

LOGISTICS & DISTRIBUTION **CENTRES**

	Property	Acquisition/ Completion Date	Purchase Price*^/ Development Cost (S$ million)	Valuation as at 31 March 2019^^ # (S$ million)
	Melbourne, Victoria			
111	676 – 698 Kororoit Creek Road	23 Oct 15	52.3	62.4
112	700 – 718 Kororoit Creek Road	23 Oct 15	34.8	34.5
113	2 – 16 Aylesbury Drive	18 Nov 15	21.3	18.3
114	9 Andretti Court	18 Nov 15	26.6	29.7
115	14 – 28 Ordish Road	18 Nov 15	53.2	42.2
116	31 Permas Way	18 Nov 15	48.2	57.6
117	35 – 61 South Park Drive	18 Nov 15	39.1	40.9
118	81 – 89 Drake Boulevard	18 Nov 15	17.1	15.2
119	162 Australis Drive	18 Nov 15	25.0	25.9
120	52 Fox Drive**	03 Apr 17	26.5	26.9
121	169 – 177 Australis Drive+	04 Jun 18	34.5	33.6
122	1314 Ferntree Gully Drive** +	26 Jun 18	16.4	15.4
	Total (Logistics & Distribution Centres, Melbourne)		**395.0**	**402.6**
	Perth, Western Australia			
123	35 Baile Road	23 Oct 15	36.6	37.4
	Total (Logistics & Distribution Centres, Perth)		**36.6**	**37.4**
	Sydney, New South Wales			
124	484 – 490 Great Western Highway##	23 Oct 15	19.9	19.9
125	494 – 500 Great Western Highway	23 Oct 15	33.4	35.7
126	1 Distribution Place##	18 Nov 15	28.6	26.6
127	1 – 15 Kellet Close	18 Nov 15	44.7	46.5
128	1A & 1B Raffles Glade	18 Nov 15	42.9	42.7
129	5 Eucalyptus Place	18 Nov 15	21.8	27.6
130	7 Grevillea Street	18 Nov 15	104.8	123.3
131	16 Kangaroo Avenue	18 Nov 15	33.1	38.1
132	94 Lenore Drive##	18 Nov 15	42.0	37.2
133	6 – 20 Clunies Ross Road	22 Feb 16	76.6	80.6
	Total (Logistics & Distribution Centres, Sydney)		**447.8**	**478.2**
	Total (Logistics & Distribution Centres, Australia)		**1,231.6**	**1,239.9**

Notes:
The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** Purchase Price includes rental guarantee provided by the Vendor.
^ Purchase Price includes outstanding incentives reimbursed by the Vendors except for 1 – 7 Wayne Goss Drive and 1314 Ferntree Gully Drive.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
\# Based on exchange rate of A$1.00: S$0.9596 as at 31 March 2019.
\## As at 31 March 2019, these properties recorded a depreciation on revaluation against their corresponding AUD values as at 31 March 2018 due to changing market conditions.
\+ Gross Revenue from acquisition date to 31 March 2019.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19 (S$ million)	Occupancy Rate as at 31 March 2019
44,036	44,036	676 – 698 Kororoit Creek Road, Altona North	4.4	100.0%
28,020	28,020	700 – 718 Kororoit Creek Road, Altona North	2.4	100.0%
17,513	17,513	2 – 16 Aylesbury Drive, Altona	1.2	100.0%
24,140	24,140	9 Andretti Court, Truganina	2.2	100.0%
28,189	28,189	14 – 28 Ordish Road, Dandenong South	4.0	100.0%
44,540	44,540	31 Permas Way, Truganina	3.4	100.0%
32,167	32,167	35 – 61 South Park Drive, Dandenong South	3.1	100.0%
14,099	14,099	81 – 89 Drake Boulevard, Altona	1.5	100.0%
23,263	23,263	162 Australis Drive, Derrimut	1.6	100.0%
18,041	18,041	52 Fox Drive, Dandenong South	1.9	100.0%
31,048	31,048	169 – 177 Australis Drive, Derrimut	1.7	100.0%
16,134	16,134	1314 Ferntree Gully Drive, Scoresby	0.0	100.0%
321,189	**321,189**		**27.4**	**100.0%**
20,895	20,895	35 Baile Road, Canning Vale	3.3	100.0%
20,895	**20,895**		**3.3**	**100.0%**
13,304	13,304	484 – 490 Great Western Highway, Arndell Park	1.7	100.0%
25,255	25,255	494 – 500 Great Western Highway, Arndell Park	2.6	100.0%
13,555	13,555	1 Distribution Place, Seven Hills	2.2	100.0%
23,205	23,205	1 – 15 Kellet Close, Erskine Park	3.4	100.0%
21,694	21,694	1A & 1B Raffles Glade, Eastern Creek	3.2	100.0%
10,732	10,732	5 Eucalyptus Place, Eastern Creek	1.9	100.0%
51,709	51,709	7 Grevillea Street, Eastern Creek	7.9	100.0%
19,918	19,918	16 Kangaroo Avenue, Eastern Creek	2.7	100.0%
21,143	21,143	94 Lenore Drive, Erskine Park	3.1	100.0%
38,579	38,579	6 – 20 Clunies Ross Street, Pemulway	6.7	100.0%
239,093	**239,093**		**35.4**	**100.0%**
763,295	**763,295**		**86.9**	**98.1%**

UNITED KINGDOM

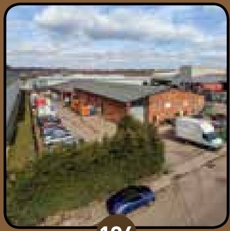
LOGISTICS & DISTRIBUTION **CENTRES**

EAST ENGLAND

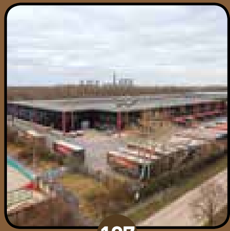

134
Market Garden Road

EAST MIDLANDS


135
Common Road

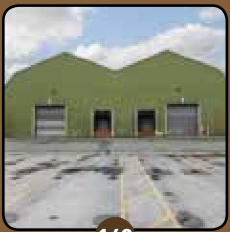

136
Units 1 – 5, Export Drive

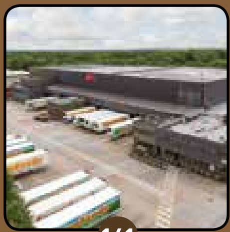
NORTH WEST ENGLAND


137
Astmoor Road


138
Transpennine 200

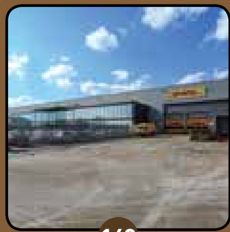

139
Leacroft Road


140
Hawleys Lane


141
8 Leacroft Road

SOUTH EAST ENGLAND


142
Howard House


143
Units 1 – 2, Tower Lane


144
Lodge Road

WEST MIDLANDS


145
Eastern Avenue


146
Vernon Road


147
1 Sun Street


148
The Triangle


149
Unit 103, Stonebridge Cross Business Park


150
Unit 302, Stonebridge Cross Business Park


151
Unit 401, Stonebridge Cross Business Park


152
Unit 402, Stonebridge Cross Business Park


153
Unit 404, Stonebridge Cross Business Park

154

Unit 1, Wellesbourne Distribution Park

155

Unit 2, Wellesbourne Distribution Park

156

Unit 3, Wellesbourne Distribution Park

157

Unit 4, Wellesbourne Distribution Park

158

Unit 5, Wellesbourne Distribution Park

159

Unit 8, Wellesbourne Distribution Park

160

Unit 13, Wellesbourne Distribution Park

161

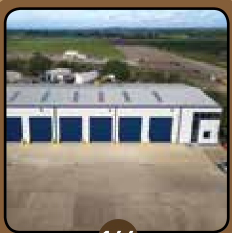
Unit 14, Wellesbourne Distribution Park

162

Unit 16, Wellesbourne Distribution Park

163

Unit 17, Wellesbourne Distribution Park



164

Unit 18, Wellesbourne Distribution Park

165

Unit 19, Wellesbourne Distribution Park

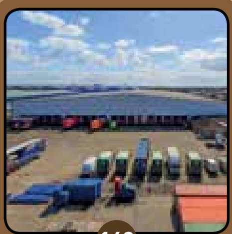
166

Unit 20, Wellesbourne Distribution Park

167

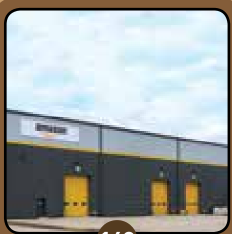
Unit 21, Wellesbourne Distribution Park

YORKSHIRE AND THE HUMBER



168

12 Park Farm Road



169

Units 1a, 1b, 2 & 3, Upwell Street

170

Unit 3, Brookfields Way

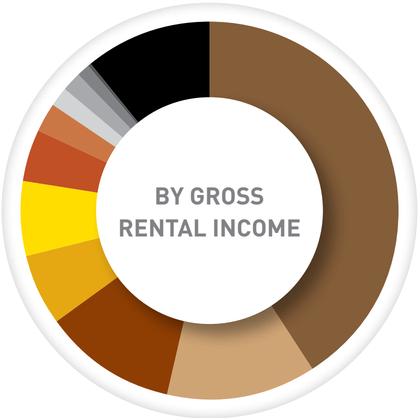
171

Lowfields Way

UNITED KINGDOM

LOGISTICS & DISTRIBUTION **CENTRES**

CUSTOMER'S INDUSTRY MIX AS AT 31 MARCH 2019



3rd Party Logistics, Freight Forwarding	40.9%
Repair and Servicing of Vehicles	12.7%
Wholesale and Retail Trade	11.5%
Construction	6.2%
Distributors, Trading Company	6.2%
Electronics	4.6%
Public Services	2.6%
Medical, Precision & Optical Instruments, Clocks	1.6%
Food Products & Beverages	1.6%
Fabricated Metal Products	1.1%
M&E and Machinery & Equipment	0.4%
Others	10.6%

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019^^# (S$ million)
	East England			
134	Market Garden Road	16 Aug 18	37.5	37.1
	Total (Logistics & Distribution Centres, East England)		**37.5**	**37.1**
	East Midlands			
135	Common Road	16 Aug 18	54.4	35.8
136	Units 1 – 5, Export Drive	16 Aug 18	3.0	2.9
	Total (Logistics & Distribution Centres, East Midlands)		**57.4**	**38.7**
	North West England			
137	Astmoor Road	16 Aug 18	52.4	51.7
138	Transpennine 200	16 Aug 18	15.3	15.0
139	Leacroft Road	04 Oct 18	12.5	9.5
140	Hawleys Lane	04 Oct 18	43.5	43.1
141	8 Leacroft Road	04 Oct 18	9.5	12.4
	Total (Logistics & Distribution Centres, North West England)		**133.2**	**131.7**
	South East England			
142	Howard House	16 Aug 18	56.7	55.9
143	Units 1 – 2, Tower Lane	16 Aug 18	20.0	20.3
144	Lodge Road^	04 Oct 18	21.0	22.7
	Total (Logistics & Distribution Centres, South East England)		**97.7**	**98.9**

Notes:
The valuation for these properties were based on Capitalisation Approach.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** Purchase Price includes rental guarantee provided by the Vendor.
^ Purchase Price includes outstanding incentives reimbursed by the Vendor.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
# Based on exchange rate of £1.00: S$1.768 as at 31 March 2019.
Unit 18, Wellesbourne Distribution Park was decommissioned for asset enhancement.
+ Gross Revenue from acquisition date to 31 March 2019.

Logistics & Distribution Centres (United Kingdom)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	1	37	38
No. of Customers	2	34	36
GFA (sq m)	7,803	501,229	509,032
Gross Revenue (S$ million)	0.6	21.2	21.8
Book Value/Valuation as at 31 March 2019 (S$ million)	20.3	793.2	813.5
Weighted Average Capitalisation Rate as at 31 March 2019 (%)		**5.8%**	
Weighted Average Lease to Expiry (in Years)		**9.3**	

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19+ (S$ million)	Occupancy Rate as at 31 March 2019
13,016	13,016	Market Garden Road, Stratton Business Park, Biggleswade	1.0	100.0%
13,016	**13,016**		**1.0**	**100.0%**
47,298	47,298	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	1.7	100.0%
2,785	2,785	Units 1 – 5, Export Drive, Huthwaite, Sutton-in-Ashfield	0.1	100.0%
50,083	**50,083**		**1.8**	**100.0%**
45,043	45,043	Astmoor Road, Astmoor Industrial Estate, Runcorn	1.8	100.0%
8,522	8,522	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	0.7	100.0%
8,388	8,388	Leacroft Road, Birchwood, Warrington	0.3	100.0%
35,104	35,104	Hawleys Lane, Warrington	1.6	100.0%
8,432	8,432	8 Leacroft Road, Birchwood, Warrington	0.4	100.0%
105,489	**105,489**		**4.8**	**100.0%**
20,611	20,611	Howard House, Howard Way, Interchange Park, Newport Pagnell	1.4	100.0%
7,803	7,572	Units 1 – 2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	0.6	100.0%
12,025	12,025	Lodge Road, Staplehurst, Kent	0.0	100.0%
40,439	**40,208**		**2.0**	**100.0%**

UNITED KINGDOM

LOGISTICS & DISTRIBUTION **CENTRES**

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 March 2019^^ # (S$ million)
	West Midlands			
145	Eastern Avenue	16 Aug 18	26.4	26.0
146	Vernon Road	16 Aug 18	31.0	30.5
147	1 Sun Street^	04 Oct 18	39.1	43.9
148	The Triangle	04 Oct 18	48.1	46.4
149	Unit 103, Stonebridge Cross Business Park	04 Oct 18	2.2	2.3
150	Unit 302, Stonebridge Cross Business Park	04 Oct 18	35.7	36.6
151	Unit 401, Stonebridge Cross Business Park	04 Oct 18	11.0	10.9
152	Unit 402, Stonebridge Cross Business Park	04 Oct 18	8.0	8.2
153	Unit 404, Stonebridge Cross Business Park	04 Oct 18	8.4	8.3
154	Unit 1, Wellesbourne Distribution Park	04 Oct 18	43.8	43.5
155	Unit 2, Wellesbourne Distribution Park	04 Oct 18	29.1	29.5
156	Unit 3, Wellesbourne Distribution Park	04 Oct 18	41.9	43.6
157	Unit 4, Wellesbourne Distribution Park	04 Oct 18	10.7	10.7
158	Unit 5, Wellesbourne Distribution Park**	04 Oct 18	13.1	12.3
159	Unit 8, Wellesbourne Distribution Park**	04 Oct 18	21.4	21.7
160	Unit 13, Wellesbourne Distribution Park**	04 Oct 18	9.5	9.7
161	Unit 14, Wellesbourne Distribution Park	04 Oct 18	14.3	14.3
162	Unit 16, Wellesbourne Distribution Park	04 Oct 18	3.0	3.1
163	Unit 17, Wellesbourne Distribution Park	04 Oct 18	2.2	2.1
164	Unit 18, Wellesbourne Distribution Park** ##	04 Oct 18	1.8	1.6
165	Unit 19, Wellesbourne Distribution Park	04 Oct 18	2.1	2.1
166	Unit 20, Wellesbourne Distribution Park	04 Oct 18	4.2	4.2
167	Unit 21, Wellesbourne Distribution Park	04 Oct 18	5.3	5.3
	Total (Logistics & Distribution Centres, West Midlands)		**412.3**	**416.8**
	Yorkshire and the Humber			
168	12 Park Farm Road	16 Aug 18	19.8	19.4
169	Units 1a, 1b, 2 & 3, Upwell Street	16 Aug 18	34.2	30.8
170	Unit 3, Brookfields Way**	16 Aug 18	22.5	22.1
171	Lowfields Way	04 Oct 18	17.8	18.0
	Total (Logistics & Distribution Centres, Yorkshire and the Humber)		**94.3**	**90.3**
	Total (Logistics & Distribution Centres, United Kingdom)		**832.4**	**813.5**

Notes:
The valuation for these properties were based on Capitalisation Approach.
* Purchase Price excludes transaction cost associated with the purchase of the property.
** Purchase Price includes rental guarantee provided by the Vendor.
^ Purchase Price includes outstanding incentives reimbursed by the Vendor.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
# Based on exchange rate of £1.00: S$1.768 as at 31 March 2019.
Unit 18, Wellesbourne Distribution Park was decommissioned for asset enhancement.
+ Gross Revenue from acquisition date to 31 March 2019.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY18/19+ (S$ million)	Occupancy Rate as at 31 March 2019
15,994	15,994	Eastern Avenue, Derby Road, Burton-on-Trent	0.9	100.0%
25,701	25,701	Vernon Road, Stoke-on-Trent	1.1	100.0%
24,929	24,929	1 Sun Street, Wolverhampton	0.6	100.0%
28,917	28,917	The Triangle, North View, Walsgrave, Coventry	1.2	100.0%
1,233	1,233	Unit 103, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.1	100.0%
21,590	21,590	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.9	100.0%
6,265	6,265	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.3	100.0%
5,037	5,037	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.2	100.0%
5,045	5,045	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.2	100.0%
21,243	21,243	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	1.0	100.0%
12,282	12,282	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.7	100.0%
19,551	19,551	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	1.1	100.0%
4,774	4,774	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.3	100.0%
6,146	6,146	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.0	100.0%
8,759	8,759	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
5,618	5,618	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
9,887	9,887	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.5	100.0%
1,598	1,598	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
971	971	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
–	–	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	–	–
835	835	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
3,157	3,157	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
3,064	3,064	Unit 21, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
232,596	**232,596**		**9.8**	**100.0%**
23,454	23,454	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	0.8	100.0%
14,065	14,065	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	1.1	100.0%
18,341	18,341	Unit 3, Brookfields Way, Rotherham	0.0	100.0%
11,549	11,549	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	0.5	100.0%
67,409	**67,409**		**2.4**	**100.0%**
509,032	**508,801**		**21.8**	**100.0%**

INDEPENDENT MARKET STUDY

BY EDMUND TIE & COMPANY (SEA) PTE LTD, MARCH 2019

1.0 ECONOMIC OVERVIEW

Affected by external global conditions, Singapore's economy experienced slower growth in 2018

In 2018, Singapore's gross domestic product (GDP) grew by 3.2% y-o-y compared with 2017 (3.9%) and unemployment rate remains low at 2%. While the construction industry shows signs of bottoming out compared with its 2017 performance, the wholesale & retail trade continues to be lacklustre. GDP growth continues to be largely backed by the manufacturing sector and the servicing producing industries, despite of a softer performance in manufacturing due to the waning global electronics cycle. The Index of Industrial Production, an indicator for manufacturing output, increased by 7.2% y-o-y in 2018 from 10.4% in 2017, carrying on the steady increase since 2016. According to the Ministry of Trade and Industry (MTI), 2019 GDP growth is expected to come in slightly below the mid-point forecast of 1.5% to 3.5% y-o-y.

2.0 KEY GOVERNMENT POLICIES AND PLANS

Six clusters of industries introduced to encourage transformation

Following the establishment of all the 23 industries transformation maps (ITMs) under the S$4.5 billion Industry Transformation Programme, the government announced that the ITMs will be grouped into six different clusters. The complementing industries within each group will deepen linkages and boost collaboration opportunities with one another. The integrated approach is to prepare for the next phase of economic transformation and position the country as a "global Asia node" for technology, innovation and enterprise.

Pharma Innovation Programme set up to advance pharmaceutical operations

The Pharma Innovation Programme Singapore (PIPS) is a partnership spearheaded by the Agency for Science, Technology and Research (A*STAR) and National University of Singapore, also comprising Nanyang Technological University, Singapore Institute of Technology, and pharmaceutical companies GlaxoSmithKline, MSD International Gmbh and Pfizer Asia Pacific. The partnership was set up against global pressures on drug pricing and competition from emerging markets. The agreement, valued at S$34m, aims to drive the transformation of the pharmaceutical manufacturing industry and will focus on enhancing pharmaceutical operations including continuous manufacturing and bio-catalysis.

Initiative to accelerate the adoption of Industrial Internet-of-Things solutions

Led by A*STAR, the Industrial Internet-of-Things Innovation, based on a public-private partnership model, aims to accelerate and drive the adoption of Industrial Internet-of-Thing (IIoT) research into industry ready solutions for cross-sectoral industry partners. The initiative comprises global multinational corporations (MNCs), large local enterprises, as well as small- and medium-sized enterprises (SMEs). For example, Microsoft signed a Memoranda of Understanding with A*STAR to drive the adoption of smart manufacturing technologies, for applications beyond the factory floor by local manufacturing companies. As a result, end-users can connect with solutions providers across the IIoT value chain and co-develop new technologies with A*STAR's research institutes and institutes of higher learning in Singapore.

Industry-led Three-Year Roadmap to boost digitalisation in the logistics sector

Announced in October 2018, the three-year plan developed by the Singapore Logistics Association aims to accelerate the rate of digitalisation in the logistics sector. The plan involves the establishment of platforms to showcase innovative technology and digital applications, connecting technology suppliers to small and medium-sized enterprises (SMEs) in logistics. Also, proof-of-concept projects are piloted at the Centre of Innovation Supply Chain Management @ Republic Polytechnic (COI-SCM@ RP). For instance, Enterprise Singapore has partnered with COI-SCM to pilot Robotic Process Automation (RPA), helping companies to accelerate operational processes.

Budget 2019

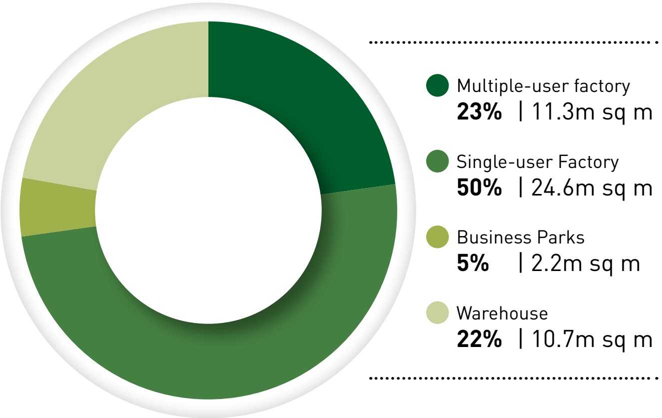
Announced in the Budget 2019, the government re-affirmed its commitment to advocate firms to develop digital capabilities, and shared its plan to create a Smart Nation. Apart from plans to develop a nationwide e-invoicing framework, the government, together with industry partners, are actively encouraging further training. This includes expanding the Tech Skills Accelerator (TeSa) programme to manufacturing and professional services, supporting more people to learn emerging digital skills.

3.0 INDUSTRIAL PROPERTY MARKET OVERVIEW

As of Q4 2018, there is a total of 48.8m sq m[1] of industrial space, around 88% is private stock. 50% (24.6m sq m) of the total stock is single-user factory, followed by multiple-user factory (23%, 11.3m sq m), warehouse (22%, 10.7m sq m) and business park (5%, 2.2m sq m).

1 All data on areas are NLA unless otherwise stated.

Figure 1: Industrial Stock (Q4 2018)



Source: JTC Corporation (JTC), Edmund Tie & Company

Government Land Sales Program

The Government announced five sites on the Confirmed List and seven sites on the Reserve List in the H1 2019 Industrial Government Lands Sales (IGLS) Programme, totaling some 11.86 ha. The refreshed Confirmed and Reserve lists will potentially yield some 83,000 sq m and 170,000 sq m of GFA to the total pipeline supply respectively. Majority of the land plots in the IGLS Programme are zoned Business 2 (B2), have small site areas of below 1.5ha and leasehold tenure of 20 years. These smaller plots with shorter tenures were first introduced in 2012 and are consistent with the Government's intention for industrial land to stay affordable for small industrialists. The shorter tenure also allows for flexibility in land rejuvenation and to keep up with the changing market demand.

Major Investment Sales

The largest investment sales for industrial building in 2018 was the sale of 20 Tuas South Avenue 14, located adjacent to the future Tuas Mega port, to Logos under a sale and leaseback agreement. The 148,600 sq m (1.6m sq ft) (GFA) development was sold for $585m at $450 per sq ft. The tenant is the leading solar firm REC and will be occupying the advanced facility for 20 years, manufacturing wafers, solar cells and panels. Keppel DC REIT purchased a five-storey purpose-built carrier-neutral Data Centre (13 Sunview Way) for $295.1m, the second largest industrial transaction in 2018. Mapletree Industrial Trust bought 18 Tai Seng for $262m ($700 per sq ft). The development is an integrated high-specification industrial development with office and retail spaces located at Paya Lebar iPark (Table 1).

Table 1: Selected Industrial Investment Transactions (2018)

Development	Land lease Tenure	Site Area (sq m/sq ft)	GFA (sq m/sq ft)	Vendor	Buyer	Transacted Price (m)	Unit Price per GFA (per sq ft)
Factory							
20 Tuas South Avenue 14	30 years Leasehold (LH) from 2008	250,000/ 23,230	1,600,000/ 148,650	REC (Solar firm)	Logos (Sale and leaseback)	$585.0	$450
18 Tai Seng	30 years LH from 2014	126,799/ 11,780	443,810/ 41,230	Mapletree Investments Pte Ltd	Mapletree Industrial Trust	$262.2	$700
Admirax	60 years LH from 2000	232,737/ 21,620	58,000/ 5,390	Ascendas-Singbridge	BlackRock	$106.0	$182
Geo-Tele Centre (9 Tai Seng Drive)	30 years LH from 1995	87,499/ 8,130	220,000/ 20,440	Sabana REIT	Ascendas-Singbridge[2]	$99.6	$455
Pei Fu Industrial Building	Freehold	–	160,000/ 14,870	En-bloc	SLB Development	$76.3	$489

2 Ascendas-Singbridge bought Geo-Tele Centre with plans to revamp the property into a data centre.

SINGAPORE

INDEPENDENT **MARKET STUDY**

BY EDMUND TIE & COMPANY (SEA) PTE LTD, MARCH 2019

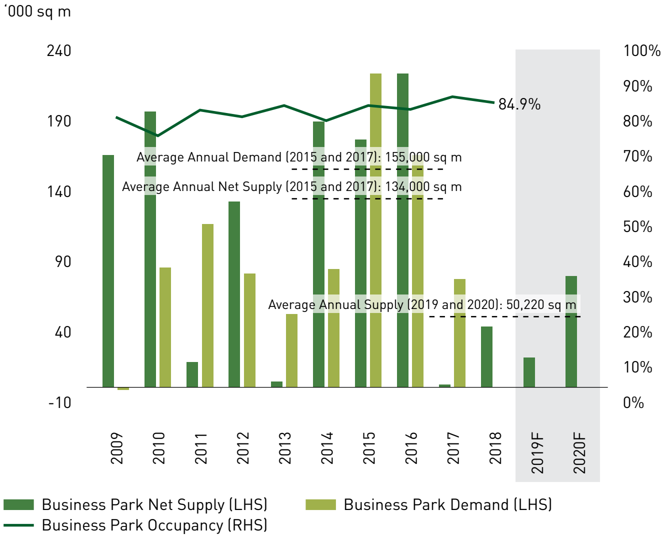
Development	Land lease Tenure	Site Area (sq m/sq ft)	GFA (sq m/sq ft)	Vendor	Buyer	Transacted Price (m)	Unit Price per GFA (per sq ft)
RBM Centre (7 Tai Seng Drive)	30 years LH from 1993	96,500/ 8,970	260,000/ 24,150	Mapletree Logistics Trust	Mapletree Industrial Trust	$68.0	$265
8 Tai Seng Link	60 years LH from 2006	107,595/ 10,000	268,000/ 24,900	Marvell Asia	Charles & Keith Group	$60.0	$224
Tien Wah Press (4 Pandan Crescent)	30 years LH from 1994	519,078/ 48,220	–	–	Logos	$60.0	-
Pantech 21 (200 Pandan Loop)	99 years LH from 1984	74,278/ 6,900	184,729/ 17,160	–	–	$56.8	$307
Nucleus Connect Building (13 Tai Seng Drive)	30 years LH from 1994	–	–	Luxasia	Starhub	$30.7	-
Data Centre							
Data Centre (13 Sunview Way)	999 years LH from 1962	–	98,769/ 9,180 (NLA)	Kingsland Development Nylect Holdings Nylect International	Keppel DC REIT	$295.1	$3,017
Warehouse							
6 Fishery Port Road	30 years LH from 2011	300,944/ 27,960	751,434/ 69,810	CWT Pte. Limited	Mapletree Logistics Trust	244.0	369
52 Tanjong Penjuru	30 years LH from 2009	335,170/ 31,140	846,303/ 78,620	CWT Pte. Limited	Mapletree Logistics Trust	179.0	211
4 Pandan Avenue	30 years LH from 2014	255,762/ 23,760	638,777/ 59,340	CWT Pte. Limited	Mapletree Logistics Trust	117.0	200
5A Toh Guan Road East	30 years LH from 1991	240,535/ 22,350	600,301/ 55,770	CWT Pte. Limited	Mapletree Logistics Trust	115.0	203
15 Greenwich Drive (CEVA Tampines)	30 years LH from 2011	271,894/ 25,260	455,396/ 42,310	Tampines Distrihub	ESR REIT	86.2	190
40 Alps Avenue (Hi-Speed Logistics Centre)	30 years LH from 2005	-	309,000/ 28,710	Cache Logistics Trust	AP SG 16 Pte Ltd	73.8	252
38 Tanjong Penjuru	30 years LH from 2005	375,491/ 34,890	375,230/ 34,860	CWT Pte. Limited	Mapletree Logistics Trust	75.0	216

Source: JTC, various REITs, OneMap, Edmund Tie & Company

4.0 BUSINESS PARK

Tech and media companies continued to drive the demand for strategically located business parks. Taking into account the tapered supply in 2019, we expect rents for newer business parks to increase by 3% - 5% while that for older business parks to stay flat in 2019.

Figure 2: Net Supply, Demand, Occupancy and Potential Supply (Business Park)



Source: JTC, Edmund Tie & Company

Supply and Stock

As of Q4 2018, around 85% of the total business park space are private stock (1.9m sq m). Total business park space increased by around 2% (43,000 sq m) in 2018 with the completion of three developments: Changi Business Park (Central 2 - 8,800 sq m), one-north (Alice@Mediapolis – 26,500 sq m) and Singapore Science Park (FM Global Centre – 7,800 sq m). This is significantly less compared to the annual average in the last three years at 134,000 sq m.

Demand and Occupancy

Demand increased in H2 2018 in the Central and East regions

Digital transformations have driven higher innovation and productivity, leading to growth in the technology sector. This is driving demand for high quality space in business parks in strategic locations, especially from IT and Media companies. There is also increased demand for customised headquarters. For instance, Grab's headquarters, which incorporates a R&D centre, will be built by Ascendas Reit in one-north. Shopee has also fully leased a new business park development, built by Ascendas-Singbridge, at 5 Science Park Drive.

Islandwide occupancy fell by 1.7%-points to 84.9% in 2018. Business park space in the Central region (i.e. one-north and Mapletree Business City) continues to enjoy the highest occupancy, increasing by 0.4%-point to 88.7%. On the other hand, demand for the older business parks in the West and East regions was subdued falling by 6.4%- and 3.6%-points to 72.0% and 84.9% respectively.

Potential Supply

Pipeline supply for business park space remains limited in 2019 and 2020

Around 122,500 sq m (GFA) of business park space is in the pipeline for 2019 and 2020, estimated to yield around 100,400 sq m of NLA, averaging 50,200 sq m per annum (Table 2). The largest pipeline supply is by JTC in Cleantech Park. Cleantech 3 will be an integrated development for research laboratories and start-ups. In addition to R&D spaces, there will also be retail and F&B spaces.

Table 2: Pipeline Supply (Business Park)

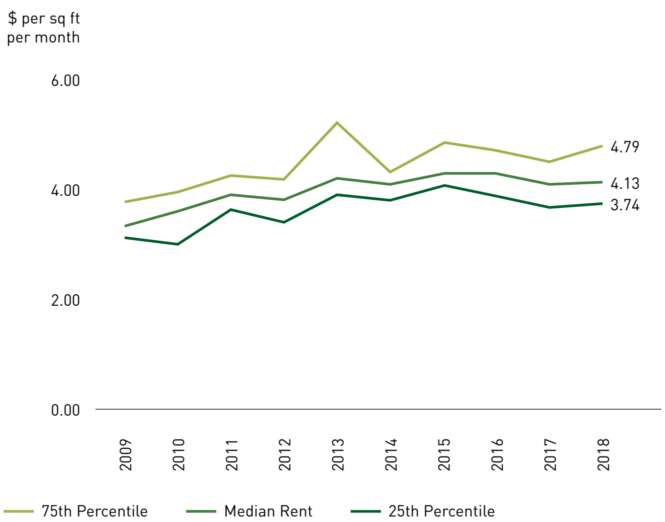
Developer/Owner	Location	GFA (sq m)	Estimated NLA (sq m)
Science Park Cluster Building 1	Science Park Drive	25,600	21,000
Pension Real Estate Singapore Pte Ltd	Additions/alterations at 13 International Business Park	17,700	15,000
Wilmar International Limited	Biopolis Road	16,700	14,000
JTC	Cleantech Loop	62,500	51,000

Source: JTC, Edmund Tie & Company

Rents

As the economy continues to grow alongside new technological advancements, the flexibility and environment of business parks attracted demand across the tech and manufacturing sectors. Despite the fall in occupancy, the lack of new supply led to an increase in rents for business parks in 2018. JTC's business park rental index increased by 4.8% y-o-y from 108.9 to 111.9 in 2018. While the 75th percentile rent, generally for better and newer business park spaces, rose by 6.5% y-o-y, median rents and the 25th percentile rents[3] rose by 1.1% and 1.9% respectively in 2018 (Figure 3).

Figure 3: Rents (Business Park)[4]



Source: JTC, Edmund Tie & Company

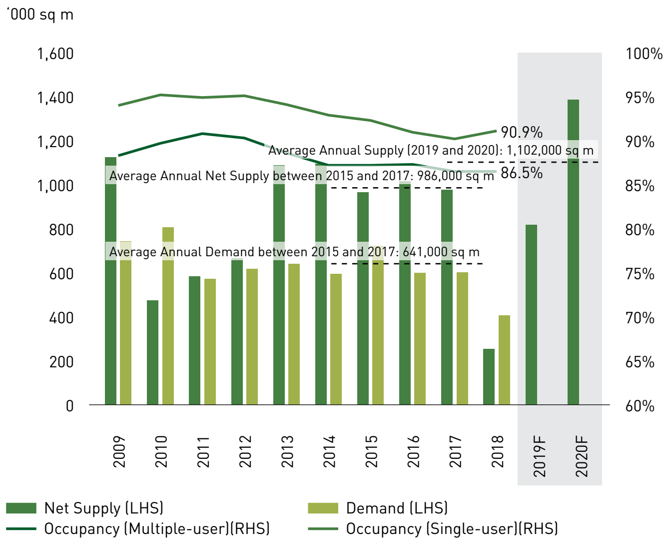
Outlook

There is added-value for technology companies in clustering with similar industries and education institutions for collaboration and attracting talent. As the industrial sector undergoes further transformation, there will be continued demand from technology, software and e-commerce companies seeking quality business park spaces. Bearing in mind locality and the tapered supply, we expect rents for business parks located in Central region to increase by 3%-5% while rents for business parks located in the West and East regions to stay flat.

5.0 HIGH-SPECS AND LIGHT INDUSTRIAL SPACE

The weak business sentiments in the manufacturing sector continues to cast shadow on the demand and rents for high-specs and light industrial spaces. We expect rents for high-specs factories to stay flat while rents for older factories to decline by 0%- 3% in 2019.

Figure 4: Net Supply, Demand, Occupancy and Potential Supply (Factory Space)



Source: JTC, Edmund Tie & Company

Stock and Supply

As at Q4 2018, total factory stock comprising high-specs industrial and light industrial space grew by 0.7% y-o-y (253,000 sq m) to 35.9m sq m. About 11.4% of this is high-specs industrial space (excluding data centres)[5].

There are four major high-specs completions in 2018. Apart from 30A Kallang Place (31,000 sq m GFA) which targets mainly clean and tech companies, the other three developments are multi-user factories strata-titled for sale. In addition to manufacturing spaces, these developments provide added-value facilities to entice space users. For instance, T-Space (68,000 sq m GFA) at Tampines North Drive 1 has recreational facilities e.g. multiple-purpose court and outdoor fitness corner. Mega@Woodlands (98,000 sq m GFA) at Woodlands Avenue 12 features a sky lounge, sky garden, a range of lifestyle amenities and a clinic. Nordcom II (69,600 sq m GFA)

3 The 25th percentile rents generally represents transactions in older stock.
4 Refers to gross rent per month including service charge but excluding Goods and Services Tax (GST).
5 Based on Edmund Tie & Company's estimates.

offers variety of spaces including ramp-up, flatted and three-storey factory units and has a swimming pool, basketball court and BBQ pavilion at the roof top garden.

Demand and Occupancy

Demand for factory space outstrip net supply for the first time since 2010

The government's effort in balancing the market's supply and demand is showing its effect. Demand for industrial spaces continued to fall as the manufacturing sector restructures. However, while demand for factory space fell by 32.6% y-o-y (196,000 sq m) to 406,000 sq m in 2018, net supply fell by 74.1% y-o-y (724,000 sq m) to 253,000 sq m. This has allowed demand to catch up with supply, leading to a stable occupancy for multiple-user factory at 86.5%.

Potential Supply

Supply in 2019 expected to triple that in 2018 and further increase in 2020, yielding an estimated 2.2m sq m (NLA) of factory space

Between 2019 and 2020, there is a total of 2.7m sq m of GFA of factory space in the pipeline, yielding an estimated 2.2m sq m of NLA. Although the potential supply is much larger than the supply in 2018, majority are single-user factory (61%) and Additions & Alterations to existing factories (18%), thus the impact on potential rents of multiple-user factory is likely to be minimized. Out of the total factory supply, some 422,000 sq m (GFA) are expected to be high-specs industrial space and 167,000 sq m (GFA) are data centres (Table 3).

Table 3: Selected Pipeline Supply (Factory and Data Centre)

Development	Location	Developer	Estimated GFA (sq m)
2019			
Factory			
Solaris @ Kallang 164	Kallang Way	SB (Waterview) Investment Pte Ltd	54,490
Additions/Alterations to existing factory	Tuas Bay Drive	Syscon Pte Ltd	48,720
Single-user factory	Tuas South Avenue 3	Hydrochem (S) Pte Ltd	48,630
Extension to existing factory	Tuas South Boulevard	Jurong Shipyard Pte Ltd	40,580
Solaris @ Kallang 171	Kallang Way	SB (Waterfront) Investment Pte Ltd	36,310
Single-user factory	Airport Road	Teambuild (ICPH) Pte Ltd	32,590
Data Centre			
Extension and additions/ alterations to existing factory (data centre) (Partial TOP in Q1 2017)	Jurong West Street 23/Bulim Avenue	Google Asia Pacific Pte Ltd	103,650
Awan Data Centre (by Sabana REIT)	Tuas Avenue 4	Awan Data Centre Pte Ltd	32,610
2020			
Factory			
Additions/alterations to existing factory	North Coast Drive	Micron Semiconductor Asia Pte Ltd	255,500
Single-user industrial development	Senoko Drive/Senoko Road	Tee Yih Jia Food Manufacturing Pte Ltd	69,630
Extension to existing factory (UE Bizhub Central)	Ang Mo Kio Street 64	United Engineers Limited	60,180

Development	Location	Developer	Estimated GFA (sq m)
Multiple-user factory	Tuas South Link 1	Yee Lee Development Pte Ltd	47,170
Single-user factory	Bulim Drive	Shimano Singapore Pte Ltd	42,610
Additions/alterations to existing factory	Tuas South Lane	Neste Singapore Pte Ltd	34,720
Single-user factory	Kranji Way	Samwoh Corporation Pte Ltd	32,090
Single-user industrial development	Tuas Avenue 5	Hup Hin Property (S) Pte Ltd	31,130
Data Centre			
Single-user factory (Data centre)	Lok Yang Way	Google Asia Pacific Pte Ltd	120,070

Source: JTC, Edmund Tie & Company

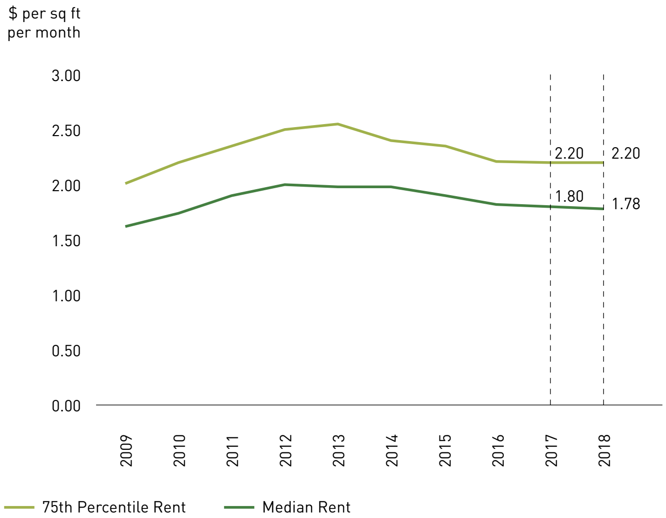
Rents

Despite a slower output for the manufacturing sector, rents for factory space were stable in 2018, cushioned by the lack of new supply. As the manufacturing sector continued to transform and focus on technology, demand for high-specs industrial spaces continues to remain healthy. The 75th percentile rents, a proxy for high-specs industrial, stayed flat at $2.20 per sq ft per month while median rents dipped slightly from $1.80 per sq ft per month to $1.78 per sq ft per month (Figure 5).

Outlook

Although the industrial sector continues to undergo a positive transformation under the fourth industrial revolution, global uncertainties continue to persist on the back of the US-China trade war. Alongside the slowdown of the global electronics sector, the manufacturing sector is expected to experience a slower growth in 2019. Bearing in mind weaker business sentiments in the manufacturing sector, we expect rents for high-specs factories to stay flat while rents for older factories are expected to decline by 0%-3% in 2019.

Figure 5: Factory Rents[6]



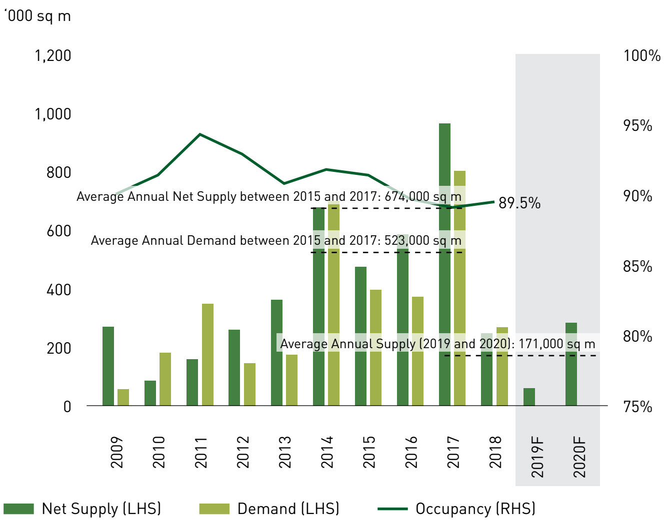
Source: JTC, Edmund Tie & Company

6 Refers to gross rent per month including service charge but excluding Goods and Services Tax (GST).

6.0 LOGISTICS AND DISTRIBUTION CENTRES[7] (WAREHOUSES)

With the Government's continued support, Singapore remains a strong global logistics hub. With the backdrop of a growing e-commerce sector, we expect continued growth in rents by 3%-5% in 2019 for strategically located and well-equipped logistics and distribution centres.

Figure 6: Net Supply, Demand, Occupancy and Potential Supply (Warehouse)



Source: JTC, Edmund Tie & Company

Stock and Supply

As at Q4 2018, total stock of warehouses increased by 2.4% y-o-y (247,000 sq m) from 10.4m sq m in 2017 to 10.7m sq m. The increase in GFA is below the average 10-year annual supply of 408,000 sq m

Unlike 2017 when several large ramp-up warehouses were completed (e.g. CWT Distripark (190,800 sq m), Carros Centre (91,900 sq m) and Toll City (86,900 sq m), completions in 2018 were relatively smaller in size. These included the Yang Kee Integrated Hub (56,000 sq m) and the PLG Building (47,000 sq m).

Demand and Occupancy

Warehouse space continues to attract investments from global logistics companies

Warehouse space continues to be sought after by large logistics companies looking to tap on the advantages of Singapore's strong infrastructure and transport connectivity. The country's reputation as a regional logistics hub has encouraged major logistics providers to continue investing in their operations here. For example, Toll Group opened a $228m logistics hub in Tuas to increase its Asian network. The strong ecosystem of leading shippers and third-party logistics providers also offer strong platforms for e-commerce companies to provide highly efficient delivery services, improving their global competitiveness.

While both supply and demand of warehouses tapered by around 70% in 2018, occupancy improved for the first time since 2014 to 89.5%. Demand, which has exceeded supply, is mainly driven by logistics and manufacturing companies, as well as the e-commerce market. For example, e-commerce company, Qoo10, moved to a better equipped logistics facility at 5A Toh Guan Road, 3.5 times the size of their previous facility located at Serangoon. Its new facility is capable of cutting parcel processing time by 50%, allowing an additional delivery shift. This improves their delivery speed for high sales volumes and larger purchased items. Existing warehouses that were refurbished with new equipment and advanced supply chain management systems were able to match these new demand.

Potential Supply

Potential supply of warehouse is set to fall greatly

Around 627,000 sq m of warehouse space is in the pipeline as at Q4 2018. Average annual supply is about 196,000 sq m between 2019 and 2021. Major warehouse completions are expected in 2020 and 2021 (Table 4). The largest pipeline supply is The JTC Logistics Hub @ Gul Circle, a 134,320 sq m ramp-up logistics warehouse facility. The innovative logistics facility will allow co-location of empty container depots, warehouses and a heavy vehicle park. It is set to improve the operational efficiency and productivity for logistics companies.

7 As there are no official statistics on logistics and distribution centres in Singapore, warehouse data from JTC is used as a proxy.

Table 4: Selected Pipeline Supply (Logistics and Distribution Warehouse)

Development	Location	Developer	Estimated GFA (sq m)
2020			
Warehouse development	Tembusu Crescent	S H Cogent Logistics Pte Ltd	87,500
Sinar Mas Building	Pioneer Road	Radha Exports Pte Ltd	34,870
The JTC Logistics Hub @ Gul Circle	Gul Circle	JTC	134,320
2021			
Warehouse development	Sunview Road	NTUC Fairprice Co-operative Ltd	69,280
Warehouse development	Alps Avenue	Schenker Singapore (Pte) Ltd	51,430
Warehouse development	Sunview Way	Bollore Logistics Singapore Pte Ltd	50,000

Source: JTC, Edmund Tie & Company

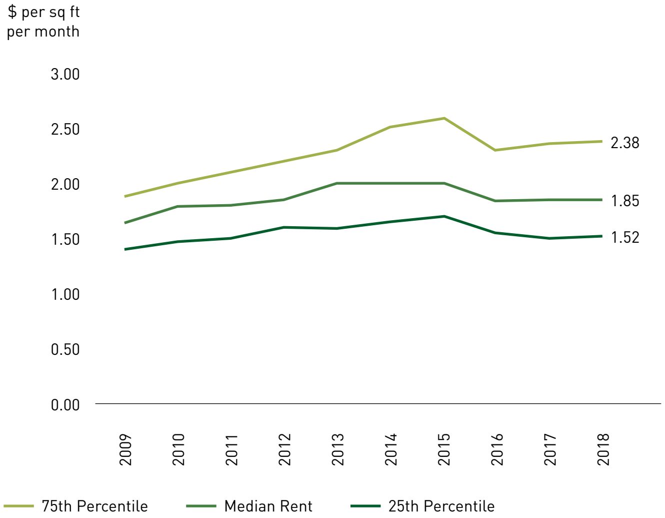
Rents

Rents for warehouses in 2018 was resilient despite the weaker manufacturing sector. In 2018, the median rents of warehouses remained flat at $1.85 per sq ft per month. The 75th percentile rents, which is used as a proxy for ramp-up warehouses, increased by 1.1% y-o-y, from $2.36 per sq ft to $2.38 per sq ft per month, commanding a premium of around 30% over median rents (Figure 7). This increase in ramp-up warehouse rents was likely supported by the increase in container throughput (9% y-o-y), as well as the tapered supply of warehouses.

Outlook

Given Singapore's strategic location, strong logistics infrastructure and connectivity in the region, major logistics providers will continue to strengthen their foothold here. With Government plans and policies supporting the sector, technological advancements will drive further transformations in the logistics industry. Bearing in mind the relatively weak market sentiments and uncertain economic outlook, we expect minimum changes in rents for warehouses in 2019. The e-commerce market will continue to drive the logistics sector. To maintain its competitiveness, logistics providers are expected to adopt more efficient supply chain management systems and stay prudent in expenses, while striving to provide better value for end-users. Strategically located warehouses equipped with newer facilities and technologies are likely to enjoy higher demand and command premium rents.

Figure 7: Warehouse Rents[8]



Source: JTC, Edmund Tie & Company

8 Refers to gross rent per month including service charge but excluding Goods and Services Tax (GST).

INDEPENDENT **MARKET STUDY**

BY COLLIERS INTERNATIONAL, MARCH 2019

The Australian economy is on track to enter its 28th year of uninterrupted economic growth as the country continues to transition away from the mining and residential construction booms to a period of strong infrastructure investment. Australia's GDP expanded by 2.3% over the 12 months to December 2018 with growth being supported by the strength in government expenditure. Total public spending has increased by 5.6% over the year to December 2018. Looking forward, GDP growth is forecast to improve over the next five years with a strong pipeline of infrastructure investment and continued population growth to be the main catalysts driving economic activities. Nevertheless, several key downside risks to the economy are expected to provide a drag to economic growth. Specifically, the stubbornly low wage growth and falling house prices are the major sources of uncertainty that are likely to impact consumer sentiment, household spending and business conditions going forward.

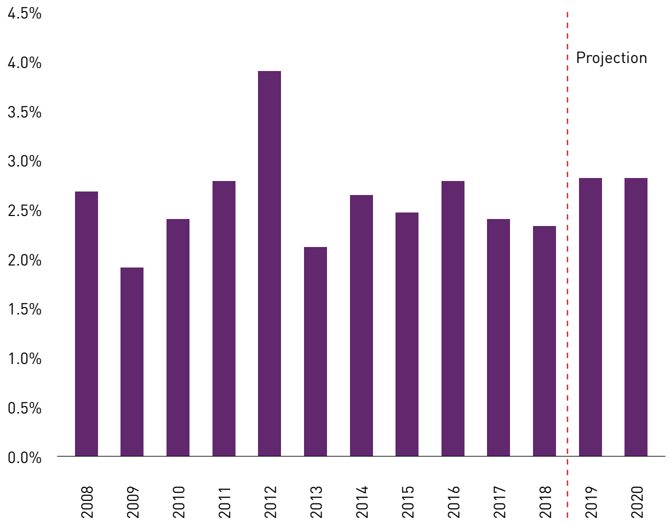
Private investment in infrastructure (particularly transport and electricity projects) and non-residential construction (particularly offices and hotels) are anticipated to rise on the back of a solid development program to be delivered over the coming years. In addition, with the federal government budget projected to return to surplus over the coming years, public spending is forecast to rise with a significant pipeline of public infrastructure projects scheduled to be delivered across the country. The Australian Government has committed more than A$75 billion over the next decade in transport infrastructure as part of its strategy to strengthen the economy, reduce congestion and improve transport efficiency.

The population of Australia surpassed 25 million people in 2018. This is an increase of 395,100 people since the previous year, which translates to a growth rate of 1.6% year over year. Of this increase, 60.8% (240,100 people) has derived from net overseas migration while the remaining 39.2% (155,000 people) was generated from natural increase. This puts Australia's population amongst some of the fastest growing in the developed world. Within Australia, Victoria recorded the fastest population growth rates at 2.2%, while the nation's most populous state, New South Wales, saw its population expanded by 1.5%.

The labour market has remained solid with the unemployment rate falling to a cyclical low of 5.0% as of February 2019 and is anticipated to trend down toward 4.75% by late 2020. Employment growth will remain above the long-run growth rate while the participation rate is expected to rise further on the back of the strong labour market conditions and job prospects. With low unemployment and strong job growth, market expectations anticipate a gradual pick-up in wage growth over the next two years.

Inflation is expected to increase gradually, although it is forecast to remain within the RBA's target band of between 2% and 3%. Nevertheless, declining housing prices and the trade war between the US and China remain a source of uncertainty and downside risks for the Australian economy. On this basis, the RBA is expected to continue to hold the cash rate at the record low of 1.5% until late 2020.

Chart 1.1 – Real GDP Growth Chart



Source: Colliers International, Access Economics

SYDNEY LOGISTICS

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

INTRODUCTION

The Sydney industrial and logistics market concentrate on several major precincts; Inner West, Central West, Outer West, North West and South West. The South market has traditionally been Sydney's most important industrial hub due to its proximity to Port Botany, the Sydney Airport and the CBD. The market is predominantly occupied by logistics, retail and port-related tenants. In recent years, however, the South Sydney industrial market has experienced strong levels of stock withdrawal for alternative uses due to zoning changes. This has put significant upward pressure on rents and declining availability. A similar situation was experienced in the North industrial precinct where residential activity has continued to encroach on the industrial space market. The North industrial precinct today is dominated by smaller and high-value users such as IT, Pharmaceutical and Hi-tech industries. The Inner West market covers the areas between the CBD and Parramatta, which is traditionally dominated by light industrial tenants and automotive showrooms.

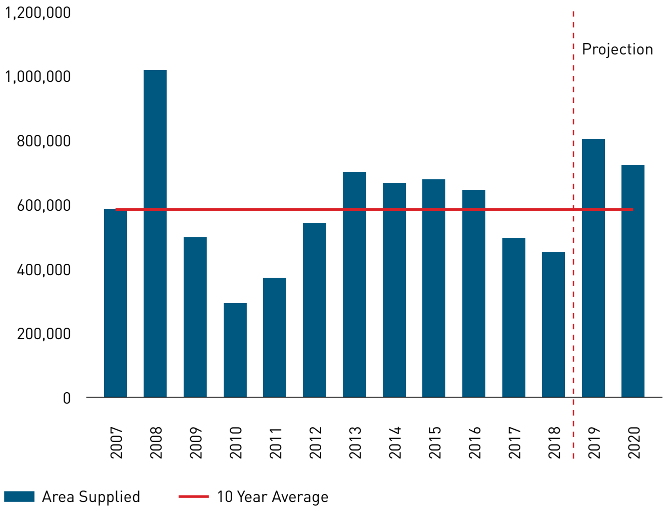
In recent years, the lack of larger space availability in the inner-city markets has resulted in larger industrial users moving towards the South West, Outer West and North West precincts where much of the new supply concentrates. The Western markets are benefiting from a significant level of road upgrades and infrastructure investment. Tenancy profiles include a diverse range of industries including Third Party Logistics (3PL), retail, supermarkets, construction and Fast-Moving Consumer Goods (FMCG), amongst others.

LEASING ACTIVITY, DEMAND AND SUPPLY DRIVERS

The Sydney logistics market demand continues to outstrip supply and, with vacancy declining, developers are becoming more confident with speculative developments which are achieving strong leasing result prior to completion. According to Colliers' analysis, all speculative developments in Sydney over the past year had been leased prior to completion, reflecting the strong demand for this type of product. Demand has been driven largely by a wide range of sectors; including 3PL, transport, retail and supermarkets.

The buoyant development activity amid a shortage of developable land is pushing land prices to unprecedented levels. The remaining balance of serviced industrial zoned land (land equipped with utilities) across the Greater Sydney region can accommodate approximately 3 to 4 years' worth of developments at the current take-up rate – which is relatively low by historical standards. Contrastingly, the amount of un-serviced industrial zoned land is equivalent to approximately 23 to 24 years of the current absorption rate. Nevertheless, a significant portion of the developable land bank is currently held by private owners who are not under any significant pressure to activate their land holdings. In addition, delays by councils and uncertainties surrounding infrastructure contributions further exacerbate the stalemate. Proximity to infrastructure is the key consideration on all decisions in relation to warehouse and distribution locations.

Chart 2.1 – Sydney Industrial Supply, 2007 to 2020



Source: Colliers International

RENTS & INCENTIVES TREND

Rental growth continues to lag increases in land prices, although conditions varied greatly across the sub-precincts. The average prime net face rent (which does not include tenant incentives) for Sydney has increased by 2.3% to A$144/sq m as at December 2018. Prime incentives (which are expressed as a % of the total rent over the term of the lease) declined by 1 percentage point to 9% resulting in net effective growth of 3.3%. Stronger face rental growth was recorded in the secondary market, where face rents advanced by 5.5% over the past 12 months to A$124/sq m in December 2018. Secondary incentives are currently between 10 to 11%.

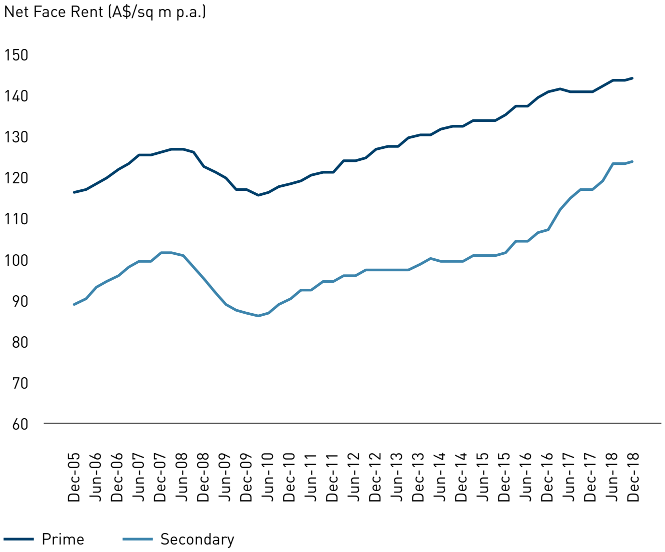
Net face rents across the Western Industrial markets have registered an average growth rate of 3.6% over the past 12 months, albeit growth rates varied greatly across the submarkets reflecting the localised supply-demand dynamics. The Central West was the best performing submarket with net face rents rising by 11.8% on average over the past 12 months to December 2018. This was a result of diminishing stock due to stock withdrawals for alternative uses in conjunction with rising demand for last mile logistics in areas with proximity to population hubs.

The South West submarket, positioned to benefit from improved transport upgrades, recorded robust net face rental growth of 6.1% on average over the 12 months to December 2018. The Outer West precinct, where new supply was more prevalent recorded softer net face rental growth in line with inflation. Incentives in the Outer West are being offered up to 15% for prime stock due to sustained development activity.

Current rents for all submarkets are summarised in the following table:

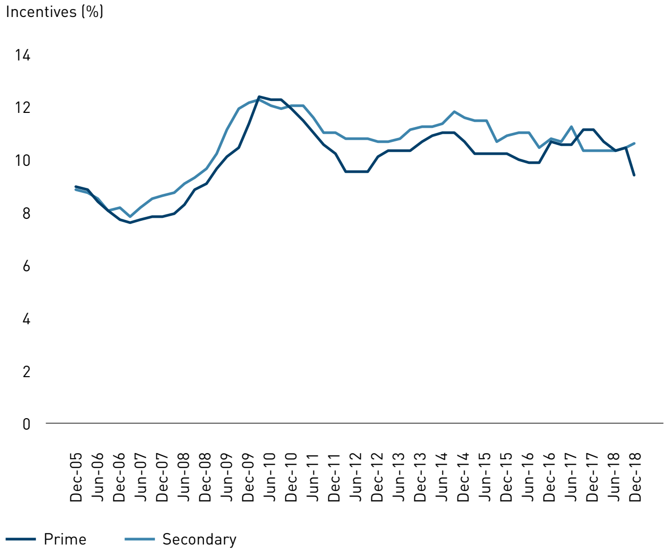
Net Face Rents (A$/sq m p.a.)	Inner West		Central West		Outer West		North West		South West	
	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary
December 2018	$135	$113	$129	$120	$117	$108	$124	$113	$116	$97

Chart 2.2 – Sydney Industrial Net Face Rents, 2005 to 2018



Source: Colliers International

Chart 2.3 – Sydney Industrial Incentives, 2005 to 2018



Source: Colliers International

SALES AND CONSTRUCTION

The investment market is being fuelled by a robust appetite for logistic assets from both global and domestic investors. The intensified competition amid a lack of available assets for sale has resulted in further compression of industrial yields across Sydney. Institutional owners with development capability are increasingly turning their focus on new developments to grow their portfolios. We expect alternative strategies such as sale and leaseback, assets swaps, brownfield site acquisition of existing property mandates in infill markets will become more prevalent going forward. The Department of Planning and Environment has recently released the Land Use and Infrastructure Plan for Western Sydney Aerotropolis consisting of nine precincts, including the Aerotropolis Core, South Creek and the Northern Gateway. Whilst detailed planning is yet to be finalised, expectations are for the Northern Gateway precinct (1,120 hectares), to be designated primarily for industrial and logistics use with limited scope for residential development in the immediate surrounds of transport stations. The rezoning process is expected to commence following the release of the Final Plan and will be finalised before the end of 2019.

A notable sale in the West submarket was a 50% stake in Calibre Eastern Creek, a testament of how low yields can go in the current climate. Mirvac Industrial Logistics Partnership (MILP) purchased the interest for a total consideration of A$125 million, excluding the present value of outstanding incentives, at an equivalent yield of 5.1%.

Major anticipated completions in 2019 include:

- The Kemps Creek Distribution Centre, Kemps Creek (40,000 sq m), owner-occupied by Sigma Healthcare
- Crossroad Logistics Centres (27,500 sq m) being developed by AMP Capital, and
- Target Australia Warehouse (37,860 sq m) within the Moorebank Logistics Park (pre-leased to Target Australia).

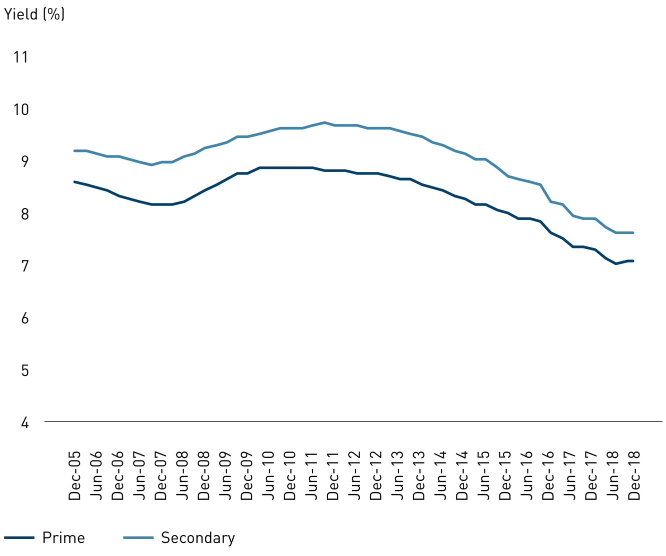
Major new additions in 2020 will include:

- The Bluett Drive Warehouse Distribution & Data Centre, Smeaton Grange (67,400 sq m)
- Gazcorp Industrial Estate, Horsley Park (45,225 sq m)
- Baiada Oakburn Poultry Processing Plant, Gunnedah (40,000 sq m)

YIELDS

The intensified competition amid a lack of available assets for sale has resulted in further compression of industrial yields across Sydney. Average prime yields for prime industrial assets in Sydney have tightened by approximately 48 basis points over the past 12 months to 5.0-5.5% as at December 2018. For secondary assets, yields have compressed by 45 basis points over the year to 5.50-6.50% currently.

Chart 2.4 – Sydney Industrial Yields, 2005 to 2018



Source: Colliers International

OUTLOOK

The number of large scale infrastructure projects currently under construction, coupled with the lack of stock on market available for sale and depletion of industrially zoned land across the Sydney Metropolitan area has, and will continue, to be a contributing factor to the rise in land values across all submarkets. In addition, the positive spillover effects from infrastructure investment are expected to continue throughout 2019 as projects' construction phases commence. The most recently committed infrastructure project is the North-South rail link (first stage - under the 'Western Sydney City Deal') from St Marys to Badgerys Creek via the Western Sydney Airport, with expected completion by 2026. Land price increases, coupled with persistent demand, are expected to place upward pressure on rental values - for both existing buildings and the pre-lease market – as well as raise values of infill locations over the next 12 months. The demand for strata warehouses across the Sydney market is expected to grow, particularly within the South (both inner and outer South areas) and North submarkets.

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

INTRODUCTION

The Brisbane industrial market has five key precincts; Australian Trade Coast (ATC), Brisbane North, Brisbane South, Brisbane South West and Yatala. The ATC extends in about 8,000ha located only 6km from the Brisbane CBD and at the mouth of the Brisbane River. The precinct has direct links to air, sea, road and rail networks, including the Port of Brisbane and Brisbane Airport, which supports its desirability for investors and tenants. Investment stock in generally tightly held. The Brisbane North precinct is located in a rapidly growing area extending from the Brisbane North suburbs to the Moreton Bay region. This precinct benefits from overflow demand on the Trade Coast due to its proximity to the Brisbane Airport and the Port of Brisbane. The Brisbane South precinct covers the industrial area in Logan and Brisbane South. The A$512 million Logan Enhancement project along with the A$2.5 billion M1 upgrade master plan will improve connectivity from the precinct to interstate destinations.

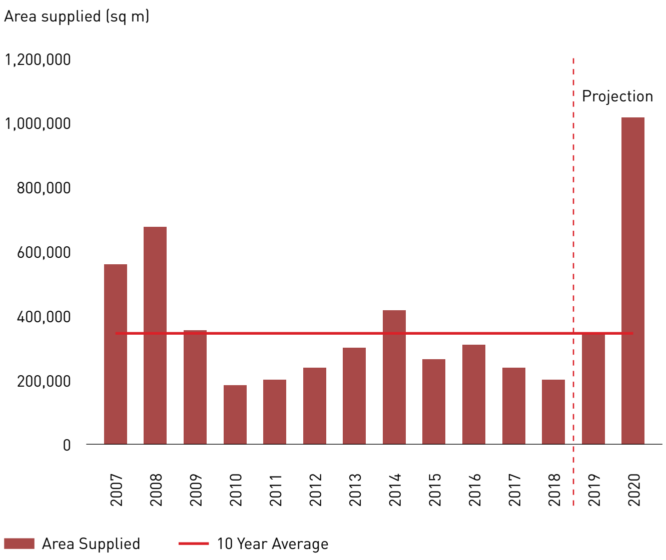
The Brisbane South West precinct is a primary area for current and future industrial development, extending from Brisbane West to Ipswich and in proximity to urban areas experiencing solid population growth. Key industries in this precinct range from food and beverage manufacturing, steel fabrication, transport, warehousing, and logistics-based industry. The Yatala Enterprise Area (YEA) is the largest zoned industrial land area in the Gold Coast and the city's leading industrial precinct. The YEA is strategically located less than 40km north of the Gold Coast CBD and 40km south of Brisbane CBD is only a 30-minute drive to the Port of Brisbane and the Brisbane International Airport. The YEA is a value-adding manufacturing region with businesses in food and beverage, construction materials, machinery and equipment, plastic and chemicals as well as warehousing, transport and distribution.

LEASING ACTIVITY, DEMAND AND SUPPLY DRIVERS

The Brisbane industrial market is becoming more sophisticated on the back of the rising demand from institutional investors, the limited industrial stock released to the market and the conservative risk appetite of landowners holding developments until pre-commitments are achieved. Looking forward, the strong performance of Queensland's economy is forecast to support a positive outlook for the industrial sector. According to Deloitte Access Economics, Queensland's economic growth to 2027 is forecast to outperform Australia's average economic growth. Leasing conditions remain steady and supported by an increase in business investment and activity across the precincts. Following a strong take up in 2017, leasing activity has plateaued in 2018.

We are now seeing a large investment in warehouse automation occurring primarily in Redbank (South West Industrial precinct) and well supported by long term leases. The largest parcel and delivery centre including automation, parcel scanning and tracking system investment is currently under construction at Goodman's Redbank Motorway Estate. The development has an estimated cost of A$200 million and will be leased by Australia Post for an initial term of 15 years. Coles has also committed to spending A$950 million over the next six years fitting out two automated warehouses, one located in Sydney and another one located at the Goodman's Redbank Motorway Estate. The proposed 66,000 sq m facility will be developed by German automation specialist Wilton Logistik, boosting supply chain efficiencies and minimising human involvement. The facility will be leased to the Coles Group for a tenure of 20 years.

Chart 3.1 – Brisbane Industrial Supply, 2007 to 2020



Source: Colliers International

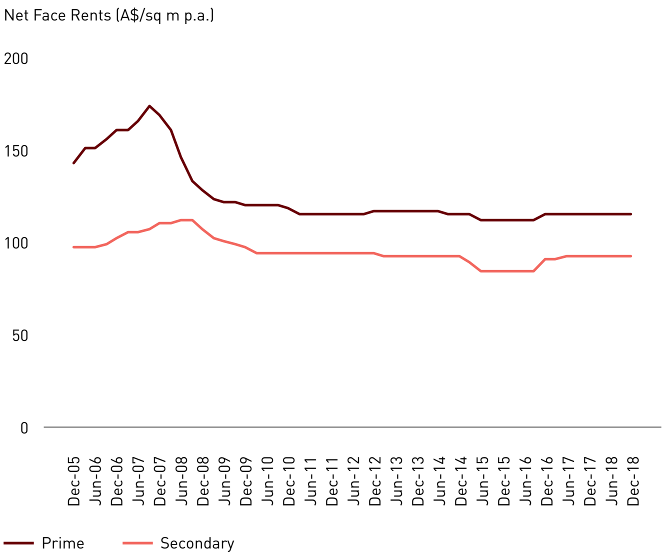
RENTS & INCENTIVES TREND

As a result of steady leasing conditions, net face rents for prime and secondary assets generally held steady for 2018. As at December 2018, the average net face rent for prime assets was A$108/sq m and the average net face rent for secondary assets of A$85/sq m. The average net face rent spread for prime and secondary grade properties was estimated at A$23/sq m in December 2018.

The ATC is the most expensive location with average net face rents for primes grade at A$116/sq m and secondary averaging A$93/sq m. The North and Outer North markets are performing well, with no vacancies as at Q3 2018. Yatala offers tenants a great location with access to the M1 Pacific Motorway at a more affordable cost (average net face rents of A$95/sq m for prime grade). The South market is receiving strong occupier interest due to staffing requirements and infrastructure upgrades. The improved connectivity to major infrastructure along the Northern and Southern trade corridor has attracted demand from major logistics players. Take up in the South West region has been driven by large pre-commitment deals by occupiers in wholesale, transport and postal sectors. Current rents for all submarkets are summarised in the following table:

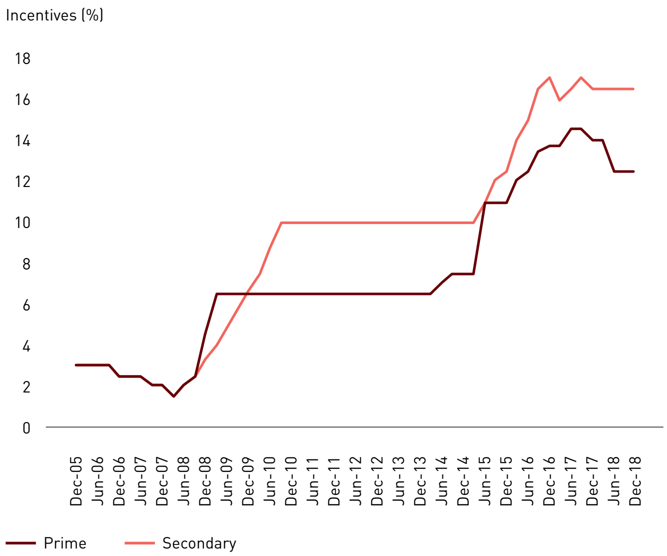
Net Face Rents (A$/sq m p.a.)	ATC		North		South		South West		Yatala	
	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary
December 2018	$116	$93	$110	$85	$115	$85	$110	$83	$95	$80

Chart 3.2 – Brisbane Industrial Net Face Rents, 2005 to 2018



Source: Colliers International

Chart 3.3 – Brisbane Industrial Incentives, 2005 to 2018



Source: Colliers International

SALES AND CONSTRUCTION

Investment demand for industrial assets has been strong for prime sites that are readily available for development, with leasing pre-commitment and offering easy access to major arterials and highways. The limited industrial stock released to the market resulted in a decline in the value of sales activity (above A$5 million) of more than 50% for the past 12 months, from A$1.57 billion in 2017 to A$768 million in 2018. Similarly, to previous years, domestic purchasers dominated the market in 2018, acquiring about 63% of the stock transacted over 2018.

The strong investor demand is spreading over to secondary areas in search of the availability of value-add opportunities. Major sales included the Coles Distribution Centre acquired by Mapletree for A$105 million. The facilities sold on an initial passing yield of 5.83%. A second large transaction, 102 Trade Street, was acquired by Lytton for A$55 million at an initial yield of 6.1%.

Some of the major completions for 2018 and anticipated for 2019 include:

- Coca Cola's manufacturing and warehousing site at Richlands (30,000 sq m) completed in late 2018
- Quality Food Services Facility at the Brisbane Airport (11,260 sq m) completed in 2018
- Hilton Food Group's processing and distribution facility at Heathwood Logistics Estate (circa 40,000 sq m) expected to be completed in 2019
- QLS Logistics at Berrinba (circa 12,000 sq m) estimated to be completed in 2019
- Mitre 10 Distribution Centre at Berrinba (circa 30,000 sq m) currently under construction

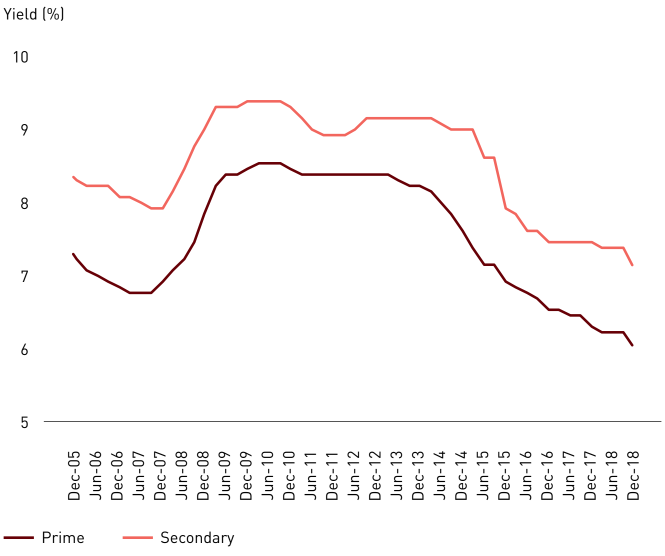
Major new developments in 2020 will include:

- 39 Silica Street, Carole Park (64,700 sq m)
- Robert Smith Street Freight Depot, Redbank (48,748 sq m)
- Yatala Distribution Centre, Yatala (44,155 sq m)
- Dexus Distribution Warehouses – Stage 1, Lytton (43,950 sq m)

YIELDS

The strong investor demand and limited readily available assets have resulted in further increases in prices and declining yields across the board. Prime yields have tightened in some instances up to 25 basis points over the past year to average around 6.0% in December 2018 and 7.13% for secondary assets. While development activity does not seem to keep up with the fierce demand from institutional and syndicate investors in Brisbane's industrial market. This is triggering the tightening of yields in 2018, which we expect to continue in 2019.

Chart 3.4 – Brisbane Industrial Yields, 2005 to 2018



Source: Colliers International

OUTLOOK

There is strong interest from both private investors and institutions for modern, well-located, functional assets with strong lease covenants and extended Weighted Average Lease Expiry (WALE), supporting a return to investment fundamentals. The margin between prime and secondary yields remains steady. We note however that risk levels for older secondary properties in isolated locations that face obsolescence or significant capital expenditure are reflected in their yields.

MELBOURNE LOGISTICS

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

INTRODUCTION

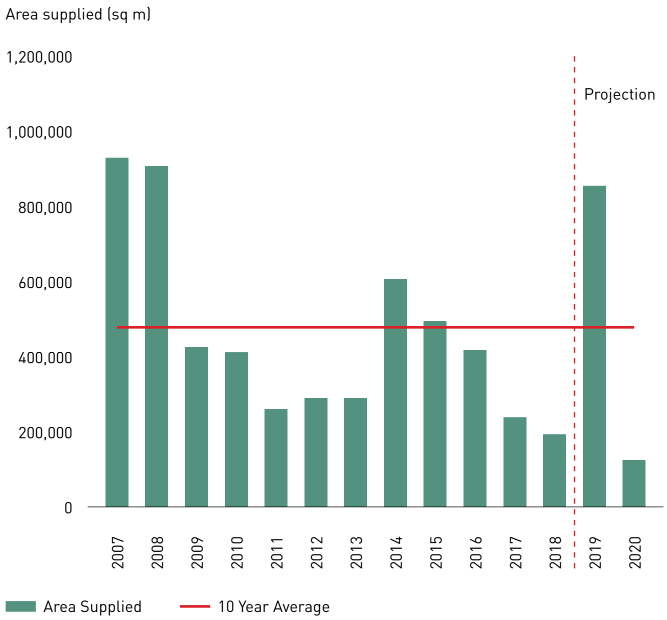
The Melbourne industrial market comprises of five major precincts; the North, South East, West, Outer East and City Fringe. The City Fringe market primarily consists of smaller sites with higher rents specifically appealing to tenants that need to be located close to the city. Many of these industrial sites are being slowly converted to residential sites due to high underlying land values and diminishing availability of land suitable for residential development. The South East and Outer East submarkets comprise larger land holdings with Industrial hubs including Moorabbin, Cheltenham, Clayton and Dandenong. The largest industrial precinct in Australia is the West submarket which has the largest industrial and logistics sites. This submarket continues to have new pockets of land unlocked in areas including Truganina, Tarneit and Ravenhall.

LEASING ACTIVITY, DEMAND AND SUPPLY DRIVERS

The year saw a number of announcements of large infrastructure projects including the Airport Rail Link, North East Link and the suburban rail loop. The suburban underground rail link is the biggest public transport project in Australian history in dollar terms, costing approximately A$50 billion and will take 30 years to build. It is aimed to reduce congestion across the city providing a long-term pipeline of economic activity and allowing for Melbourne's strong population growth. The next twelve months will see an increase in development from larger institutions particularly in the West submarket as well as development progression in Fisherman's Bend and Arden precincts in the Fringe market following the announcement of a number of significant infrastructure plans.

In the leasing market, strong leasing rates were achieved in the leasing of Goodman's site at 6 Chifley Drive, Moorabbin Airport which comprised approximately 12,000 sq m to EWE Group at a rate of A$98/sq m and Centuria's site at 12-13 Dansu Court, Hallam leased to Dormakaba which comprised 11,500 sq m leased at a rate of A$95/sq m.

Chart 4.1 – Melbourne Industrial Supply, 2007 to 2020



Source: Colliers International

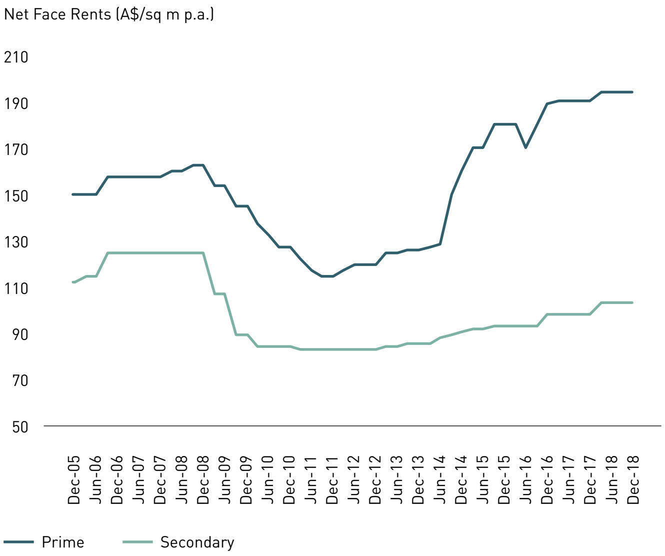
RENTS & INCENTIVES

Rents are growing at just under 3% on average for the full year. Increasing land values which have a direct impact on rents have resulted in larger warehouse and logistics occupiers moving further out. The City Fringe market demands the highest rents due to its location and diminishing supply due to the conversion of industrial assets to residential, however high demand for industrial tenants wanting to be located within proximity to the CBD have allowed landlords to reduce incentives and increase gross face rents.

The West submarket is the largest market for logistics as it has the greatest land holdings and is well supported by its proximity to roads and services. Current rents for all submarkets are summarised in the following table:

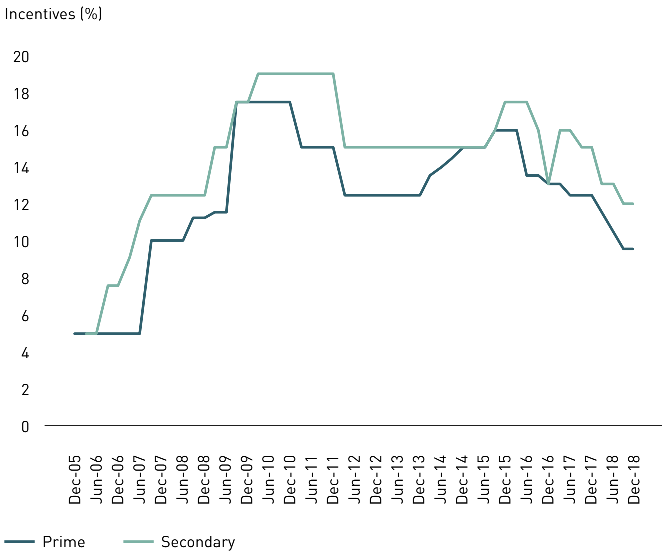
Net Face Rents (A$/sq m p.a.)	City Fringe		West		South East		North		Outer East	
	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary
December 2018	$194	$104	$78	$62	$93	$70	$80	$65	$70	$68

Chart 4.2 – Melbourne Industrial Net Face Rents, 2005 to 2018



Source: Colliers International

Chart 4.3 – Melbourne Industrial Incentives, 2005 to 2018



Source: Colliers International

SALES AND CONSTRUCTION

The total number and volume of transactions increased for the second half of 2018. With a lack of available assets for sale, the trend of long-term investors and developers seeking to replenish their land banks in core locations continued through the second half of 2018.

The level of portfolio sale activity dropped off significantly in 2018 and some of the larger, more established funds have begun rationalising their property books by trading out non-core assets picked up via portfolio acquisitions in years prior, capitalising on strong demand from private investors and new entrants seeking to place capital or increase their industrial asset weighting.

The largest single asset acquisition for 2018 was Logos' purchase of the Kmart Distribution Centre at 2-12 Banfield Court, Truganina for A$119 million at a yield of 5.4%. Most notable in the second half of 2018 in terms of stabilised asset acquisitions was Centuria's purchase of Cargo Park at 1 International Drive, Tullamarine for A$42 million at an initial yield of 7%.

Charter Hall, Dexus, Frasers and LOGOS all executed large scale englobo land acquisitions in the West precinct to restock their development pipelines and ensure that their portfolios can continue to grow organically in an increasingly tight and competitive environment amidst strong demand from industrial occupiers.

MELBOURNE LOGISTICS

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

According to the 'Urban Development Program' by the Victorian State Government Department of Environment, Land, Water and Planning, there are 26,017 hectares of industrially zoned land across metropolitan Melbourne with 6,669 hectares vacant. The distribution of most of this vacant zoned land by State Significant Industrial Precinct and Subregions is as follows:

- West: 40%
- North: 21%
- South East/Outer East: 2%

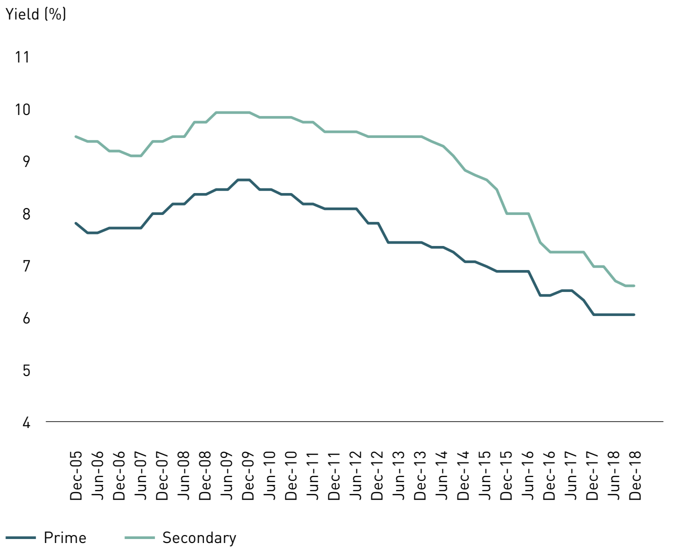
Some of these major developments in 2019 and 2020 include:

- Dexus' 'Laverton North Estate' in Truganina comprising 50,000 sq m (Q2, 2019),
- Charter Hall's 'Drystone Industrial Estate' in Truganina comprising of 8,000 sq m (Q3, 2019),
- Goodman's 'West Industry Park' in Truganina comprising of 13,000 sq m (Q3, 2019),
- Frasers' 'Wyndham Estate' in Truganina comprising of 30,000 sq m (Q2, 2019)
- Woolworths Refrigerate Distribution Centre in Truganina comprising of 32,600 sq m (late 2020)
- Market Place Warehouse in Truganina comprising of 30,885 sq m (Q2, 2020)

YIELDS

Prime yields are currently averaging 6.05% and secondary yields tightened by almost 20 basis points in 2018 to 6.65%. The tightest yields of all submarkets are recorded in the West prime market which is averaging 5.75%, compressing 50 basis points. This market appeals to larger institutions who are starting to develop larger land holdings.

Chart 4.4 – Melbourne Industrial Yields, 2005 to 2018



Source: Colliers International

OUTLOOK

We forecast that across all submarkets, land values will continue to increase, particularly in the City Fringe market. The City Fringe will continue to experience land being rezoned to alternative use such as commercial and residential. In the North submarket, which is experiencing increasing land values, the trend of owner-occupiers and tenants looking to move to further locations due to increasing rents is expected to continue. The Outer East and South East expect to see rents and incentives remain steady. In the West, all the majors are buying their next plots of development land with plans to future proof for the next 10 years. High numbers of major speculative developments in this market exemplify investors' confidence in this market.

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

INTRODUCTION

The Perth industrial market is divided into three regions North, East and South. The main transport and logistics precincts are located in Perth's East and South industrial regions.

The largest precinct in terms of major (>2,000 sq m) industrial space stock is Kewdale/Welshpool. Located approximately 6km east of the Perth CBD and sitting immediately south of the Perth International Airport, this precinct has traditionally been Perth's premier transport and logistics precinct. It is home to the Kewdale Freight Terminal which is linked by rail to Perth's seaports and all other intra and interstate rail freight lines; hence it has historically been the focus of Institutional and major industrial investors.

The second largest precinct is Forrestfield/Hazelmere/Perth Airport, which hosts the largest international, national and state transport and logistics providers including TOLL, Rand, Northline, CEVA, FedEx, DHL, Mainfreight & Centurion. Additionally, the precinct is home to the state distribution facilities for Coles and Woolworths. The precinct is situated along the freight line that links to the east coast and has emerged as the main in-land automotive transport & logistics precinct.

LEASING ACTIVITY, DEMAND AND SUPPLY DRIVERS

Perth's industrial market conditions have improved over the past 12-18 months, following the decline of the resource sector boom. Western Australia's economic recovery is beginning to consolidate, with commodity exports increasing and improvements in resource sector investment activity leading the way as commodity prices improve.

Persistent demand for metal ores and energy, in particular, iron ore and LNG, and rising demand in other base elements like lithium and agricultural commodities have led to producers committing to new projects to maintain production capacity and satisfy growing global demand.

The flow-through from the increased activity in the resource sector, strong government infrastructure spending and robust commercial building activity is now starting to convert into industrial space enquiries, particularly for assets aligned with freight and logistics operations.

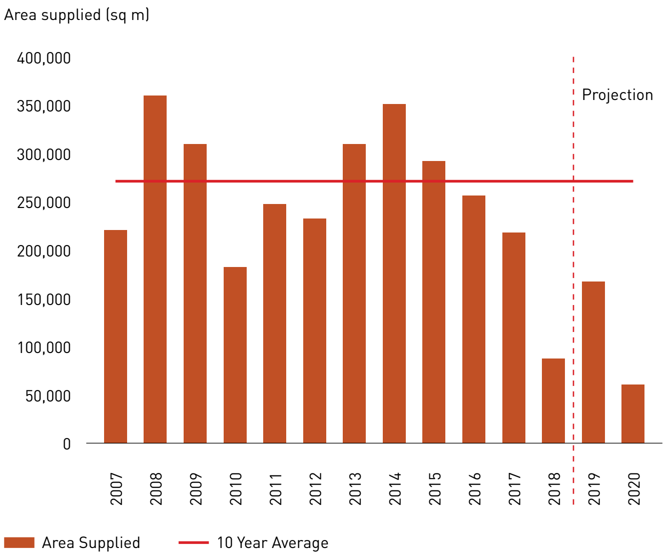
Colliers data indicates that industrial vacant space moderated over the year to October 2018. This was driven by the net absorption of approximately 241,500 sq m of industrial space in buildings over 2,000 sq m.

Across Perth's metropolitan area, the industrial vacancy rate was estimated to be 7.8% for buildings in excess of 2,000 sq m during October 2018. This represented approximately 766,824 sq m of total space available for lease. The industrial vacancy rate has been trending down since the beginning of 2017 and is the lowest it has been for 3 years.

Vacancy in larger buildings, over 10,000 sq m, continued to have the lowest vacancy rate at 3.9%. Meanwhile, vacancy in smaller warehouse stock of 2,000-5,000 sq m was significantly higher at 13.3%.

In October 2018, Greater Perth vacancies in buildings over 2,000 sq m continue to be dominated by the East and South regions, with these two regions accounting for 85% of vacancies. This is not unusual as 88% of the stock in this category is situated in these regions. The South had marginally higher vacant space, with approximately 330,835 sq m compared to 325,485 sq m in the East region. The only 110,500 sq m of vacant space was recorded in the North region.

Chart 5.1 – Perth Industrial Supply, 2007 to 2020



Source: Colliers International

PERTH LOGISTICS

INDEPENDENT **MARKET STUDY**

BY COLLIERS INTERNATIONAL, MARCH 2019

RENTS & INCENTIVES TREND

A moderating vacancy rate has helped market rents and incentives to exhibit more stability over 2018, but the leasing environment continues to remain competitive, particularly amongst secondary grade assets.

Secondary grade buildings continue to account for the majority of Perth industrial vacancy, with 69% of the estimated vacant space coming from this class. This led to rents contracting 2.7% in the year to December 2018.

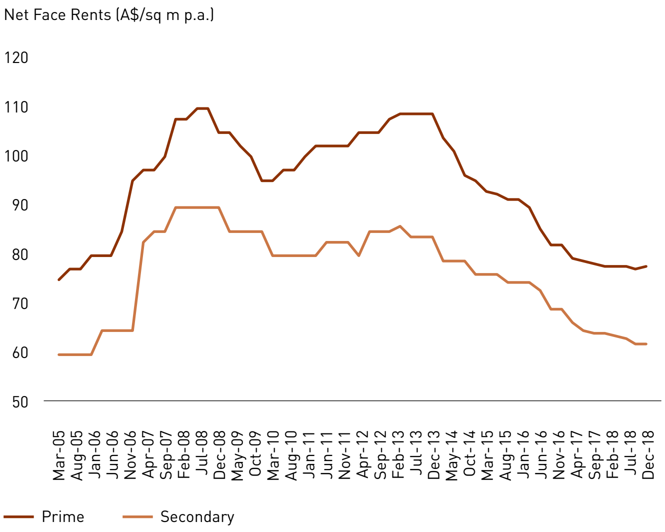
Leasing of Prime assets remains highly competitive due to the availability of space and subdued net tenant demand. In relation to larger facilities, design and construct options continue to be an attractive alternative to existing assets. Several industrial estates and precincts in Perth's East and South are designed around transport and logistics businesses. As such, these are offering purpose-built facilities on attractive terms in order to lure tenants to fill the estates.

Despite the competitive environment, Prime rents have managed to edge slightly higher due to a moderating vacancy rate and improving landlord sentiment. Colliers data indicates Perth Prime rents have improved 1.6% in the year to December 2018.

Current rents for all submarkets are summarised in the following table:

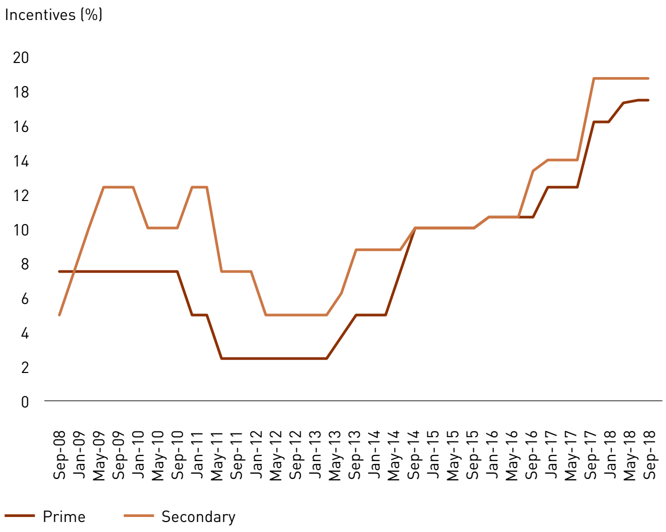
Net Face Rents (A$/sq m p.a.)	Core		North		South		East	
	Prime	Secondary	Prime	Secondary	Prime	Secondary	Prime	Secondary
December 2018	$78	$63	$79	$62	$76	$61	$81	$63

Chart 5.2 – Perth Industrial Net Face Rents, 2005 to 2018



Source: Colliers International

Chart 5.3 – Perth Industrial Incentives, 2008 to 2018



Source: Colliers International

SALES AND CONSTRUCTION

Land values have also started to exhibit more stability as Western Australia's economic outlook strengthens and purchasers look to secure sites for the anticipated recovery. Land releases in central brownfield subdivisions have received robust developer interest due to the limited availability of vacant industrial land within 15km of the Perth CBD. The reported turnover rates for these lots suggests the appetite for centrally located land remains healthy. However, metro fringe subdivisions have continued to experience lacklustre demand, and a gradual moderation in land values has persisted over the past two years.

Industrial built-form supply has been declining since the most recent peak of 350,710 sq m in 2014 (for buildings with over 2,000 sq m of enclosed space) which is assisting vacancy absorption. In 2018, Greater Perth saw just 93,596 sq m of new facilities added to stock; which was a decade low. Of this, approximately 50,500 sq m were large transport and logistics associated facilities of 5,000 sq m or more.

In 2019, Colliers is expecting approximately 168,203 sq m of industrial space completions; of this 121,600 sq m is expected to be buildings with 5,000 sq m or more located in the East and South industrial regions. These buildings are likely to be occupied by warehousing, transport and logistics operations:

- Building 2 (TOLL Logistics) in Hazelmere comprising 22,015 sq m (Q2, 2019)
- Swan Brewery Distribution Centre in Canning Vale comprising 24,191 sq m (Q3, 2019)

Demand for investment-grade assets remains strong, with several transactions occurring in 2018. However, most well-located Prime assets continue to be tightly held by institutions and private investors. Institutional investors dominated 2018 buying activity in the over A$20 million price segment, and most of the transactions were transport and logistics associated assets close to major transport hubs.

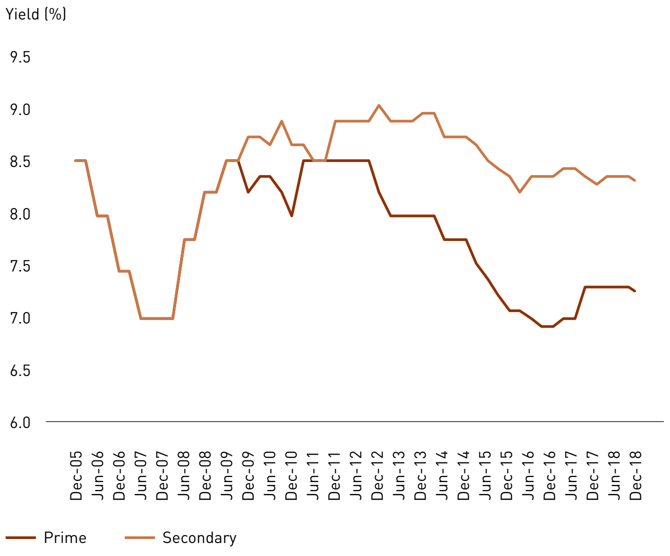
Persistent and strong demand drove some owners to capitalise on favourable conditions; with 15 institutional grade asset transactions (+A$10 million) totalling A$276.6 million being executed over 2018. However, this was significantly lower than the 22 sales that totalled A$510.9 million in 2017; which was a peak year for institutional grade transactions. The majority of the 2018 transactions occurred in the East region with five assets sold in the South and one in the North region.

YIELDS

The tightening bond yield environment over 2018, a lack of alternative investment options and signs of an economic recovery have buoyed owner sentiment; which appears to be underpinning a hold strategy. This is likely a key factor contributing to the reduction in transaction activity in 2018.

Improving demand for Prime industrial assets and a lack of available stock have seen average Prime market yields showing signs of returning to a tightening cycle in the second half of 2018. Securely leased assets can achieve market yields of between 5.85% and 6.85% due to institutional and syndication interests keenly surveying and competing for opportunities to acquire assets.

Chart 5.4 – Perth Industrial Yields, 2005 to 2018



Source: Colliers International

OUTLOOK

Going forward, Colliers expects further consolidation of the economic recovery - led again by the mining and energy sectors. This is translating to a further improvement in the population growth rate, labour market condition and subsequently industrial space demand.

Notwithstanding these improvements, the availability of land in developing industrial estates in Hazelmere, Forrestfield, Maddington/Kenwick, Canning Vale and Jandakot will continue to create a competitive leasing environment as developers seek to entice tenants out of existing tenancies with attractive design and construct options.

Over the past two years to the end of 2018, several transport and logistics operators have taken up these offers and committed to new purpose-built facilities including TOLL Logistics, Northline, Fisher & Paykel, Sigma Pharmaceuticals, Kent Removal & Storage and McPhee Transport and Bunnings.

Colliers anticipates demand for institutional grade assets may strengthen over 2019, keeping yields tight. This is supported by a shift in investor interest to Perth from Eastern states markets and a favourable yield spread offering institutional investors attractive diversification options.

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

INTRODUCTION

Sydney suburban office markets are quite diverse and fragmented with the City Fringe and South Sydney being the largest markets amongst them. The City Fringe has about a million square metres of office space and is considered a commercial hub for IT, Technology, Digital, Media and Creative industries. Major tenants in the precinct include Google, IBM, Channel 7, Fairfax Media, Domain and Thompson Reuters, to name just a few. Recent years have witnessed the rapid rise of co-working operators with the likes of WeWork and HUB Australia having a strong presence in the area. Tenants have been attracted to the City Fringe due to a wide range of amenities, public transport (Central Stations, Redfern and the new Light Rail Link to the CBD) and proximity to major universities such as the University of Sydney, University of Technology Sydney and University of Notre Dame.

The South Sydney office market (including Mascot) comprises of about half a million square metres of office space with a major portion of it being corporate parks and Strata offices. Due to its location, South Sydney is dominated by airport-related industries, transportation, logistics and government agencies. The area is currently undergoing a significant urban regeneration program which also sees many office and industrial buildings be converted to residential uses. Tenant demand, however, has remained strong on the back of improving connectivity with the CBD and business amenities.

LEASING ACTIVITY, DEMAND AND SUPPLY DRIVERS

Demand remains very strong in the City Fringe, as the precinct is a sought-after location for many tech groups and co-working organisations. Given that these two industries have been responsible for a large amount of take-up across both the CBD and metro markets, it is not surprising that City Fringe vacancy is still at very low levels. Whilst demand is strong, deal activity has been muted as there are limited options for tenants.

Surry Hills remains the preferred location in the City Fringe, however, there has been a notable increase in enquiry in emerging fringe markets such as Chippendale. Developers and owners in the area are responding, and several buildings have transacted and will be upgraded to meet current tenant demand requirements.

A large amount of infrastructure work in the South Sydney precinct continue to create tenant displacement activity. The attractiveness of the area to a specific group of tenants needing a South Sydney location means that some landlords are also taking the opportunity to upgrade their space. A major renovation at Australian Technology Park is due to be undertaken, which means a large number of tenants occupying around 25,000 sq m of space will need to find new accommodation, with most likely to prefer to stay in the area.

Recently completed 21 Harris Street, Pyrmont leased 10,100 sq m to Publicis Groupe for A$770 net rent with a 17% gross incentive. The Commons, a co-working operator, leased 2,746 sq m at 20-40 Meagher Street, Chippendale for an A$750 gross rent with 14% gross incentive.

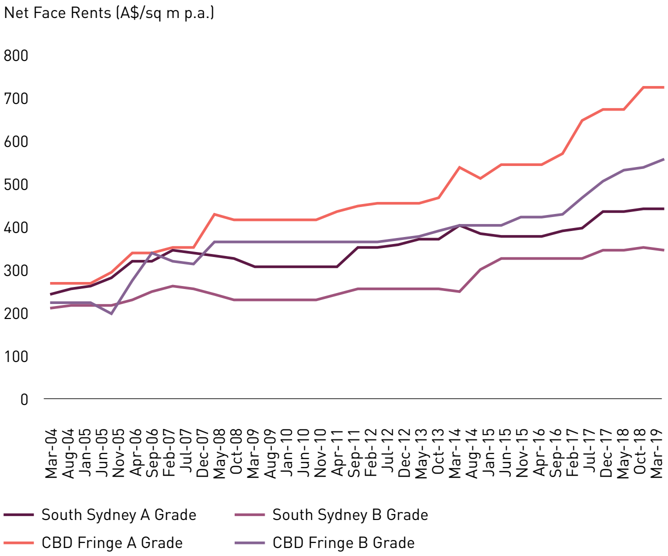
RENTS AND INCENTIVES TREND

A Grade net face rents in the Fringe market have grown by 7.4% over the last 12 months to March 2019. The B Grade market also saw positive conditions with a growth rate of 5.2% in this same period and rents are currently averaging A$560/sq m. Incentives are averaging 15% for both A and B grade assets as landlords enjoy low vacancy and tenants competing for space.

South Sydney net face rents for A Grade grew 1.2% over the 12 months to A$440/sq m (March 2019) and unchanged for B grade at A$345/sq m. Incentives for both A and B Grade buildings are 13% falling 3 percentage points in 12 months.

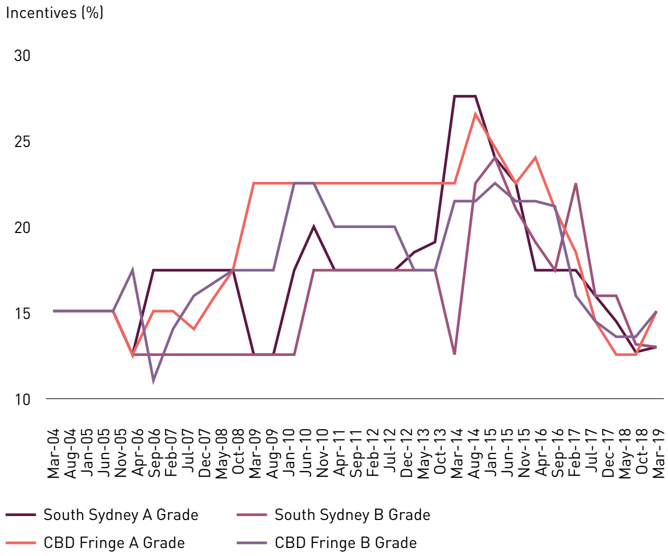
Net Face Rents (A$/sq m p.a.)	City Fringe		South Sydney	
	A Grade	B Grade	A Grade	B Grade
March 2019	$725	$560	$440	$345

Chart 6.1 – Sydney Fringe and South A & B Grade Net Face Rents, 2004 to 2019



Source: Colliers International

Chart 6.2 – Sydney Fringe & South A & B Grade Incentives, 2004 to 2019



Source: Colliers International

SALES AND CONSTRUCTION

Sales volumes in the City Fringe market were circa A$600 million which included the transactions of some institutional-grade assets. 19 Harris Street, Pyrmont transacted for A$143 million purchased by AEW Capital, an unlisted USA fund, on a yield of 4.87%. Quay Connection at 187 Thomas Street, Haymarket transacted for A$145.8 million purchased by Greaton Group on a tight yield of 3%. There were no sales of over A$10 million in Mascot in 2018.

Melbourne based developer Marks Henderson purchased the 2,500 sq m warehouse at 29-43 Balfour Street for circa A$30 million, intending to redevelop the site into creative office space. A new development at 64 Kippax Street, Surry Hills will return to market following refurbishment in 2019.

Relative affordability in the precinct, coupled with proximity to the airport and Redfern and Green Square stations, means the South Sydney precinct continues to be in high demand. Goodman recently completed almost 20,000 sq m at their Corporate Connect development, with much of the space already leased. Tenants have largely been from government and engineering sectors. Public amenity works are also beginning to be delivered, including Green Square Library and Plaza. The Gunyama Park Aquatic and Recreation Centre has commenced construction and is due to complete in 2020. This will add a further fantastic amenity to the area for local workers.

INDEPENDENT MARKET STUDY

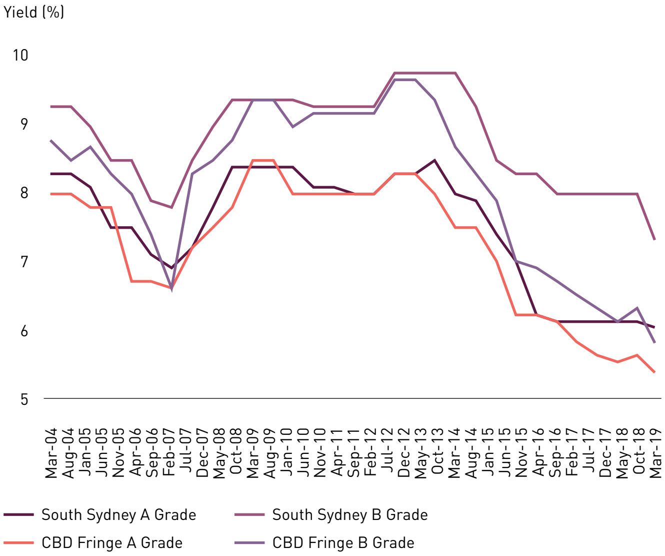
BY COLLIERS INTERNATIONAL, MARCH 2019

YIELDS

The A Grade City Fringe market has seen initial reversionary yields unchanged over the past 12 months, at 5.63% as of December 2018. In the B Grade market, yields are 6.31%, compressing by 70 basis points over the past 12 months.

In the South market, A Grade initial yields sit at 6.13%, remaining relatively stable for the last two years. Similarly, initial yields in the B Grade market have stabilised at around 7.95%.

Chart 6.3 – Sydney Fringe & South A & B Grade Yields, 2004 to 2019



Source: Colliers International

OUTLOOK

Tenant demand in the suburban markets of Sydney is expected to improve over the next two years, with government, education and SME tenants being the major drivers of demand. In addition, co-working operators and tenants in the Tech and Creative sectors are expected to provide further strong support for the City Fringe and South Sydney office markets. The significant withdrawal of stock in the CBD coupled with declining affordability is expected to encourage some CBD tenants to relocate to suburban locations. New supply is expected to remain limited due to the lack of development site and competition for alternative uses such as residential or retail. On this basis, we expect fringe rental growth to continue, given the strength of demand. Building refurbishments will also have an impact on average face rents in the precinct.

FRINGE OFFICE BRISBANE

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

INTRODUCTION

The Brisbane Fringe Office market extends across five precincts. Urban Renewal is the largest growing area in the Brisbane Metro market, contributing about 512,300 sq m of supply stock, or the equivalent to 40% of the office stock in the metro region. It extends from New Farm to Bowen Hills and includes Fortitude Valley.

Inner South is the second largest office precinct in Brisbane Metro, contributing about 260,690 sq m of stock to the market. It extends from South Brisbane to Greenslopes, including also Woolloongabba and West End.

Milton is the oldest Brisbane Metro precinct offering circa 223,220 sq m of net lettable area. Milton is undergoing a continual transformation with some of the well-known buildings going through refurbishments (e.g. 339 Coronation Drive). Milton is home to a diversity of knowledge-based businesses in the fields of engineering, design, civil contracting, and the digital industries. Spring Hill is well-located adjacent to the CBD area and generally offering strata offices and a net lettable area of circa 134,000 sq m. Toowong is the smallest fringe precinct in Brisbane offering circa 75,000 sq m of net lettable area.

LEASING ACTIVITY, DEMAND AND SUPPLY DRIVERS

According to the Property Council of Australia ("PCA") office market report, Brisbane's metro office vacancy rate increased from 14.6% in July 2018 to 14.8% in January 2019. Net absorption for the six months to January 2019 was 12,808 sq m. In the last 6 months, there were no withdrawals and 16,729 sq m of new supply. New additions include:

- 14,429 sq m of new supply at 25 King Street, Fortitude Valley, and
- 2,300 sq m of refurbished supply at 7 Baroona Road, Milton.

Rising vacancy in the fringe market over the 6 months to January 2019 was attributed to the vacancy rate in the Inner South rising 80 basis points, Urban Renewal rising 50 basis points, Spring Hill rising 100 basis points and Toowong rising 20 basis points.

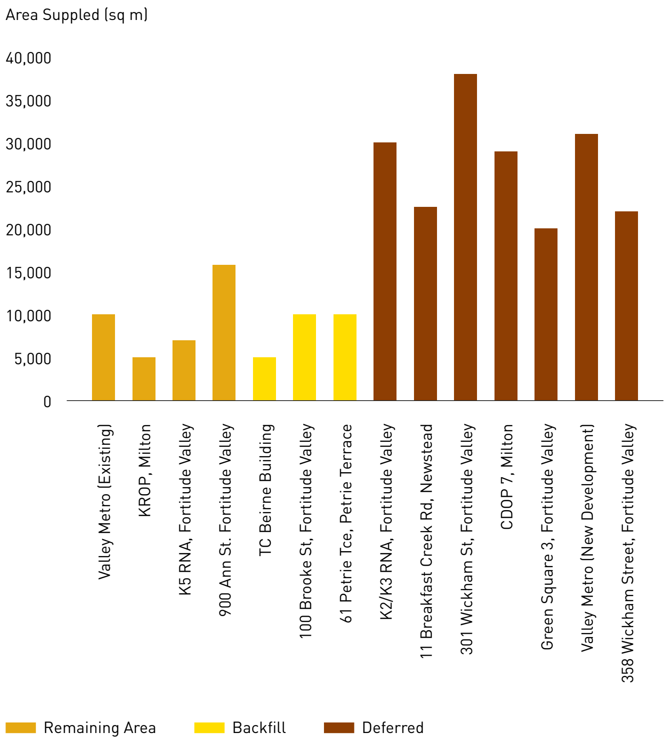
The highest level of availability in the fringe market is in Milton, wherein the first 6 months of 2018 the vacancy rate increased from 17.1% in January 2018 to 23.6% in July 2018. This was due to Origins backfill space emerging in the precinct. However, vacancies in Milton have eased in the second half of 2018 falling to 21.5% as net absorption reached circa 6,430 sq m for the past 6 months.

We anticipate that office demand in the Brisbane Metro market will be solid over the next 5 years. According to Deloitte Access Economics, white-collar employment in Brisbane City will increase by about 2.2% a year from 2018 to 2025. This represents an increase in the white-collar Brisbane metro workforce of circa 28,940 or circa 4,150 a year, potentially absorbing 41,500 sq m of office accommodation a year.

New supply under construction or refurbishment for completion in 2019 and 2020 is anticipated to reach a total of 50,000 sq m. There is a pipeline of about 370,000 sq m of mooted projects, many having development approvals but waiting for pre-commitments to commence.

Colliers anticipates that the balance of supply and demand will improve over the next few years as long as the risk appetite from developers remains low and the start of new supply remains heavily reliant on pre-commitments.

Chart 7.1 – Brisbane Metro Office Supply Pipeline – 5,000+ sq m



Source: Colliers International

INDEPENDENT MARKET STUDY

BY COLLIERS INTERNATIONAL, MARCH 2019

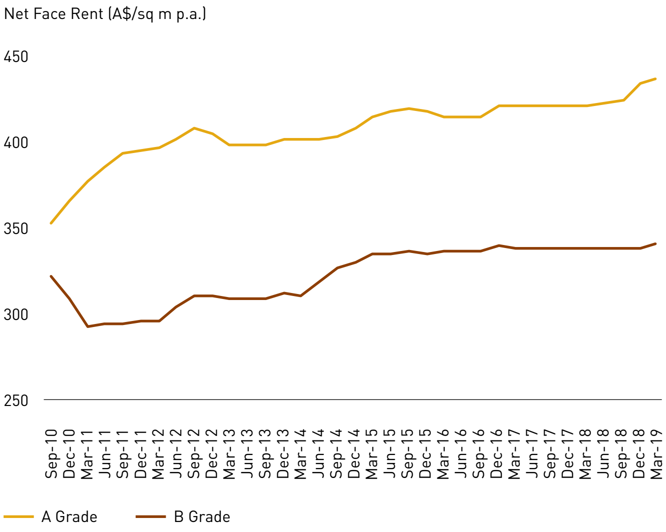
RENTS AND INCENTIVES TREND

The highest net face rents were recorded in the Urban Renewal precinct which have increased 6% in 12 months averaging A$479/sq m. Incentives have remained high, above 30% (currently averaging 36%) due to the amount of new development stock coming to market. Across all the fringe submarkets incentives are relatively high when compared nationally with incentives averaging 35% explained by the amount of competition between landlords to attract and retain tenants.

Average net face rents are summarised below:

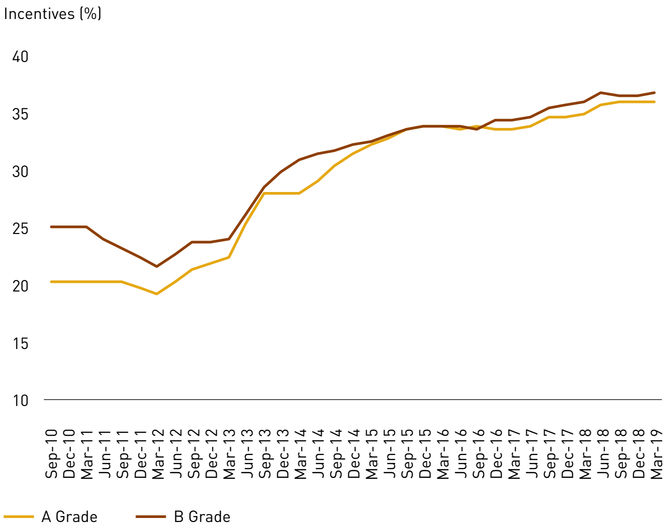
Net Face Rents (A$/sq m p.a.)	Inner South		Urban Renewal		Milton		Toowong	
	A Grade	B Grade	A Grade	B Grade	A Grade	B Grade	A Grade	B Grade
March 2019	$466	$348	$479	$363	$433	$326	$393	$321

Chart 7.2 – Brisbane Metro Office Net Face Rents, 2010 to 2019



Source: Colliers International

Chart 7.3 – Brisbane Metro Office Incentives, 2010 to 2018



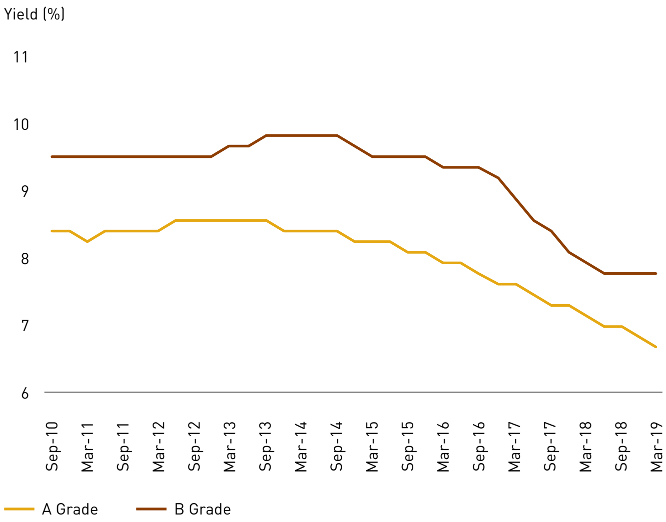
Source: Colliers International

SALES AND CONSTRUCTION

There are 3 new buildings to be delivered in 2019 providing approximately 25,700 sq m of new supply. Transport House located in Fortitude Valley comprising 9,000 sq m. The Eminence, a small boutique development also located in Fortitude Valley, will deliver 3,500 sq m. The John Oxley Centre in Milton comprising 13,200 sq m is the third building to be completed this year. These new developments have no pre-commitments and all will be A Grade space.

There are several mooted developments in the Fringe Metro Market pending pre-commitments. They are predominantly in Fortitude Valley. The most significant sale in the Fringe precinct over the past six months was 100 Skyring Terrace, Newstead purchased for A$250 million in November on a tight yield of 5.74%. Another large transaction was the purchase of K1, 2 King Street, Bowen Hills for A$170 million which sold on a yield of 5.65%.

Chart 7.4 – Brisbane Metro Office Yields, 2010 to 2019



Source: Colliers International

YIELDS

The A Grade metro fringe market has seen yields compressing over the past 12 months by 44 points, currently at 6.80% as at December 2018. In the B Grade market, yields are 7.78%, compressing 30 basis points. The most compression in 12 months was in the Inner South A grade precinct where yields compressed 83 basis points to 6.25%.

OUTLOOK

The outlook of the Brisbane Fringe Office market is positive, considering the increase in demand for office accommodation and the limited committed new or refurbished supply.

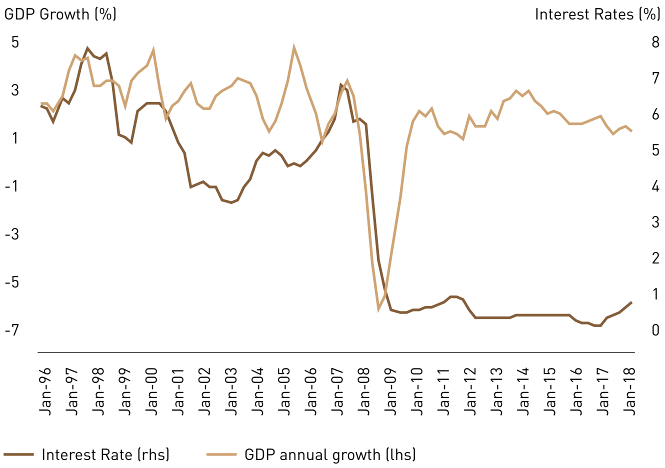
The Brisbane fringe market is becoming an attractive investment option for domestic institutional investors who have outplayed private investors in 2018. Colliers anticipates that this trend will continue in 2019, and offshore capitals will also commence flowing to the market particularly for large scale transactions above A$50 million. This trend is supported by the yield spreads between the Brisbane CBD and the Brisbane Metro market in the range of 50 to 100 basis points.

UNITED KINGDOM

INDEPENDENT MARKET STUDY

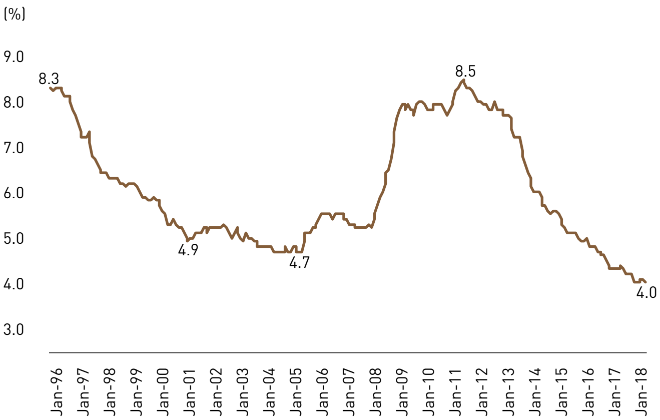
BY KNIGHT FRANK LLP, MARCH 2019

UK GDP Growth and Interest Rates (%)



Source: Office of National Statistics

UK Unemployment Rate



Source: Office of National Statistics

1. UK ECONOMIC OVERVIEW

Section 1.1: Recent Economic Performance in the UK

The UK is the fifth-largest national economy in the world (measured by nominal gross GDP), and the third-largest in Europe, after Germany and France. Services, particularly banking, insurance, and business services, are key drivers of British GDP growth. In 2017, 70.1% of UK GDP came from the service sector.

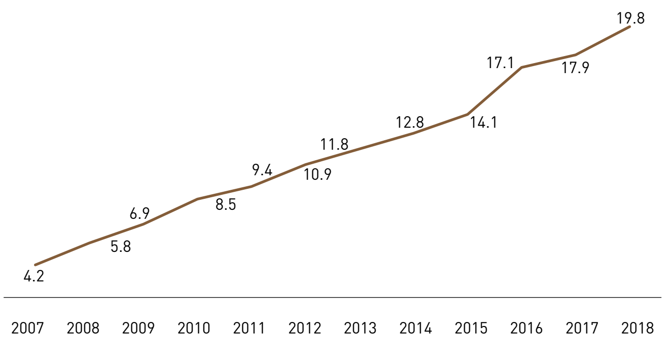
GDP growth has been robust over the past six years. Since 2012, the largest rises in gross value added were in the transport, storage and information & communication services (up 22% to 2018) and consumer services (up 20% to 2018). The growth in e-commerce underpins growth in these sectors and the robust forecast for retail spending coupled with rising online penetration rates, should support continued demand for consumer services as well as transportation, storage and information and communication services.

The UK has an extensive trade relationship with other EU members through its single market membership, and economic observers have warned the exit will jeopardize its position as the central location for European financial services. There has been a lack of agreement over the UK's departure deal, both between the UK and EU and within the UK. Though the negotiation deadline has been delayed beyond the end of March 2019, economists doubt that any eventual deal secured for the UK will be able to preserve the benefits of EU membership without the obligations.

Inflation has moderated in recent months, with the CPI figure moving closer to the Bank of England's target of 2.0%. A recovery in the pound exchange rate against other major currencies should ensure inflation remains under control, thus reducing the likelihood that the Bank of England will raise interest rates.

The labour market in the UK is close to full-capacity, unemployment is at 4% (Q4 2018), the lowest rate since the 1970's. This is well below the 5.0% mark which many economists refer to as "full employment". There is little room for employment growth and this is likely to reduce the potential for any growth in GDP. Wage growth and inflation should increase steadily as a result.

Internet Sales as Percentage of Total Retail Sales (%)



Source: Office of National Statistics

National Statistics – Economic Outlook

	2017	2018 (f)	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)
Total Population (millions)	66,100	66,536	66,919	67,273	67,602	67,903	68,186
Population Growth rate (%)	0.63	0.66	0.58	0.53	0.49	0.45	0.42
GDP Growth (%)	1.66	1.36	1.49	1.52	1.56	1.63	1.64
Total Investment (% GDP)	17.35	17.21	17.25	17.48	17.60	17.76	17.94
Unemployment rate (%)	4.43	4.07	4.18	4.50	4.50	4.50	4.50
Government debt (% of GDP)	87.53	87.38	87.17	86.53	85.93	85.06	84.00
Inflation (CPI) (%)	3.02	2.34	2.08	2.00	2.00	2.00	2.00

Source: Oxford Economics, IMF (October 2018)

The volume of retail sales rose in January 2019, up 4.2% on the previous year. The rise in retail sales implies that despite economic uncertainty over Brexit, consumers were still willing to spend. Oxford Economics forecast that retail sales volumes will continue to grow. Online retail has a high penetration rate in the UK compared with other European countries, just under 20% of retail sales were internet-based at the end of 2018. Online retail sales volumes are expected to grow and to increase as a percentage of total retail.

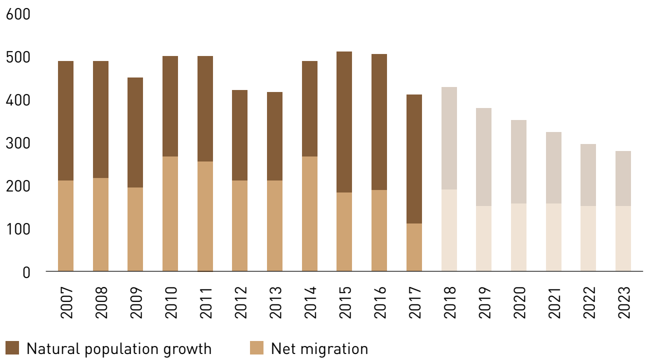
Section 1.2: Outlook for the Economy

Economic growth of 1.4% was recorded in 2018, and is projected to increase slightly in 2019 (1.5%). Brexit-related uncertainties are holding back economic growth, some of these uncertainties will remain until there is clarity regarding UK's future trade relationships. Expansionary fiscal policies and a gradual recovery in exports are expected to support future economic growth, based on the UK leaving the EU with a deal, the rate of growth is expected to accelerate over the next three years (2019-2021). However, the lack of clarity over UK's future relationship with the EU remains a significant source of downside risk. A no-deal scenario would weaken the forecast and any extension to the transition period may delay and dampen future economic growth, as businesses delay investment and contingency plans dent profits. A Brexit deal that maintains a close economic relationship with the EU would lead to stronger than expected economic growth.

Section 1.3: Population Growth and Dynamics

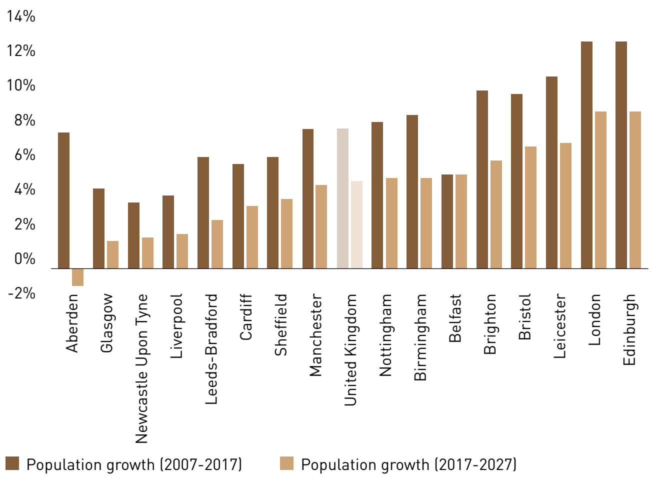
Population growth in the UK is driven largely by migration rather than natural growth. Net migration into the UK peaked in 2015 (330,188), it declined over the next two years and this trend is forecast to continue, net migration is expected to reach 129,291 by 2023 and stabilise around 120,000-125,000

Historic and Forecast Population Growth Rate by City (thousand persons)



Source: Office of National Statistics, Oxford Economics

Historic and Forecast Population Growth Rate by City (%)



Source: Office of National Statistics, Oxford Economics per annum thereafter. Over the next ten years, London and Edinburgh are forecast to record the largest population growth, followed by Leicester, Bristol and Brighton. Aberdeen is the only major UK city with negative growth forecast.

Section 1.4: Brexit - Impact on the UK economy and Logistics Market

Take-up of industrial units over 50,000 sq ft in 2018 was 37.8 million sq ft, up 39% on 2017, and Knight Frank has seen a strong start to 2019 indicating that, despite Brexit, logistics occupiers remain confident. Structural trends tied to e-commerce including the growth of online grocery are offsetting any (positive or negative) Brexit impacts on demand for space. The investment market recorded a slight dip in transaction volumes around the time of the referendum (in Q2-Q3 2016) but transaction volumes quickly recovered and some record-sized deals have traded over the past couple of years.

If the UK leaves the EU without a deal, the UK would revert to World Trade Organisation rules on trade. Britain would no longer be bound by EU rules and would face the EU's external tariffs. However, the expectation is that a 'no deal' will be avoided. MPs have voted to block a no deal Brexit after passing an amendment which reject the UK leaving the EU without a Withdrawal Agreement. While the vote to block a no deal is not legally binding, it places pressure on the government to secure an acceptable deal.

A departure deal would provide clarity regarding the UK's future trading relation with the EU and would give more firms the confidence to plan for the future and invest. At the same time, low inflation and rising wages allow the consumer to spend more. Consequently, we believe the UK could enjoy an economic growth spurt in the second half of the year.

In the case of a no-deal scenario, UK-based firms would face disruptions to existing supply-chains. Industries that rely on just-in-time supply chains, such as automobile and aerospace manufacturers, grocery retailers and pharmaceutical companies would be acutely affected and firms may need to increase stockpiles in order to avoid production or distribution disruptions. Jaguar Land Rover, Rolls-Royce and Airbus are some of the companies that have announced plans to start stockpiling parts. Tesco have also said they would consider stockpiling in the case of a no deal Brexit, and the UK Health Secretary has also advised drug companies to ensure that they have additional supplies of medicines. An increase in stockpiles would increase occupiers space requirements. However, with low vacancy rates and a lack of time and space for new development, it is difficult for companies to formulate effective Brexit contingency plans.

2. UK LOGISTICS MARKET

Section 2.1: Market Overview

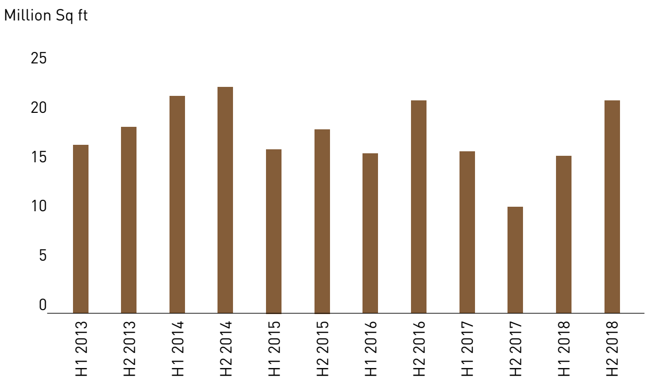
Rising consumer confidence and growing urban populations, coupled with the paradigm shift in shopping towards e-retailing and the rising demand for rapid fulfilment of orders are driving demand for fulfilment centres located close to populous, urban areas. Access to consumer markets, distribution networks and trade ports are the most important location criteria for logistics users. A 2017 Prologis survey showed that proximity to major consumption centres was the most important criteria for logistics operators.

The top markets in the UK are London, due to the large consumer market and international freight terminals at Heathrow, and the Midlands (Golden Triangle) due to a central location and motorway access. London and the South East region account for around 25% of all UK warehouse space, while the Midlands (East and West Midlands) represent around 33% of UK warehouse space. There are also significant markets along the M1 motorway between London and the Midlands, along the M4 corridor linking London and the South West, along the M6 between Manchester and Birmingham, the M62 corridor between Manchester and Leeds and the M8 between Edinburgh and Glasgow. All of these locations benefit from excellent links to the UK motorway network and proximity to consumer markets.

E-commerce is a significant driver of occupier demand. It is estimated that around 65% of logistics demand is retail driven. Retail spending is forecast to rise and online retailing will increase as a proportion of total retail spend. Consumer demand for spending online is not only growing, it is evolving too. Customers are increasingly demanding fast and flexible delivery methods, and this demand for the rapid delivery of goods is shaping supply chains and creating a need for property types that enable shorter throughput and delivery times.

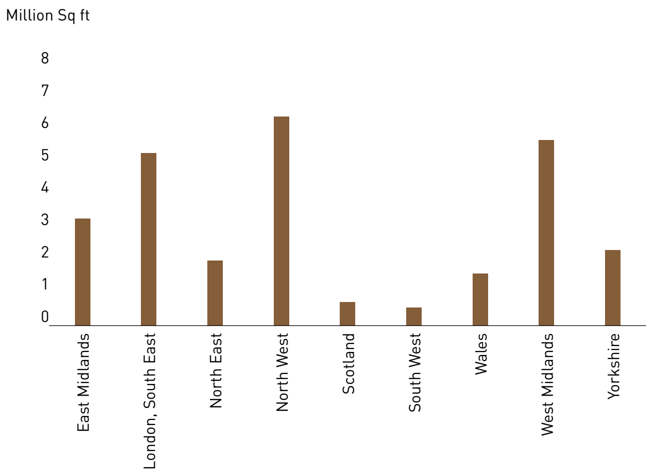
Occupier demand for UK logistics property is also being driven by globalisation of trade, technological advancements and the drive for supply-chain optimisation. Occupiers are striving to increase their supply chain efficiencies and upgrade their logistics facilities from out-dated, secondary product to modern, well-located stock. This often results in a consolidation of

Take-up (50,000 sq ft +)



Source: Knight Frank Research

Availability (100,000 sq ft +)



Source: Knight Frank Research

space, into fewer, larger units, enabling occupiers to centralise and optimise their inventory management. Increasing levels of centrally held inventory is driving demand for "big box" facilities. The need for this space is exemplified by Amazon, which utilises some of the largest warehouses in the UK. Amazon, along with other online retailers have been rapidly increasing their space requirements, particularly for large (100,000 sq ft +) spaces. At the end of 2018, it is estimated that Amazon occupied over 23 million sq ft of warehouse space in the UK.

The advent and rapid adoption of new technology is also having a marked impact on the nature of occupier demand. Occupiers are increasingly in search of specialized e-commerce fulfilment centres, with high-tech, flexible space, and with warehouse automation becoming more common, they are investing more heavily in their facilities. This creates the incentive for a longer-term commitment to their premises, due to the prohibitively high relocation costs and the need to amortise capital outlay over a long time period. For investors, this can be seen as a strong commitment from the tenant.

Not all of the new demand is for the very largest (200,000 sq ft +) facilities. A location in close proximity to the consumer base is crucial and smaller logistics sites within, or just outside of the metropolitan centres will be increasingly important as businesses compete to drive down the cost and time of accessing these urban markets. Small-scale logistics sites within close proximity to consumers will remain highly desirable, as part of the "last-mile" element of the delivery chain.

In the parcel delivery sector, consumers are increasingly demanding trackable deliveries with short lead times and narrow delivery windows. This means that small depots within urban centres are required for storage and vehicle dispatch. Online retail also requires fulfilment centres in urban locations to dispatch vehicles for last-mile deliveries to consumers in both residential and commercial areas. These centres can also be used in the return flow of goods from consumers. Food retailers have refocused their offering away from edge-of-town superstores and towards smaller urban convenience stores. Limited storage space onsite will mean more warehouse space in close proximity is needed for regular replenishment of stock.

The growing online retail market is likely to drive further demand for urban logistics sites. High land values in urban centres and lack of viable development sites pose challenges and are driving technological solutions to maximise the use of the site though automation and multi-storey buildings. Acquiring suitable sites will remain challenging as growing urban populations and competition for land is likely to further drive price growth.

Section 2.2: Occupier Market

Occupier demand has been strong in the second half 2018, with 21.7 million sq ft of take-up; more than double that of H2 2017, bringing the total take-up in 2018 to 37.8 million sq ft, up from 27.3 million sq ft in 2017. An increase in the construction of new stock in 2018 has enabled take-up to rise. However, construction remains relatively limited and over three quarters of new construction is built-to-suit rather than speculative, and good quality second-hand stock is also in short supply. Availability of space (which includes both new completions and second hand) remains low, particularly within the markets where the opportunities for development are limited. Approximately 75% of the 50,000 sq ft plus Grade A stock available in the UK is second hand.

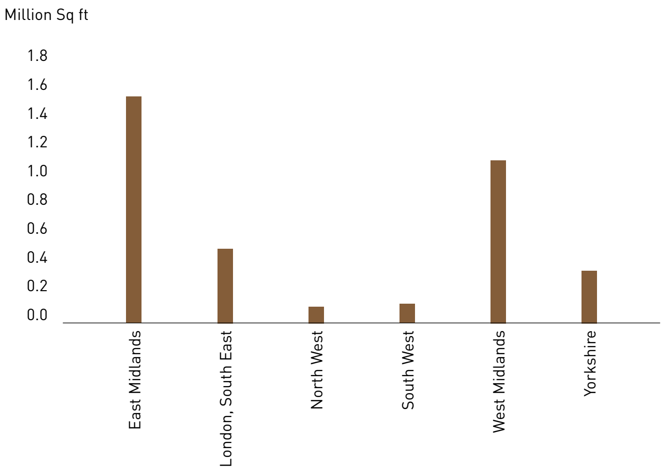
Vacancy rates are falling as older redundant stock is removed from the market. Over the last decade, the amount of industrial floor space has declined as older assets are redeveloped to alternative uses such as residential developments which command higher prices. The reduction in floor space has been felt most acutely in London where pressure to increase the supply of residential stock is strongest. Vacancy rates in the UK are around 5%, though vacancy rates sub-3% can be found in prime locations.

Since the global financial crisis, there has been a lack of speculative development activity in the key markets, resulting in rental growth across a number of locations. In London, the lack of available land for development has constrained supply and driven rental growth. These higher rents, coupled with strong take-up and falling void periods have encouraged a recent increase in development. At the end of Q4 2018 there was a total of 3.9 million sq ft of speculative space (100,000 sq ft units) under construction, much of this development is likely to complete in 2019. Although this is high compared with historic levels, e-commerce networks are expanding rapidly and increasing demand for more, larger fulfilment centres. The recent rise in speculative development will help meet demand, however, the increasingly niche requirements of some occupiers means that built-to-suit solutions will continue to dominate new supply.

The East Midlands has the largest pipeline of speculative development, followed by the West Midlands. The availability of development land with good motorway access combined with their central UK position makes these markets attractive to a variety of occupiers and strong take-up has prompted speculative development. Most speculatively built space is let prior to, or on completion. C172, a 172,000 sq ft warehouse space on Brackmills Industrial Estate was let to Dachser on a ten-year lease, just weeks after completion.

Within the Greater London and South East region, availability of units over 100,000 sq ft remains limited. The largest unit due for delivery in 2019 is Bedford 405, a 405,000 sq ft speculative development set to reach practical completion in Q3 2019. Considering the size of the market, there is a relatively small

Speculative Under Construction (100,000 sq ft +)



Source: Knight Frank Research

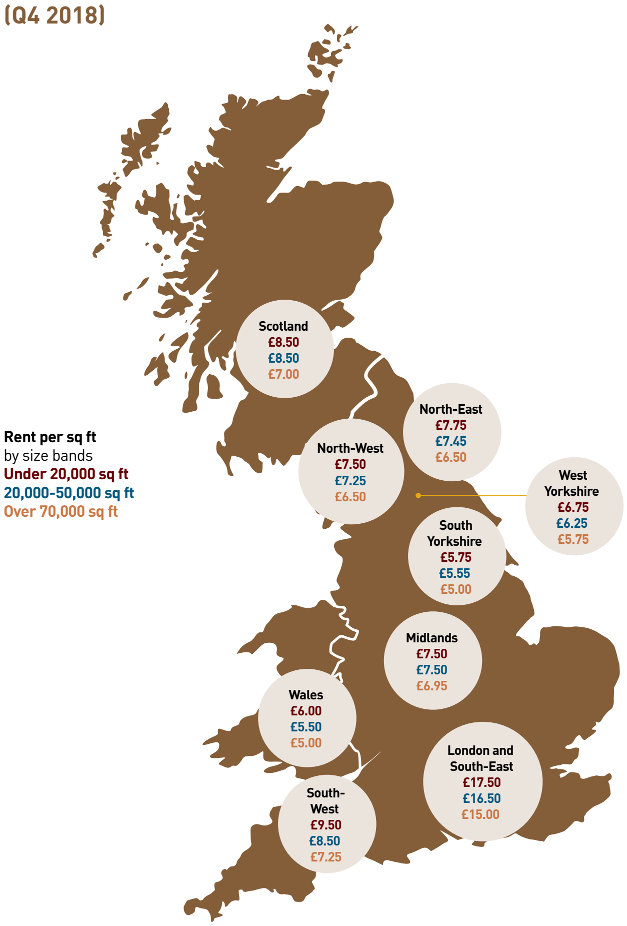
amount of space under construction in London and the south east. Much of the speculative construction is taking place at Heathrow. There are also a number of occupiers looking to acquire land in the London and South East to develop their own facilities. Build-to-suit transactions account for a significant proportion of deals in this region.

Though speculative development and built-to-suit schemes are helping take-up to rise, second hand facilities dominate the market; 72% of take up in the UK in 2018 (50,000 sq ft plus facilities) was second hand space. There are regional differences, in London, South East and East region, more than half of take-up (56%) was of new or refurbished space, in the Midlands, around 30% of take-up was new or refurbished space but in Wales, Scotland and the Northern UK markets, new and refurbished space represented a much smaller proportion of take up.

The largest example of second hand take-up in the UK was in Yorkshire, North East region. Logistics operator Clipper acquired Sheffield 615; a recently refurbished 615,000 sq ft warehouse owned by Logicor. They will operate the facility for Prettylittlething.com, as a fast-fashion e-commerce logistics operation.

Over the past year (Q4 2017 to Q4 2018) average rents have risen across all unit size bands. Average prices for units under 20,000 sq ft have increased 3.3% year-on-year to £8.33 per sq ft. While prices for units 20,000 to 50,000 sq ft are priced at £7.86 per sq ft, a 4.9% increase on Q4 2017. Prices for the largest

Industrial Rents Across UK Markets and Size Bands (Q4 2018)



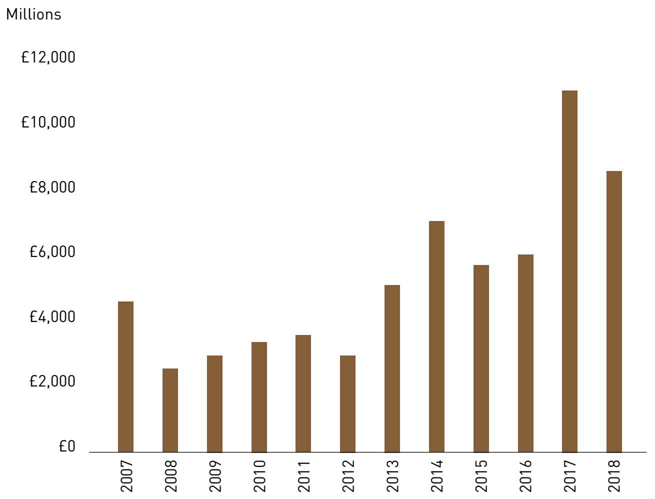
units (over 70,000 sq ft) have been more stable, increasing just 2.8% year-on-year to £7.13 per sq ft in Q4 2018. Rents in London and the South East are the highest, prime rents for large, 70,000 sq ft plus units are £15.00 per sq ft, while prime rents for small (under 20,000 sq ft) units are £17.50 per sq ft.

Section 2.3: Investment Market

Investment Market Overview

The investment market for UK logistics property is well-established and transparent. A total of £8.5 billion was invested in 2018, this is down from £10.9 billion invested in 2017. Although this comparison appears very unflattering, the 2017 total was significantly boosted by CIC's acquisition of Blackstone's international logistics company; Logicor in December 2017. The Logicor portfolio contained 168 UK assets, estimated at £2.5 billion (the total portfolio contained 606 properties across several countries and transacted for £10.8 billion).

Industrial and Logistics Investment (£m)



Source: Real Capital Analytics

The largest single asset sale in 2018 was the forward-funding deal for the Amazon warehouse in Durham for £141.5 million. Tritax purchased the asset for their Big Box fund. The multi-storey distribution warehouse will be completed in 2020 and Amazon have committed to a 20-year lease term.

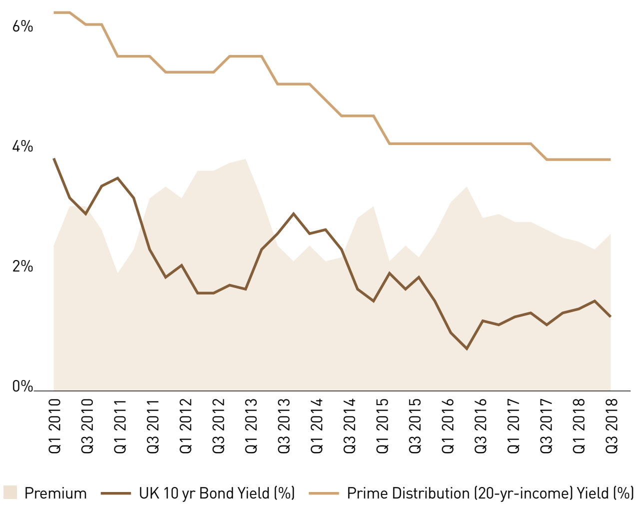
The UK logistics market remains highly sought after by investors, underpinned by a shortage of space and the expanding e-commerce and last mile delivery markets. The market is liquid, with a diverse mix of international investors keen to gain exposure to this sector. Prime assets are targeted by domestic and international investors and strong competition has compressed yields. Unlike the previous market cycle, investors are far less leveraged and the debt borrowing rates are materially lower. In the UK, average loan-to-values were at 58% (mid-year 2018), compared with 73-85% LTV's in 2005/6, (Source: Cass Business School, De Montfort University). Vacancy rates are also lower than during the previous cycle.

Additionally, the return on investment for logistics property relative to the proxy risk-free rate of government bonds remains attractive, despite yield compression. Monetary policy has resulted in a very low interest rate environment. UK 10-year gilts (government bonds) are currently yielding 1.3 per cent (December 2018), while prime distribution warehouses with twenty-year income are offering 4.0 per cent. These low risk-free rates are boosting the premium on offer in real estate. Despite yield compression, logistics property continues to offer a significant premium over the risk-free rate. The spread between well-let logistics properties and other property sectors has narrowed, however the distribution warehouse

INDEPENDENT MARKET STUDY

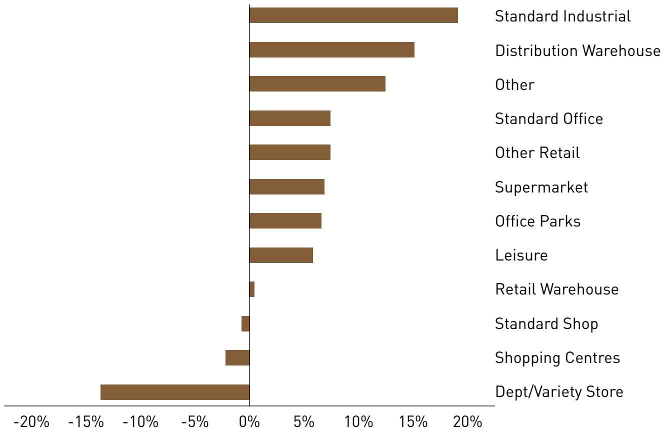
BY KNIGHT FRANK LLP, MARCH 2019

Prime Logistics Yield Premium Over the 10yr Bond Rate (%)



Source: Knight Frank Research, Macrobond

2018 Total Returns by Sector (%)



Source: Knight Frank Research, MSCI
**Other sector includes alternative type properties that do not fall within the standard segmentations, these may include data centres, schools and medical centres etc.*

sector recorded total returns of 14.5% in 2018 compared with 7.3% for standard office and -0.8% for standard retail.

Section 2.4: Outlook

The ongoing growth of the e-commerce is driving occupier demand for logistics properties. The drive to perfect supply chains and centralise inventory, coupled with technological advancements are driving changes to the type and quality of properties in demand by occupiers. The combination of the wider spread adoption of automation and the growth in e-commerce are both driving demand for high quality warehouse and logistics facilities. Increasing levels of centrally held inventory is driving demand for "big box" facilities. Online retail sales require more space than traditional offline sales. The need for this space is exemplified by Amazon, which utilises some of the largest warehouses both in the UK and globally.

Logistics operators are increasingly seeking to centralise their activities in modern logistics facilities. However, an aversion to risk of void on speculatively built space and the relative dearth of appropriate development finance (for schemes without pre-let conditions), combined with high construction costs has dampened speculative development activity in recent years, forcing occupiers to pursue pre-let or build-to-suit solutions.

While a lack of substitute locations will drive up rents, differing approaches to planning, along with availability of land mean that each market has a unique supply dynamic. Locations with tighter planning regulations or a lack of available land will be less able to respond to rising demand and this will push rents higher.

In general, there has been a reduction in the availability of land zoned for industrial land use, particularly around major urban centres, with developers preferring to convert aging industrial properties to higher land value uses such as residential. The reduction in land zoned for industrial use limits the supply response and with strong demand for these locations it is increasingly hard to find and assemble very large sites in some markets. The high power requirements that industrial and logistics properties have is another constraint. Access to reliable, adequate power is a key consideration that can constrain the availability of suitable sites. This is feeding into rising land prices, and will ultimately help drive rental growth. The outlook for rental growth is positive and rents for industrial are expected to outpace those in the retail and office sectors over the next five years. London is expected to lead the way, with the South East and Eastern regions also expected to record robust rental growth. Wales is also expected to record good rental growth, particularly over the next couple of years.

Yields are generally expected to remain flat in 2019. Returns for logistics property are expected to continue outpacing other sectors, although the strong capital value growth recorded in 2018 is forecast to slow.

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.ascendas-reit.com

BOARD OF DIRECTORS

Mr Lim Hock San
Chairman and Independent Director

Mr Miguel Ko
Vice Chairman and Non-executive Director

Mr Manohar Khiatani
Non-executive Director

Mr William Tay Wee Leong
Executive Director & CEO

Mr Chan Pengee, Adrian
Lead Independent Director

Ms Chong Chiet Ping
Independent *Director*

Mr Daniel Cuthbert Ee Hock Huat
Independent Director

Ms Lim Sau Hoong
Independent *Director*

Mr Wong Yew Meng
Independent *Director*

COMPANY SECRETARIES

Ms Mary Judith de Souza
Mr Hon Wei Seng

AUDIT AND RISK COMMITTEE

Mr Chan Pengee, Adrian *(Chairman)*
Mr Manohar Khiatani
Ms Chong Chiet Ping
Mr Daniel Cuthbert Ee Hock Huat
Mr Wong Yew Meng

NOMINATING & REMUNERATION COMMITTEE

Mr Lim Hock San *(Chairman)*
Mr Miguel Ko
Ms Chong Chiet Ping
Ms Lim Sau Hoong

INVESTMENT COMMITTEE

Mr Miguel Ko *(Chairman)*
Mr Lim Hock San
Mr Manohar Khiatani
Mr William Tay Wee Leong
Mr Daniel Cuthbert Ee Hock Huat

UNIT REGISTRAR

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Office Address
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(Singapore) Limited
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#03-01 HSBC Building
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One Raffles Quay
Level 18, North Tower
Singapore 048583
Phone: (65) 6535 7777
Fax: (65) 6532 7662
Partner-in-charge: Simon Yeo
(with effect from financial year
31 March 2019)

SGX CODE

Ascendasreit

STOCK SYMBOL

A17U.SG

CONTENTS

CORPORATE
GOVERNANCE REPORT

Good corporate governance is ingrained in the core values of Ascendas Funds Management (S) Limited (the Manager), the manager of Ascendas Real Estate Investment Trust (Ascendas Reit) and encompasses the implementation of best practices and structures, internal checks and balances, transparency and compliance within Ascendas Reit. The Manager is committed to regularly improving its corporate governance practices. It develops and maintains adequate policies and practices to meet the specific business needs of Ascendas Reit on an ongoing basis.

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

This section sets out the existing corporate governance practices of Ascendas Reit with reference to the Code and relevant regulations. The Manager has adhered to the principles and guidelines of the Code. Where there are deviations from the principles and guidelines of the Code and relevant regulations, such as with respect to remuneration matters, an explanation has been provided in the relevant section.

THE MANAGER OF ASCENDAS REIT

The Manager was appointed in accordance with the terms of the trust deed constituting Ascendas Reit dated 9 October 2002 (as amended) (the Trust Deed).

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

The Manager sets the strategic business direction of Ascendas Reit and makes recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit (Trustee), on new investments, divestments and enhancement of the assets of Ascendas Reit. The Manager is also responsible for the capital and risk management of Ascendas Reit. Other key functions and responsibilities of the Manager include:

1. conducting all transactions on behalf of Ascendas Reit at arm's length, using best endeavours;

2. developing and implementing Ascendas Reit's strategy, business plan and budget;

3. ensuring compliance with prevailing rules and regulations, such as those contained in the listing manual of Singapore Exchange Securities Trading Limited (SGX-ST, and the listing manual of the SGX-ST, the Listing Rules), the Code on Collective Investment Schemes (CIS Code) including the Property Funds Appendix issued by 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, Ascendas Services Pte Ltd (for properties located in Singapore), Ascendas Funds Management (Australia) Pty Ltd and Ascendas Management (UK) Limited together with third party managing agents (for properties located in Australia and the United Kingdom) (collectively known as the Property Managers), that provide property management, marketing and project management services for the properties held by Ascendas Reit, pursuant to the relevant property management agreements or service agreement;

5. maintaining a framework of prudent and effective controls which enable strategic, external, financial, operational, investment and development, regulatory compliance, information technology and sustainability risks to be assessed and managed; and

6. managing regular communications with Unitholders and making necessary announcements in accordance to the Listing Rules.

CORPORATE
GOVERNANCE REPORT

In executing its responsibilities towards Ascendas Reit, the Manager has adopted a set of internal guidelines and financial regulations which sets out approval limits for, amongst others, capital expenditure, new investments and divestments, procurement of goods and services, and the operation of bank accounts.

All the directors of the Manager (the Board or Directors) are competent and experienced individuals who have considerable experience in the real estate industry and/or other relevant fields of business.

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board is responsible for providing oversight of the management and corporate governance of the Manager and Ascendas Reit, including establishing goals for the management team of the Manager (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 Ascendas Reit, including a system of internal controls which enables risks to be assessed and managed.

Ascendas 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 non-regulated internal financial regulations of Ascendas 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:

- investments, 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 of the Board (Chairman) and the CEO.

The Board meets at least once every quarter to review the financial performance of Ascendas Reit and as required by business obligations. The Board also ensures that proper and effective controls are in place to assess and manage the business risks of Ascendas Reit, examines liabilities and comments from the auditors of Ascendas Reit and ensures that measures are implemented to address such recommendations. In each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations. In addition, resolutions in writing are circulated to all Directors for their consideration and approval, except where a Director is required to recuse himself or herself due to a potential conflict of interest situation and as such would be excused from participation. When necessary, additional Board meetings are held to approve transactions or resolve issues. In addition, the Board also meets and reviews annually Ascendas Reit's business strategy, business plan and budget.

The Management monitors changes to regulations, policies and financial reporting standards. Any change that might impact Ascendas 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 practise good corporate governance. The committees established by the Board are:

- Audit and Risk Committee (ARC);
- Investment Committee (IC); and
- Nominating and Remuneration Committee (NRC).

Each of these Board committees operates under delegated authority from the Board and has its own terms of reference, with the Board retaining overall oversight. The Audit Committee (AC) was merged with the Operational Risk Management Committee (ORMC) to form the Audit and Risk Committee (ARC) on 1 July 2018.

Members of the respective committees are:

Board members	ARC	IC	NRC[1]
Mr Lim Hock San[2]		M	C
Mr Miguel Ko		C	M
Mr Manohar Khiatani[3]	M	M	
Mr Chan Pengee, Adrian[4]	C		
Ms Chong Chiet Ping[5]	M		M
Mr Daniel Cuthbert Ee Hock Huat[6]	M	M	
Ms Lim Sau Hoong			M
Mr Teo Choon Chye, Marc[7]	M	M	
Mr Wong Yew Meng[8]	M		
Mr William Tay Wee Leong[9]		M	

Denotes C – Chairman; M – Member

(1) The Nominating, Human Resource and Compensation Committee was re-named as the Nominating and Remuneration Committee (NRC) on 23 April 2018;
(2) Mr Lim Hock San relinquished his role as the Chairman of the ORMC on 1 July 2018;
(3) Mr Manohar Khiatani relinquished his role as a member of the ORMC on 1 July 2018 and was appointed as a member of the ARC on 1 July 2018;
(4) Mr Chan Pengee, Adrian relinquished his role as the Chairman of the AC and as a member of the ORMC on 1 July 2018, and was appointed as the Chairman of the ARC on 1 July 2018;
(5) Ms Chong Chiet Ping relinquished her role as a member of the ORMC on 1 July 2018 and was appointed as a member of the ARC on 1 July 2018;
(6) Mr Daniel Cuthbert Ee Hock Huat was appointed as an Independent Director, and a member of the ARC and the IC on 1 October 2018;
(7) Mr Teo Choon Chye, Marc relinquished his role as a member of the AC on 1 July 2018, and was appointed as a member of the ARC on 1 July 2018. Mr Teo Choon Chye, Marc retired as an Independent Director, and ceased to be a member of the ARC and the IC on 30 September 2018;
(8) Mr Wong Yew Meng relinquished his role as a member of the AC on 1 July 2018, and was appointed as a member of the ARC on 1 July 2018; and
(9) Mr William Tay Wee Leong relinquished his role as a member of the ORMC on 1 July 2018.

CORPORATE
GOVERNANCE REPORT

Members and their respective attendance at the Meetings of Unitholders, Board and Board Committees in FY18/19 are set out below.

	Board		ARC		NRC	AC ORMC	AGM
	No. of meetings held: 6	No. of Ad-Hoc meetings held: 3	No. of meetings held: 6	No. of Ad-Hoc meetings held: 1	No. of meetings held: 1	No. of Ad-Hoc joint meetings held: 1	No. of meetings held: 1
Board Members							
Mr Lim Hock San[1]	6	3	–	–	1	1	1
Mr Miguel Ko[2]	4	3	–	–	1	–	1
Mr Manohar Khiatani[3]	6	3	5	–	–	1	1
Mr Chan Pengee, Adrian[4]	6	2	6	1	–	1	1
Ms Chong Chiet Ping[5]	6	2	5	1	1	1	1
Mr Daniel Cuthbert Ee Hock Huat[6]	4	–	4	–	–	–	–
Ms Lim Sau Hoong	6	3	–	–	1	–	1
Mr Teo Choon Chye, Marc[7]	2	2	2	1	–	–	1
Mr Wong Yew Meng[8]	6	3	6	1	–	1	1
Mr William Tay Wee Leong[9]	6	3	–	–	–	1	1

Notes:
(1) Mr Lim Hock San relinquished his role as the Chairman of the ORMC on 1 July 2018;
(2) On leave of absence with effect from 21 January 2019;
(3) Mr Manohar Khiatani relinquished his role as a member of the ORMC on 1 July 2018 and was appointed as a member of the ARC on 1 July 2018;
(4) Mr Chan Pengee, Adrian relinquished his role as the Chairman of the AC and as a member of the ORMC on 1 July 2018, and was appointed as the Chairman of the ARC on 1 July 2018;
(5) Ms Chong Chiet Ping relinquished her role as a member of the ORMC on 1 July 2018 and was appointed as a member of the ARC on 1 July 2018;
(6) Mr Daniel Cuthbert Ee Hock Huat was appointed as an Independent Director, and a member of the ARC and the IC on 1 October 2018;
(7) Mr Teo Choon Chye, Marc relinquished his role as a member of the AC on 1 July 2018, and was appointed as a member of the ARC on 1 July 2018. He retired as an Independent Director and ceased to be a member of the ARC and the IC on 30 September 2018;
(8) Mr Wong Yew Meng relinquished his role as a member of the AC on 1 July 2018, and was appointed as a member of the ARC on 1 July 2018; and
(9) Mr William Tay Wee Leong relinquished his role as a member of the ORMC on 1 July 2018.

The IC regularly reviewed and approved matters tabled via circulation in FY18/19.

Principle 2: Board Composition and Guidance

The Board presently consists of nine (9) 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 since the Chairman of the Board is independent. The Chairman is Mr Lim Hock San and the Vice Chairman of the Board is Mr Miguel Ko.

The current composition of the Board as a group provides an appropriate balance and diversity of skills, gender, experience, talent and knowledge relevant to Ascendas Reit. The NRC annually examines the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience.

The Board determines on an annual basis whether or not a Director is independent.

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, as well as maintaining effective oversight of the Management. The Board seeks to refresh the Board membership progressively and in a systematic manner. The Board succession planning is carried out through the annual review of the Board composition and/or when an existing Director gives notice of his or her intention to retire or resign.

The NRC has conducted an annual review of the Directors' independence and has made recommendations to the Board on the independence of the Directors. The NRC assesses the independence of each Director in accordance with the guidance in the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations and the Listing Rules. An independent director is one who is independent in conduct, character and judgment and:

(a) has no relationship with the Manager, its related corporation and its shareholders who hold 10% or more of the voting shares of the Manager, or Unitholders who hold 10% or more of the units in Ascendas Reit (Units) in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgment in the best interests of the Unitholders;

(b) independent from the management of the Manager and Ascendas Reit, from any business relationship with the Manager and Ascendas Reit and from every substantial shareholder of the Manager and every substantial Unitholder;

(c) is not a substantial shareholder of the Manager or a substantial Unitholder;

(d) has not served on the Board for a continuous period of nine years or longer; and

(e) is not employed by the Manager or Ascendas Reit or their related corporations in the current or any of the past three financial years and does not have an immediate family member who is employed or has been employed by the Manager or Ascendas Reit or their related corporations for the past three financial years and whose remuneration is determined by the NRC.

The NRC has established a process for assessing the independence of the Directors. As part of the process:

(i) each relevant non-executive Director provides information on his or her business interests and confirms, upon appointment, as well as on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business judgment in the best interests of the Unitholders and such information is then reviewed by the NRC; and

(ii) the NRC also reflects on the respective Director's conduct and contributions at the Board and Committee meetings, specifically if he or she has exercised independent judgment in discharging his or her responsibilities.

The NRC has carried out an assessment of each of the Directors for FY18/19 and the outcome of the assessment is listed below.

Each of Mr Chan Pengee, Adrian and Mr Daniel Cuthbert Ee Hock Huat is a non-executive, independent director of various subsidiaries and/or associate corporations of Temasek Holdings Private Limited (Temasek). Temasek is a substantial shareholder of the Manager, and is also a substantial Unitholder. Each of Mr Chan Pengee, Adrian and Mr Daniel Cuthbert Ee Hock Huat's role in these corporations is non-executive in nature and they are not involved in the day-to-day conduct of these corporations.

CORPORATE
GOVERNANCE REPORT

The NRC has also considered the conduct of Mr Chan Pengee, Adrian and Mr Daniel Cuthbert Ee Hock Huat in the discharge of their responsibilities as Directors and is of the view that the relationships set out above did not impair their abilities to act with independent judgment in the discharge of their responsibilities as Directors. As at the last day of FY18/19, the Board is satisfied that the respective Directors were able to act in the best interests of the Unitholders and they do not have any other relationships save for those disclosed above. The Directors were also not faced with any circumstances identified under the Code, Listing Rules or any other regulations which may affect their independent judgment.

Mr Lim Hock San, Ms Chong Chiet Ping, Ms Lim Sau Hoong and Mr Wong Yew Meng do not have any relationships nor were faced with any circumstances identified under the Code, Listing Rules or any other regulations which may affect their independent judgment.

Each of the above Directors had recused himself or herself from the Board's deliberations on his or her independence.

Each of the Directors will recuse himself or herself from participating in any of the Board deliberation on any transactions that could potentially give rise to a conflict of interest. It was noted that all of the current Directors have served on the Board for fewer than nine years as at the last day of FY18/19.

Based on the NRC's recommendations and in addition to the requirements under the Code, the Board also assessed the independence of each Director in accordance with the enhanced independence requirement for REIT Managers as implemented by the MAS and is of the view that the following Directors presently on the Board are independent:

- Mr Lim Hock San – Chairman
- Mr Chan Pengee, Adrian
- Ms Chong Chiet Ping
- Mr Daniel Cuthbert Ee Hock Huat
- Ms Lim Sau Hoong
- Mr Wong Yew Meng

Mr Miguel Ko, Mr Manohar Khiatani and Mr William Tay Wee Leong are non-independent Directors. Mr Miguel Ko is the Group CEO of Ascendas-Singbridge Pte Ltd (Ascendas-Singbridge), the parent company of the Manager and a deemed controlling Unitholder. Mr Manohar Khiatani is the Deputy Group CEO of Ascendas-Singbridge. Mr William Tay Wee Leong 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.

In 2019, the Board approved the adoption of a formal Board Diversity Policy, setting out its policy and framework for promoting diversity on the Board. The Board recognised the importance of a diverse Board which will support the Manager's achievement of its strategic objectives for sustainable development. This could be achieved by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity, culture, geographical background, nationalities, tenure of service and other distinguishing qualities of the Directors.

CORPORATE **GOVERNANCE REPORT**

The Board actively participates 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 the Board is 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. In the year under review, the Directors have provided valuable inputs on the business strategies, and also reviewed and evaluated the performance of the Management.

Principle 3: Chairman and Chief Executive Officer

The Chairman and the CEO are two separate persons and are not immediate family members. 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 Directors work together with the Management in a constructive manner to address strategic, business, operational, capital management, risk, corporate governance and financial issues. At the 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 that there is constructive dialogue among Unitholders, the Board and the Management.

Although the recommendation under the Code for a lead independent Director is not applicable, the Board has approved the appointment of a lead independent Director, on the basis that such lead independent Director would provide leadership for the other independent Directors only in the limited situation(s) where the Chairman is conflicted. This was done with a view to further strengthen the independence of the Board. The lead independent Director is Mr Chan Pengee, Adrian.

Mr William Tay Wee Leong, the CEO of the Manager, together with the Management, has full executive responsibilities over the business direction and operational decisions in managing Ascendas Reit.

Principle 4: Board Membership

The Manager has established the NRC which comprises four Directors, the majority of whom, including the chairman, are independent.

The NRC is responsible for all Board appointments as well as re-appointments and succession planning for the Board. In determining whether to re-appoint a Director, the NRC considers the following:

- whether the Director has given sufficient time and attention to the affairs of the Manager and Ascendas Reit, in particular, when a Director holds other directorships; and

- whether the Director is able to and has been adequately carrying out his/her duties as a Director.

The NRC is responsible for reviewing the succession plans for the Board and senior management, and has put in place a formal process for Board renewal and selection of new Directors. The NRC leads the process and makes recommendations to the Board as follows:-

1. the NRC reviews the balance and diversity of skills, experience, gender and expertise required by the Board, as well as the optimal size of the Board required to facilitate decision-making;

2. following such review and in consultation with Management, the NRC assesses the relevant attributes and corresponding representation and desired profile, underpinning any particular appointment or re-appointment;

3. external support (for example, search consultants) may be used to source for potential candidates if required. Directors and the Management may also make suggestions;

4. suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. The NRC meets shortlisted candidates to assess suitability, and to ensure the candidates are aware of the level of commitment required; and

5. the NRC recommends the proposed appointee(s) for the Board's consideration. New Directors are formally appointed by way of Board resolutions.

The appointment and/or re-appointment of Directors is subject to the approval of the shareholders of the Manager and the MAS.

The NRC has adopted internal guidelines to address the issue of competing time commitments when Directors serve on multiple boards and/or have other principal commitments. After taking into account the results of the annual assessment of the effectiveness and performance of the individual Director and the respective Directors' actual conduct on the Board, the NRC is satisfied that all Directors have effectively carried out their duties as Directors, notwithstanding their other board representations and 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 efforts to carry out their duties and responsibilities effectively.

Upon their appointment to the Board, the newly appointed Directors are given formal letters setting out Directors' duties, obligations and responsibilities, together with the Trust Deed and other relevant information and documentation relating to the Manager and Ascendas Reit. The Manager conducts a comprehensive induction programme to familiarise new Directors with its business and governance practices to enable them to assimilate into their new roles. The induction programme is conducted by the CEO and senior management, and focuses on the business activities of Ascendas Reit, its business plan, the regulatory environment in which the Manager operates in, its corporate governance practices, and their statutory duties and responsibilities as Directors. The induction programme also allows the new Directors to be acquainted with senior management, thereby facilitating Board interaction and independent access to senior management. First-time Directors are also provided training in areas such as accounting, legal and industry-specific knowledge, as appropriate. All 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.

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During the financial year ended 31 March 2019, the development/training programmes for Directors included the following:

- Anti-bribery and corruption seminar arranged by an external law firm.
- Seminar on business and technology updates presented by a major financial institution.
- Various forums and dialogues with experts and business leaders on issues relevant to the REIT.

The NRC reviews the existing directorships annually. Renewal beyond a term of six years will be on an exceptional basis in order to encourage refreshment and renewal of the Board. In the year under review and pursuant to the recommendation of the Code, none of the independent Directors have served on the Board for more than nine years from the date of their first appointment and no alternate Directors were appointed.

Key information regarding the Directors, such as their academic and professional qualifications, the Board committees served on, the date of first appointment as a Director and directorships, both present and those held over the last three years in other listed companies and other major appointments are disclosed on pages 18 to 26 of the Annual Report.

Principle 5: Board Performance

The NRC has developed a process for evaluating the performance of the Board as a whole, the respective Board committees and the contribution by each Director to the effectiveness of the Board.

The performance of the Board and the respective Board committees are 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 or her personal and confidential assessment of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities. The assessment provides insights into the functioning of the Board, whilst identifying areas that might need strengthening and further development. Based on the responses to the Questionnaire returned by each Director, a consolidated report is prepared and presented to the NRC and the Board. The NRC will evaluate the responses and provide its comments and recommendations to the Board on any changes that should be made to help the Board in discharging its duties more effectively.

The annual assessment of the Board and the respective Board Committees' performance for FY18/19 has been carried out and no external facilitator was used for the FY18/19 review. Based on the Board assessment exercise, the Board is of the view that the Board and the respective Board Committees have met the 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 Ascendas Reit, and the Manager on a regular basis. Such information includes Board papers and related materials, background or explanatory information relating to matters to be brought before the Board and copies of quarterly internal financial statements, budgets, forecasts and disclosure documents.

Directors are provided with tablet devices as part of the Manager's sustainability efforts to enable them to access and read Board and Board committee papers prior to and during meetings.

As a general rule, Board papers are sent to the Directors at least five days before the Board meeting so that the Directors may better assess the matters tabled, and discussions at the Board meeting may be focused on questions and issues that the Directors may specifically raise. Parties who can provide relevant information on matters tabled at the Board meetings will attend the meetings to provide any further information that may be required. The Board has separate and independent access to the Management for further clarification if required.

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

A Board strategy meeting is organised annually for the Board and the Management to discuss strategic issues and formulate plans pertaining to Ascendas Reit. Where appropriate, the Management arranges for the Directors to visit Ascendas Reit's properties and meet with key tenants and business associates in order to provide the Directors with a better understanding of the business of Ascendas Reit.

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

The Company Secretary prepares minutes of the Board meetings and proceedings of all Board committees. He or she assists the Chairman and the Board committees in ensuring that proper procedures are followed and that the Manager's Constitution, the Board 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 directions of the Chairman and the Board committees, the Company Secretary is responsible for ensuring information flows within and among the Board, the Board committees and the Management. He or she also works with the Management to ensure that the Board and Board committee papers are provided to each Director ahead of all Board and Board committee meetings. In the year under review, the Company Secretary has attended all Board and Board committee meetings. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

The CEO, Chief Financial Officer (CFO) 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 Directors, key executive officers and staff of the Manager are paid by the Manager.

The Manager has established the NRC which comprises four Directors, the majority of whom, including the chairman, are independent. The members of the NRC are Mr Lim Hock San (chairman), Ms Chong Chiet Ping, Mr Miguel Ko and Ms Lim Sau Hoong. The NRC has clear terms of reference. Its primary duty and responsibility is to oversee the establishment of an appropriate remuneration policy and framework, provide oversight on the framework of remuneration for the Board and the key executive officers and review and endorse the specific remuneration package for each Director and the top five key executive officers, including the CEO. The NRC reviews and approves proposals on the remuneration policy and framework of the Manager and has access to independent expert advice from external consultants whenever required.

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

- a Director's responsibilities and contributions; and
- industry practices and norms on remuneration, including the guidelines set out in the Statement of Good Practice issued by the Singapore Institute of Directors.

The underlying principles governing the Manager's remuneration policy for its key executive officers are as follows:

(i) reward and motivate employees to work towards achieving the strategic goals and business results of Ascendas Reit and the Manager; and

(ii) enhance the retention of key talents to build strong organisational capabilities and ensure competitive remuneration relative to the appropriate external talent markets.

The Manager advocates a performance-based remuneration system, relying on both financial and non-financial key performance indicators for the key executive officers of the Manager. The NRC is also responsible for approving all key performance indicators and targets to drive the performance of Ascendas Reit and the Manager. The remuneration structure is designed with the objective of retaining, rewarding and motivating each individual to stay competitive and relevant. In arriving at the annual remuneration package for its top five key executive officers, including the CEO, the NRC takes into consideration the remuneration policy and framework, performance of the Manager in relation to the approved key performance indicators and reference to compensation benchmarks within the industry, as appropriate. After the end of the financial year when the results of the key performance indicators are known, the resultant performance incentives are reviewed together with the relevant compensation benchmarks before approval by the NRC.

For FY18/19, the total remuneration mix of the top five key executive officers (including the CEO) comprises a fixed annual salary, short-term incentives including benefits and long-term incentives as set out below:

(i) the fixed annual salary includes a base salary, fixed allowances and compulsory employer's CPF contribution;

(ii) the short-term incentive is linked to the performance of Ascendas Reit and each individual. The key performance indicators of Ascendas Reit include Distributable Income and Net Property Income which are aligned to the interests of the Unitholders; and

(iii) the long-term incentive is tied to the Sponsor's performance which is measured by the Sponsor's Total Shareholders' Return. The Sponsor's Total Shareholders Return is defined as the growth in the shareholders fund over the performance period of the long-term incentive grant. As the Manager is a wholly-owned subsidiary of the Sponsor, employees of the Manager are part of a larger group which allows the Manager to increase its flexibility and effectiveness to reward and motivate them with better career prospects. 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 sustainable long-term business growth of Ascendas Reit. Therefore, the rationale for granting the long-term incentive is aligned with Unitholders' interests. The long-term incentive payout is conditional upon the achievement of pre-determined Total Shareholder Return targets, set by the board of Ascendas-Singbridge for a performance period of three years, which includes the performance and growth of Ascendas Reit. The long-term incentive component in the key executive officers' remuneration package would also be reviewed annually to ensure compliance with the applicable notices and guidelines issued by the MAS.

Further information on remuneration matters are disclosed in compliance with the requirements of the Alternative Investment Fund Managers Directive (AIFMD). The Manager is required under the AIFMD to make quantitative disclosures on remuneration in relation to the following:

(a) the staff of the Manager;

(b) staff who are senior management; and

(c) staff who have the ability to materially affect the risk profile of Ascendas Reit.

The aggregate amount of remuneration awarded by the Manager to its 78 staff (including CEO and non-executive Directors) in respect of the Manager's financial year ended 31 March 2019 was $16.27 million. This figure comprised fixed pay of $10.18 million and variable pay of $6.09 million. In respect of the Manager's financial year ended 31 March 2019, the aggregate amount of renumeration awarded by the Manager to its senior management (which are also members of staff whose actions have a material impact on the risk profile of Ascendas Reit) was $3.85 million, comprising 8 individuals identified having considered their roles and decision-making powers.

The NRC is of the view that the remuneration for FY18/19 is aligned to the performance of the Manager and that all of the performance conditions used to determine the remuneration of Directors and the top five key executive officers (including the CEO) of the Manager were met.

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The Code and the Notice to All Holders of a CMS licence for Real Estate Investment Trust Management 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.

The Manager has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the top five key executive officers of the Manager whether in bands of S$250,000 or on a quantum basis, and (c) to disclose the total remuneration of the top five key executive officers (including the CEO) of the Manager. The Manager's decision takes into consideration the sensitive and confidential nature of remuneration matters and the importance of the continuity of a stable management team in the competitive environment in which the Manager operates. The Manager is of the view that disclosure in such manner is not prejudicial to the interests of the Unitholders as the indicative range for the CEO's remuneration as well as the total remuneration of the top five key executive officers (including the CEO) are made known to the Unitholders. In addition, there is sufficient information provided on the Manager's remuneration framework to enable the Unitholders to understand the link between Ascendas Reit's performance and the remuneration of the top five key executive officers (including the CEO). Lastly, the remuneration of the top five key executive officers (including the CEO) of the Manager is paid out of the fees that the Manager receives (of which the quantum and basis have been disclosed), rather than the assets of Ascendas Reit.

Remuneration of the Directors and the top five key executive officers (including the CEO) of the Manager is paid in cash. There were no employees of the Manager who were immediate family members of a Director or the CEO in FY18/19. 'Immediate family member' refers to spouse, child, adopted child, step-child, sibling or parent of the individual.

No compensation is payable to any Director, key executive officer or staff of the Manager in the form of options in Units or pursuant to any bonus or profit-sharing plan or any other compensation relating to any profit-linked agreement or arrangement, under the service contracts.

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Directors' Fees[1]

Directors' fees are reviewed and endorsed by the NRC. The framework for determining the Directors' fees is shown in the table below:-

Main Board	Chairman	S$50,000 per annum
	Director	S$40,000 per annum
	Lead Independent Director	S$10,000 per annum
Audit Committee	Chairman	S$30,000 per annum
(up to 30 June 2018)	Member	S$15,000 per annum
Audit and Risk Committee	Chairman	S$40,000 per annum
(wef 1 July 2018)	Member	S$20,000 per annum
Investment Committee	Chairman	S$20,000 per annum
	Member	S$10,000 per annum
Nominating and Remuneration Committee	Chairman	S$20,000 per annum
	Member	S$10,000 per annum
Operational Risk Management Committee	Chairman	S$10,000 per annum
(up to 30 June 2018)	Member	S$5,000 per annum

The fees[1] payable/paid to the Directors for FY18/19 and FY17/18 are as follows:-

Board Members	FY18/19	FY17/18
Mr Lim Hock San	S$137,500	S$116,500
Mr Koh Soo Keong[2]	–	S$71,000
Mr Miguel Ko[3]	S$78,000	S$85,000
Mr Manohar Khiatani[3]	S$83,750	S$71,000
Mr Chan Pengee, Adrian	S$100,950	S$94,500
Ms Chong Chiet Ping	S$85,250	S$73,500
Mr Daniel Cuthbert Ee Hock Huat[4]	S$46,500	–
Ms Lim Sau Hoong	S$63,500	S$65,500
Mr Teo Choon Chye, Marc[5]	S$39,500	S$83,000
Mr Wong Yew Meng	S$78,750	S$72,500
Mr William Tay Wee Leong	N.A.	N.A.

N.A.: Not Applicable

Notes:

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

(2) Mr Koh Soo Keong retired as director on 30 September 2017 and ceased to be Chairman of the Board, Chairman of the NRC and the ORMC and a member of the IC on the same day.

(3) The Director's fees for Mr Miguel Ko and Mr Manohar Khiatani (payable to Ascendas Investment Pte. Ltd.) (AIPL), a wholly-owned subsidiary of Ascendas Pte Ltd, were waived by AIPL.

(4) Mr Daniel Cuthbert Ee Hock Huat was appointed as a Director and a member of the ARC and the IC on 1 October 2018.

(5) Mr Teo Choon Chye, Marc retired from the Board on 30 September 2018 and ceased to be a member of the ARC and the IC on the same day.

The remuneration of the CEO in bands of S$250,000, and a breakdown of the remuneration of the top five key executive officers (including the CEO) of the Manager in percentage terms, are provided below:-

Key Executive Officers' Remuneration for FY18/19

Total Remuneration Bands	Fixed Compensation and Employer's CPF[1]	Short-term Incentives and Employer's CPF[2]	Long-term Incentives[3]	Total
Above $1,000,000 to $1,250,000				
Mr William Tay Wee Leong, CEO	37%	61%	2%	100%
Key Executive Officers (excluding CEO)				
Ms Koo Lee Sze Ms Serena Teo[4] Ms Karen Lee[5] Mr Lawden Tan Mr Paul Toussaint	55%	43%	2%	100%
Total for top five key executive officers (including CEO):		**$3,642,129**		

Notes:
(1) The amount disclosed includes the base salary, allowances, other fixed benefits and employer's CPF contributions accrued for FY18/19.
(2) The amount disclosed includes bonuses and other variable benefits accrued for FY18/19.
(3) This refers to the FY18/19 grant. The payout will be based on the achievement of pre-determined performance targets over a period of three years.
(4) Ms Serena Teo was appointed as Head of Singapore Portfolio and Asset Management with effect from 1 September 2018. The total remuneration disclosed was pro-rated based on her service period.
(5) Ms Karen Lee's (previously Head of Singapore Portfolio and Asset Management) last day of service was 19 November 2018. The total remuneration disclosed was pro-rated based on her service period. Her eligibility for both FY18/19 short-term incentives and long-term incentives granted during the year with the Manager shall lapse in accordance with the Manager's policy.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is responsible for presenting a balanced and comprehensive assessment of Ascendas 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 matter, the 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, Ascendas Reit's website, media and analyst briefings.

Management provides all members of the Board with management reports including relevant 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 Ascendas Reit.

The Manager had, pursuant to the Listing Rule 720(1), received undertakings from all its Directors and key management that they each shall, in the exercise of their powers and duties as Directors and officers comply to the best of their endeavours with the provisions of the Listing Rules, the SFA, the Code on Takeovers & Mergers and the Companies Act.

Principle 11: Risk Management and Internal Controls

Risk Management

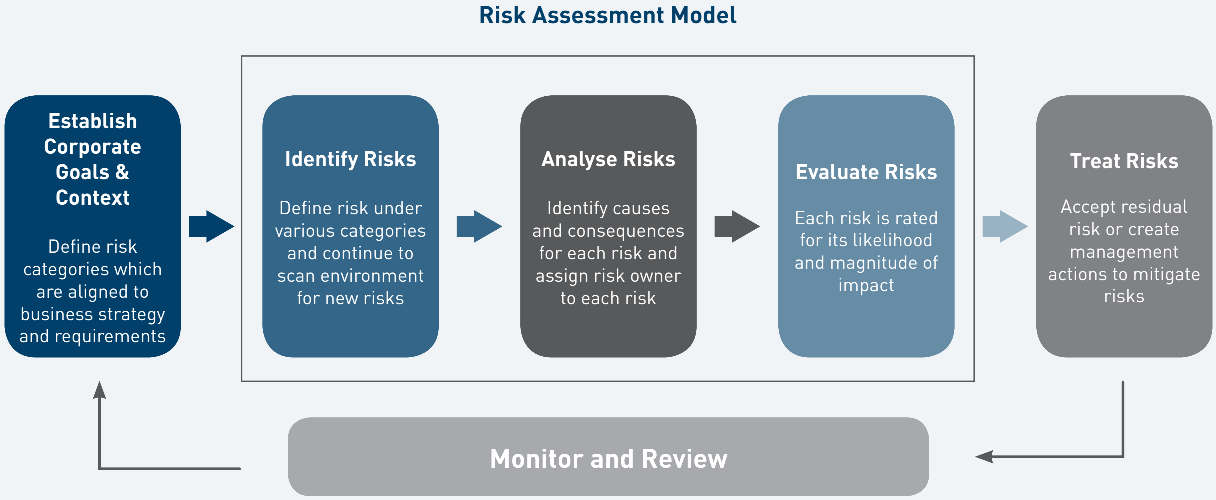
Risk Management is the cornerstone of the Manager's strategy to deliver sustainable distributions. The Board recognises its responsibility for the governance of risks and ensures that the Management maintains a sound system of risk management and internal controls for good corporate governance, and is supported by the ARC in managing risks. The Management maintains a structured Enterprise Risk Management (ERM) framework for Ascendas Reit and its subsidiaries (Group). The ERM framework provides a systematic process for identifying, assessing, treating, monitoring and reporting key risks; and aims to reduce uncertainty, improve preparedness and heighten awareness of risks to Ascendas Reit as it executes its strategies. The Board, with the assistance of the ARC, reviews the ERM framework, determines the risk appetite and ensures that there are relevant mitigation strategies and controls set up to manage risks.

The ARC has oversight of Ascendas Reit's ERM, reviews and guides the Management in the design and formulation of Ascendas Reit's risk management policies and processes to effectively identify, evaluate and manage any material risks and ensure that a robust risk management and internal control system is maintained. On a quarterly basis, the ARC is updated on Ascendas Reit's overall risk profile and key risk areas. Any changes to the ERM framework, risk policies, risk parameters and risk profiles will also be discussed with the ARC during the quarterly and additional scheduled meetings. The ARC reports to the Board on material findings and makes recommendations in respect of any material risk issues.

Ownership of risks lies with the Management and the day-to-day management of risks is embedded into key organisational processes such as planning, budgeting and performance management activities. Meetings are held periodically to discuss and deliberate current and emerging risk issues, the nature and extent of risks, risk-related incidents, effectiveness and efficiency of existing internal controls, status of action plans for treating risks and key risk indicators. The Manager maintains and updates a risk register that documents key risks, the internal controls in place to mitigate those risks and establishes key risk indicators for monitoring, which is submitted to the ARC and the Board on a quarterly basis. The quarterly risk reports will be relied upon as part of the basis for the Board and the ARC to assess the adequacy and effectiveness of the risk management and internal control systems.

In addition, the Management and the Board review key transactions relating to the Manager and Ascendas Reit, and the Group's external and internal auditors review the financial statements and internal controls covering key risk areas.

Risk Management Process



The key risks identified include but are not limited to:

Strategic Risks

The Manager is cognisant of risks that will impact fulfilling the vision and mission of Ascendas Reit, and the achievement of its strategic objectives. The value of the properties and the rental income may be affected by factors such as globalisation, political stability, changes in legislation and regulatory environment, and real estate market conditions, including the demand, supply and attractiveness of competing business spaces and industrial properties, and disruptive business models. The Manager continually monitors developments in the economic, political, technological and real estate market landscape in the countries where the Group invests and operates in and adjusts its strategies as necessary to mitigate risks or exploit opportunities.

External Risks

Ascendas Reit's portfolio comprises properties located in Singapore, Australia and the United Kingdom, which exposes Ascendas Reit to fluctuations in economic and real estate market conditions in these countries. The Manager conducts regular country and market research and adopts a disciplined investment strategy in maintaining a well-diversified and high quality portfolio to manage such risks.

Investment and Development Risks

The Manager acquires properties and undertakes development projects to promote sustainable growth of Ascendas Reit.

The Manager adheres to a stringent set of policies and procedures and conducts comprehensive due diligence, which addresses the legal, financial and physical property aspects, when evaluating all investment activities. The Manager's investment criteria include targeted yields and returns, financial impact, assets' quality and locations of the properties. The overall market conditions and risks of the property, economy and country, where applicable, are also taken into consideration when evaluating the investment activities. New development projects usually take a few years to complete, depending on the project size and complexity. To mitigate the risk of delays in development, the Manager has put in place stringent pre-qualifications of consultants and contractors. The Manager also conducts regular reviews on the progress of the development projects.

Financial Risks

The key financial risks include funding (liquidity and interest rate) risks and foreign exchange risks. The Manager regularly reviews Ascendas Reit's debt and capital management profile and provides updates to the Board during the quarterly meetings. A system of controls is in place to maintain an acceptable balance between the benefits derived from managing risks and the costs of managing them. The Manager mitigates funding risks by diversifying the sources of funding and ensuring a well-spread debt maturity profile. Exposure to interest rates and foreign exchange volatilities are mitigated via the fixed-rate management policy, interest rate, cross currency and forward swaps.

Operational Risks

This refers to risks relating to business operations, such as asset and property management, outsourcing and procurement, that result from inadequate or failure of internal processes, people or systems. Asset management is an important aspect of the Manager's role in ensuring sustainable returns throughout the life cycles of the properties. Strong competition, asset positioning, poor economic and market conditions are some of the key factors that may pose challenges in attracting and retaining tenants. Catastrophic events could result in business disruption, financial losses or even loss of lives.

To deal with such challenges, the Manager carries out regular reviews on asset positioning and pricing strategy and determines appropriate actions to be taken. Asset enhancement and transformation projects are also carried out from time to time to maintain the relevance and competitiveness of the properties. In addition, the Manager has also established a diversified tenant base across multiple sectors, with proactive tenant management strategies in place to mitigate leasing risk. The Manager also has oversight of the Property Manager to ensure that agreed performance indicators are met.

Other activities to mitigate operational risks include periodic meetings with relevant stakeholders to review and resolve operational issues, regular reviews of the Standard Operating Procedures (SOP) and benchmarking against industry best practices where appropriate. Internal audits and control self-assessments are also carried out periodically to review compliance with the SOPs, and identify and rectify any gaps. The Property Managers also conduct regular site inspections, audits and monthly reviews to ensure the safety of Ascendas Reit's tenants, contractors, employees and visitors. A business continuity plan is in place and is reviewed and tested regularly to minimise the impact of potential operational disruptions to critical business activities during catastrophic events. Adequate insurance coverage is also procured to protect against unforeseen losses.

Service providers and suppliers are subject to a stringent procurement process, which includes screening of their financials, health and safety records in order to mitigate outsourcing risks which may be caused by unsatisfactory levels of service or quality of work and failure to perform. Annual reviews are carried out on material outsourcing arrangements to assess if material outsourced service providers are fulfilling their obligations on an ongoing basis.

Regulatory Compliance Risks

As a listed entity, Ascendas Reit is accountable to its investors and regulators. Therefore, it has zero tolerance for governance-related risks. The Manager is responsible for ensuring compliance with prevailing laws and regulations such as the Listing Rules, the CIS Code and regulations issued by the relevant local tax authorities. Non-compliance may result in penalties, fines and even revocation of the Manager's CMS licence. The Manager has in place internal controls and procedures to embed compliance into its day-to-day operations and also proactively identifies applicable new rules and regulations and changes to existing rules and regulations. All new employees are briefed on the employee code of conduct during their induction programme. The anti-bribery policy and whistle-blowing procedures are periodically communicated to the employees, and are readily available to employees in a shared portal. Ascendas-Singbridge and its group of companies also conduct relevant compliance related trainings regularly via E-learning and sharing sessions.

Information Technology (IT) and Cybersecurity Risks

IT risks comprise the loss or leakage of information, system downtime and lack of or inadequate IT infrastructure security improvement. The IT team from the Sponsor has put in place policies and procedures to govern IT security, access controls and the security of data and defence mechanism against threats from hackers, malwares, email phishing etc. In addition, a Disaster Recovery Plan is in place and it is tested regularly.

Sustainability Risks

Sustainability risks are risks that arise out of uncertainties in the long-term continuity of the business due to significant negative impact from Economic, Environmental, Social and Governance (EESG) related factors. The Manager recognises the importance of addressing such issues in relation to Ascendas Reit's vision to be a leading global real estate investment trust, and mission to deliver predictable distributions and achieve long-term capital stability for Unitholders.

In FY17/18 Ascendas Reit published its first Integrated Sustainability Report (ISR) in accordance with the Listing Rule 711(B), Global Reporting Initiative (GRI) Standards – "Core", and GRI's Construction & Real Estate Sector Supplement, which also embodied elements of the Integrated Reporting Framework of the International Integrated Reporting Council, and Sustainability Development Goals of the United Nations. For more information on how Ascendas Reit identifies and addresses sustainability issues, please refer to Ascendas Reit's ISR FY18/19.

Internal Controls

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

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

The ARC 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 to the ARC on any material non-compliance or weaknesses in internal controls and make recommendations to improve the internal controls. The ARC 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 to the ARC and the Board, nothing material has come to the attention of the ARC and the Board to cause the ARC and the Board to believe that the internal controls and risk management processes are unsatisfactory.

The Management meets regularly to review the operations of the Group. The Manager has documented procedures that cover financial reporting, new investments and developments, 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 decisions on property transactions and carefully examines whether the anticipated return on investment is appropriate relative 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 property transaction.

In assessing business risks, the Board also considers the economic environment and property industry risks. The Board, at times supported by the Investment Committee, reviews and approves all investment decisions.

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 and/or other matters. The ARC is kept informed of all concerns raised in whistleblowing channels. To facilitate the reporting of possible illegal, unethical, or improper conduct when the normal channels of communication have proven ineffective or difficult, with the assurance that reports made will be managed objectively, the Manager has engaged Deloitte and Touche LLP to provide independent hotline and online reporting channels. These channels are available for use by all employees and outside parties, such as suppliers, contractors, tenants and other stakeholders, to report any concern regarding irregularities or questionable behaviour of an employee, service provider or associate. Reports can also be made directly to the ARC. All reports are handled confidentially, to the extent permitted by law and consistent with the Manager's requirement to investigate and address the reported conduct. The Whistleblowing Policy is accessible on Ascendas Reit's website at https://www.ascendas-reit.com/en/the-manager/corporate-governance/whistleblowing-policy.

Directors' Opinion on Internal Controls

The CEO and the CFO 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, the financial records have been properly maintained and the financial statements give a true and fair view of Ascendas 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 the systems of internal controls, including financial, operational, regulatory compliance, IT controls and risk management systems of Ascendas Reit, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management processes are performed by key executive officers of the Manager with oversight by the ARC.

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 practices 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 CFO of the Manager that:

(i) the financial records have been properly maintained and the financial statements for FY18/19 give a true and fair view of Ascendas Reit Group's operations and finances; and

(ii) the system of risk management and internal controls to address financial, operational, regulatory compliance, IT and sustainability risks which the Manager considers material to the current business environment is adequate and remains effective.

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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 the Management, the ARC and the Board, the assurance from the CEO and the CFO, the Board concurs with the ARC and is of the opinion that the system of risk management and internal controls addressing financial, operational, regulatory compliance, IT and sustainability risks of the Group were adequate and effective as at 31 March 2019 in addressing material risks.

Principle 12: Audit Committee

The Board appoints the ARC from among the Directors, a majority of whom (including the chairman of the ARC) are independent Directors. The members of the ARC are Mr Chan Pengee, Adrian (chairman), Ms Chong Chiet Ping, Mr Daniel Cuthbert Ee Hock Huat, Mr Manohar Khiatani and Mr Wong Yew Meng.

The Board is of the view that the members of the ARC bring with them invaluable recent and relevant managerial and professional expertise in accounting and financial management, as well as legal expertise and experience, and hence are appropriately qualified to discharge their responsibilities. Mr Chan Pengee, Adrian is a qualified lawyer with considerable experience and expertise, including his appointment as board member of the Accounting and Corporate Regulatory Authority (ACRA), as well as Chairman of ACRA's Audit Committee. He also sits on the audit committees of several companies listed on the Singapore Exchange (SGX), and the Corporate Governance and Regulations Committee of the Singapore International Chamber of Commerce. Mr Chan Pengee, Adrian has contributed considerably to the development of Corporate Governance standards in Singapore. He was appointed to the Corporate Governance and Directors' Duties Working Group of the Steering Committee that was established by the Ministry of Finance to review and rewrite the Companies Act of Singapore and was also appointed to the Audit Committee Guidance Committee, established by the MAS, the ACRA and the SGX to develop practical guidance for audit committees of SGX-listed companies and raise corporate governance standards. In addition to being the Head of the Corporate Department and a Senior Partner at Lee & Lee, Mr Chan Pengee, Adrian is also a member of his firm's Executive Committee which is responsible for the firm's financial performance and accordingly, he has relevant financial management expertise and experience. Mr Manohar Khiatani is the Deputy CEO of Ascendas-Singbridge and makes financial and executive decisions for Ascendas-Singbridge and its group of companies. Ms Chong Chiet Ping also possesses the relevant expertise through her investment with new start-up companies which includes helping the companies identify investors and advising them on their financial management and operations. Mr Wong Yew Meng has extensive accounting and financial management expertise and experience from his previous role as an audit Partner. Mr Daniel Cuthbert Ee Hock Huat has extensive financial management expertise and experience from his previous role as a senior banker and from serving as chairman and member of audit committees of public companies, both listed and unlisted.

The core functions and the responsibilities of the ARC are set out in the ARC'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 internal and external auditors and the remuneration of the internal and external auditors. The ARC is responsible for the nomination of internal and external auditors and the review of the adequacy of existing audits in respect of cost, scope and performance. The ARC reviews the quality and reliability of information prepared for inclusion in financial reports. The ARC also reviews the quarterly and annual financial statements before submission to the Board for approval, including the interested party transactions (IPTs). The ARC has authority to investigate any matter within its terms of reference, has full access to and the co-operation of the Management and full discretion to invite any Director or executive officer to attend its meetings. The ARC also has reasonable resources to enable it to discharge its functions properly.

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For the year under review, the ARC has conducted a review of all non-audit services provided by the external auditors. The Manager has communicated with the ARC the nature of non-audit services provided by the external auditors and informed the ARC that majority of the non-audit services provided during the year under review were related to due diligence of potential acquisitions and were non-recurring in nature. The ARC obtained the external auditor's confirmation that all the non-audit work was performed by different teams with different partners from the statutory audit team. The external auditor confirmed its compliance with internal procedures to safeguard their independence during the audit. The ARC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of the audit fees paid and payable by Ascendas Reit and its subsidiaries to the external auditors for FY18/19 was S$1,615,480, of which audit and non-audit fees amounted to S$444,000 and S$1,171,480 respectively. The ARC assesses the external auditor based on factors such as the performance and quality of its audit and the independence of the auditor. In appointing the audit firm for Ascendas Reit, the ARC is satisfied that Ascendas Reit has complied with the requirements of Listing Rules 712 and 715.

ARC meetings are generally held after the end of every quarter before the official announcement of financial results in relation to that quarter. The ARC members are kept updated whenever there are changes to the accounting standards or issues that may have a material impact on the financial statements of Ascendas Reit.

In the review of the financial statements, the ARC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the external auditor and reviewed by the ARC:

Significant matter	Review and Decision by the ARC
Valuation of investment properties	The annual valuation for the 171 investment properties in Ascendas Reit's portfolio as at 31 March 2019 was performed by seven independent external professional property valuers. The ARC considered the methodology applied to the valuation model in assessing the valuation of investment properties conducted by these valuers and also evaluated the valuers' objectivity and competency. As required by the CIS Code, the independent valuer should not value the same property for more than two consecutive financial years. The Management applies a rigorous process every two years to select valuers based on their independence, track records and professional and relevant expertise in the respective cluster of properties. The ARC reviewed the outcomes of the annual external valuation process and discussed the details of the valuation with Management, focusing on properties which registered higher fair value gains or losses during the period under review. The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties, including capitalisation rates, equivalent yield, terminal yield, and discount rates. The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2019. Please refer to pages 165 to 166 of this Annual Report. No other significant matter came to the attention of the ARC during the course of the review.

External Audit

Ernst & Young LLP (EY) was re-appointed as the external auditor of Ascendas Reit on 28 June 2018. The ARC approved the scope and audit plans undertaken by the external auditor, reviewed the results of the audits, significant findings and recommendations as well as the Management's responses.

The ARC assessed the independence and quality of the external auditor throughout the year and also met with the external auditor without the presence of the Management. The external auditor provided regular updates to the ARC on relevant changes to the accounting standards and the implications on the financial statements.

The ARC received a report from the Management on their evaluation of the performance and effectiveness of the external auditor. This report assessed the quality of the external auditor across a number of evaluation criteria, including measures of relevance and quality of its work as well as its level of independence.

The Management has referred to the Checklist for Evaluation of External Auditors in the Guidebook for Audit Committees in Singapore and the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework to set the evaluation criteria.

On the basis of the ARC's own interactions with EY and based on the Management's report, the ARC assessed and concluded that EY has fulfilled its responsibilities as the external auditor of Ascendas Reit. The Board concurred with the ARC's endorsement. Accordingly, the Board recommends the re-appointment of EY at the coming annual general meeting. None of the members of the ARC are former partners or Directors of the Manager's and Ascendas Reit's external auditors.

Principle 13: Internal Audit

The internal audit function is outsourced to KPMG Services Pte. Ltd. (KPMG) which is staffed by qualified executives. KPMG reports to the chairman of the ARC, has unrestricted access to the ARC and is guided by the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors (IIA). These standards cover attributes as well as performance and implementation standards. The ARC reviews and approves the annual internal audit plan, the internal audit reports and audit activities. The ARC has also met with the internal auditor without the presence of the Management. With respect to FY18/19, the ARC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Unitholder Rights

The Manager is committed to treat all Unitholders fairly and equitably. In addition, there are relevant laws and regulations, together with the Trust Deed, which govern specific Unitholders' rights. These rights include, among others, the right to participate in profit distributions and the right to attend and vote in general meetings.

Principle 15: Communication with Unitholders

The Manager is committed to keep all Unitholders and other relevant stakeholders and analysts informed of the performance and changes in Ascendas Reit or its business which would likely materially affect the price or value of the Units, on a timely and consistent basis, for the purposes of assisting Unitholders and investors in their investment decisions.

The Manager has 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 Ascendas 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 Ascendas Reit by way of public releases or announcements through the SGX-ST via SGXNet at first instance and then publishing the releases on Ascendas Reit's website at www.ascendas-reit.com.

Principle 16: Conduct of Unitholder Meetings

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

The Board 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 Ascendas 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 based in Singapore and other countries such as Australia, Thailand, Hong Kong, the United Kingdom and the United States of America. In addition, the Manager pursues opportunities to educate and keep retail investors informed of the real estate investment trust's industry through seminars organised by the SGX-ST, the REIT Association of Singapore and other public associations. The annual general meeting allows the Manager to engage with the investors, particularly retail investors, giving the investors direct access to the Manager to obtain responses to any queries which they might have.

Unitholders are informed of meetings through notices accompanied by annual reports or circulars sent to them. Unitholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. Unitholders who are not able to attend these meetings are allowed to appoint up to two proxies to vote on their behalf at the meetings through proxy forms sent in advance. The Manager has also implemented measures to cater for the multiple proxy regime, in anticipation of attendance by beneficial Unitholders (e.g. those holding Units through the CPF Investment Scheme) at general meetings. Directors, together with the Management and the auditors, will attend these meetings to address questions from Unitholders.

Unitholders are accorded the opportunity to raise relevant questions and to communicate their views at the 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 or proxies present at the meetings for all resolutions proposed. All votes cast for or against and their respective percentages will be displayed on the screens immediately at the meetings 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 each meeting via SGXNet.

The Company Secretary prepares the minutes of the Unitholders' meetings incorporating substantial comments and/or queries from the Unitholders together with the responses of the Board and Management. The minutes of the Unitholders' meetings are posted on Ascendas Reit's website.

(E) ADDITIONAL INFORMATION

Trading of Ascendas Reit's Units

The Manager has in place a policy which prohibits Directors and employees of the Manager and its subsidiaries and ASPL from trading in the Units in the following circumstances:

1. during the period commencing two weeks before the public announcement of Ascendas 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 publicly 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 Ascendas 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 seek approval for 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 undertaken that it will not deal in the Units during the period commencing two weeks before the public announcement of Ascendas Reit's quarterly financial results or one month before the full year results, 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 Ascendas Reit. Some of the examples are as follows:

1. the Manager will be a dedicated manager to Ascendas Reit and will not manage any other real estate investment trust or be involved in any other real estate or property business that competes with any of the properties in Ascendas Reit's portfolio;

2. all executive officers are employed by the Manager;

3. the entry into any IPT must be reviewed and recommended by the ARC to the Board, which 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 during the FY18/19 in which Temasek, JTC Corporation and/or their subsidiaries (which includes Ascendas-Singbridge and its group of companies) has a direct or indirect interest, any nominees appointed by Temasek, JTC Corporation 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 and must exclude the representatives or nominees of Temasek, JTC Corporation 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).

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The Manager has established a Conflict of Interest Policy for its employees and major service providers to ensure that any conflict of interest or potential conflict of interest is 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 Ascendas 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 Ascendas 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 will have a duty to ensure that the Manager complies with the Trust Deed.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it is aware of any breach of any agreement entered into by the Trustee for and on behalf of Ascendas 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 Party Transactions

Review Procedures for Interested Party Transactions

The Manager has established internal control procedures to ensure that all transactions involving, among others, the Trustee and an interested party 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 ARC, 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). Regulatory requirements relating to IPTs, including the need for approvals and disclosure, are strictly observed by the Manager.

Where matters concerning Ascendas Reit relate to transactions entered into or to be entered into by the Trustee for and on behalf of Ascendas Reit with an interested party 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 Rules relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party of the Manager. If the Trustee is to sign any contract with an interested party 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 Rules 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 ARC and the Manager discloses in Ascendas Reit's Annual Report the aggregate value of IPTs conducted during the relevant financial year.

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In addition, the following procedures have been undertaken, some of which go beyond the prescribed Listing Rules 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 $15 million will be subject to review by the ARC 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 $15 million but below 3.0% of the Group's latest audited net tangible assets will be subject to the review and approval of the ARC. Such approval shall only be given if the transactions are on arm's length commercial terms and consistent with similar types of transactions made by the Trustee 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% of the Group's latest audited net tangible assets but below 5.0% of the Group's latest audited net tangible assets will be reviewed and approved by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Announcements will be made on SGXNet in accordance with the Listing Rules 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% of the Group's latest audited net tangible assets will be reviewed and approved by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. The Listing Rules and the Property Funds Appendix require such transactions to be approved by the Unitholders. Announcements will also be made on SGXNet in accordance with the Listing Rules 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 the Group. The Manager incorporates into its internal audit plan a review of all IPTs entered into by the Group. The ARC 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 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 Ascendas 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 Listing Rules 905 and 906. The entry into and the fees payable pursuant to the Singapore Property Management Agreement, China Property Management Agreement and Lease Management Agreement 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 Listing Rules 905 and 906 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 Ascendas Reit. The entry into and the fees payable pursuant to the New Strategic Management Agreement and New Master Asset Management Agreement have been approved by the Unitholders in an Extraordinary General meeting held on 28 June 2016 and such fees shall not be subject to aggregation or further Unitholders' approval requirements under Listing Rules 905 and 906 to the extent that there is no subsequent change to the rates and/or bases of the fees and related expenses thereunder which are adverse to Ascendas Reit.

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Code of Ethics and Conduct

The Manager complies with the code of ethics and conduct which focuses on issues such as conduct and work discipline. There are clear policies and guidelines in place on how to manage workplace harassment and grievances, conflicts of interest, fraud, gratification, corruption and bribery. The policies and guidelines are published on Ascendas-Singbridge's intranet, which is accessible by all employees of the Manager.

Bribery and Corruption Prevention Policy

The Manager takes a zero-tolerance approach towards bribery and corruption. In addition to clear guidelines and robust processes to detect, deter and deal with potential or real incidents of bribery and corruption, all Directors and employees of the Manager are required to undergo anti-bribery and anti-corruption training and to acknowledge their understanding of such guidelines and processes. This serves as a reminder to all Directors and employees to maintain the highest standards of integrity in their work and business dealings.

The Manager's zero tolerance policy towards bribery and corruption extends to its dealings with third parties. Pursuant to this policy, the Manager requires certain agreements with third parties to incorporate anti-bribery and anti-corruption provisions.

The policy is published on Ascendas-Singbridge's intranet, which is accessible by all employees of the Manager.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a Capital Markets Services Licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. The Manager has developed and implemented a policy on the prevention of money laundering and terrorist financing and is alert at all times to suspicious transactions.

Periodic training is provided by the Manager to its Directors, employees and representatives to ensure that they are updated and aware of applicable anti-money laundering and terrorist financing regulations, the prevailing techniques and trends in money laundering and terrorist financing and the measures adopted by the Manager to combat money laundering and terrorist financing.

The policy is published on Ascendas-Singbridge's intranet, which is accessible by all employees of the Manager.

Engagement with Stakeholders

To deliver sustainable value for its stakeholders, Ascendas Reit frequently engages its stakeholders throughout the year to understand and respond to their expectations promptly. These include the investment community, government, existing and potential customers, employees, suppliers and contractors.

The Manager ensures that Ascendas Reit complies with all obligations and undertakings set out in the Medium Term Notes Programme (the MTN Programme) and various credit facilities. In particular, Ascendas Reit's compliance with the financial covenants is constantly monitored and is regularly reported to the trustee of the MTN Programme, facility agents and lenders. The Manager engages Moody's Investors Services (Moody's) to issue credit ratings on the MTN Programme, issued notes and Perpetual Securities and publishes the Moody's ratings actions on Ascendas Reit's website. In addition, the Manager reviews the Accounts Payables regularly to ensure the suppliers are paid timely without unreasonable delays. At the date of this report, there are reasonable grounds to believe that Ascendas Reit is able to meet their financial obligations as and when they materialise.

For more details on engagements with the different stakeholder groups, please refer to Pages 6 to 7 of the Integrated Sustainability Report for FY18/19.

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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 on page 141 of the Corporate Governance Report where partial disclosure was made in relation to the remuneration of the CEO and the top five key executive officers (including the CEO) 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 139 to 143 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 and Principle 4 on Board Membership.
	(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.

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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 FY18/19 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/her first appointment.
Disclosure of 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 141 of the Corporate Governance Report in relation to the CEO's remuneration.

CORPORATE
GOVERNANCE REPORT

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 141 of the Corporate Governance Report, where the Manager has provided reasons for the non-disclosure of the top five key executive officers' (including the CEO) 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 page 141 of the Corporate Governance Report, where the Manager has provided reasons for the non-disclosure of the top five key executive officers' (including the CEO) remuneration.
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 FY18/19.
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 139 to 143 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 pages 139 to 143 of the Corporate Governance Report on Key Executive Officers' Remuneration.
	(c)	Were all of these performance conditions met? If not, what were the reasons?	Please refer to pages 139 to 143 of the Corporate Governance Report on Key Executive Officers' Remuneration.

CORPORATE
GOVERNANCE REPORT

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 KPMG, 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 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 above?	Yes. Please refer to page 148 of the Corporate Governance Report on Directors' Opinion on Internal Controls.

CORPORATE
GOVERNANCE REPORT

SGX DISCLOSURE GUIDE

Guideline	Questions		How has the Company complied?
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 pages 150 to 151 of the Corporate Governance Report on External Audit.
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?	Yes. Please refer to Principle 14 on Unitholder Rights, Principle 15 on Communication with Unitholders, and Principle 16 on Conduct of Unitholder Meetings.
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 Statement on pages 172 to 173 of the Annual Report.

REPORT OF THE **TRUSTEE**

YEAR ENDED 31 MARCH 2019

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Ascendas Funds Management (S) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 9 October 2002 (as amended and restated)[1] between the Trustee and the Manager (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 169 to 264, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised Signatory

21 May 2019

1 As amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, the First Amending and Restating Deed dated 11 June 2008, the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017 and the Fifteenth Supplemental Deed dated 20 August 2018.

STATEMENT BY THE **MANAGER**

YEAR ENDED 31 MARCH 2019

In the opinion of the directors of Ascendas Funds Management (S) Limited (the "Manager"), the accompanying financial statements set out on pages 169 to 264 comprising the Statements of Financial Position and Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), Statement of Total Return, Distribution Statement, Investment Properties Portfolio Statement and Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 March 2019, the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group and the movement in Unitholders' funds of the Trust for the year then ended 31 March 2019, in accordance with the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

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

William Tay Wee Leong
Director

21 May 2019

INDEPENDENT
AUDITORS' REPORT

YEAR ENDED 31 MARCH 2019

UNITHOLDERS OF ASCENDAS REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed dated 9 October 2002
(as amended and restated) in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 March 2019, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 169 to 264.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2019 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (continued)

Valuation of Investment Properties

The Group owns a portfolio of investment properties, comprising business and science park properties, suburban offices, integrated development, amenities and retail properties, high-specifications industrial properties and data centres, light industrial and flatted factories and logistics and distribution centres, located mainly in Singapore, Australia and the United Kingdom. As at 31 March 2019, the investment properties, with a carrying amount of $11.1 billion, represent the single largest asset category on the statement of financial position.

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

We assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence and competence of the external valuers. We also read the terms of engagement of the valuers entered into with the Group to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in the scope of their work.

We held discussions with the external valuers to understand the valuation methodologies used in the valuation and compared against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and external industry and economic data where available. We assessed the reasonableness of the capitalisation, discount, terminal yield and equivalent yield rates, and price per square metre, used in the valuations by comparing them against historical rates and industry data where available, taking into consideration comparability and market factors. We also assessed the overall appropriateness of the movements in fair value of the investment properties.

We further reviewed the adequacy of the disclosures in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Simon Yeo.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

21 May 2019

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	Group		Trust	
		31/3/2019 $'000	31/3/2018 $'000	**31/3/2019 $'000**	31/3/2018 $'000
Non-current assets					
Investment properties	4	**11,143,937**	10,118,978	**8,769,500**	8,625,500
Investment properties under development	5	**91,595**	95,463	**91,595**	86,400
Plant and equipment	6	**–**	–	**–**	–
Finance lease receivables	7	**50,554**	53,243	**50,554**	53,243
Interests in subsidiaries	8	**–**	–	**1,179,012**	669,354
Loans to subsidiaries	8	**–**	–	**297,000**	269,538
Investment in a joint venture	9	**102**	123	**–**	–
Derivative assets	14	**31,546**	9,129	**29,767**	9,129
		11,317,734	10,276,936	**10,417,428**	9,713,164
Current assets					
Finance lease receivables	7	**2,688**	2,385	**2,688**	2,385
Trade and other receivables	10	**39,635**	28,337	**33,570**	28,275
Derivative assets	14	**1,425**	819	**1,425**	759
Investment property held for sale	11	**–**	20,300	**–**	20,300
Cash and fixed deposits	12	**52,341**	25,016	**6,678**	3,860
		96,089	76,857	**44,361**	55,579
Current liabilities					
Trade and other payables	13	**158,255**	143,831	**131,581**	140,122
Security deposits		**46,862**	42,095	**46,690**	42,044
Derivative liabilities	14	**8**	616	**8**	371
Short term borrowings	15	**215,820**	624,700	**215,820**	624,700
Term loans	15	**301,094**	285,243	**301,094**	–
Medium term notes	15	**94,994**	–	**94,994**	–
Provision for taxation		**7,934**	7,016	**1,140**	1,437
		824,967	1,103,501	**791,327**	808,674

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

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	Group		Trust	
		31/3/2019 $'000	31/3/2018 $'000	**31/3/2019 $'000**	31/3/2018 $'000
Non-current liabilities					
Security deposits		**82,167**	77,985	**79,921**	76,537
Derivative liabilities	14	**64,112**	62,923	**55,958**	59,258
Amount due to a subsidiary		**–**	–	**25,646**	25,492
Term loans	15	**1,595,947**	1,008,211	**701,997**	722,968
Medium term notes	15	**1,889,936**	1,601,066	**1,889,936**	1,601,066
Deferred tax liabilities	16	**10,701**	1,411	**–**	–
		3,642,863	2,751,596	**2,753,458**	2,485,321
Net assets		**6,945,993**	6,498,696	**6,917,004**	6,474,748
Represented by:					
Unitholders' funds		**6,641,611**	6,194,310	**6,612,622**	6,170,366
Perpetual securities holders' funds	17	**304,382**	304,382	**304,382**	304,382
		6,945,993	6,498,692	**6,917,004**	6,474,748
Non-controlling interests		**–**	4	**–**	–
		6,945,993	6,498,696	**6,917,004**	6,474,748
Units in issue ('000)	18	**3,110,842**	2,928,504	**3,110,842**	2,928,504
Net asset value per unit ($)		**2.13**	2.12	**2.12**	2.11

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

STATEMENT OF **TOTAL RETURN**

YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018 $'000
Gross revenue	19	**886,171**	862,111
Property operating expenses	20	**(236,592)**	(232,711)
Net property income		**649,579**	629,400
Management fees	21		
– Base management fee		**(54,379)**	(50,707)
Trust expenses	22	**(7,675)**	(7,714)
Finance income	23	**10,448**	9,081
Finance costs	23	**(126,488)**	(109,842)
Net foreign exchange differences		**(11,093)**	7,275
Gain on disposal of investment properties		**5,088**	5,309
Net income		**465,480**	482,802
Net change in fair value of financial derivatives		**22,197**	9,805
Net change in fair value of investment properties	4	**29,304**	3,800
Share of joint venture's results	9	**493**	514
Total return for the year before tax		**517,474**	496,921
Tax expense	24	**(14,391)**	(2,827)
Total return for the year		**503,083**	494,094
Attributable to:			
Unitholders of the Trust and perpetual securities holders		**503,087**	494,118
Non-controlling interests		**(4)**	(24)
Total return for the year		**503,083**	494,094
Earnings per Unit (cents)			
– Basic and diluted	25	**16.156**	16.396
Distribution per Unit (cents)	25	**16.035**	15.988

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

DISTRIBUTION **STATEMENT**

YEAR ENDED 31 MARCH 2019

	Group	
	2019	2018
	$'000	$'000
Total amount available for distribution to Unitholders at beginning of the financial year	**231,154**	57,694
Total return for the year attributable to Unitholders and perpetual securities holders	**503,087**	494,118
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)
Distribution adjustments (Note A)	**(56,784)**	(41,488)
	432,053[1]	438,380[1]
Distribution from capital (current period)	**53,630**	29,665
Total amount available for distribution to Unitholders for the year	**485,683**	468,045
Distribution of 0.639 cents per unit for the period from 18/09/18 to 30/09/18	**(212,456)**	–
Distribution of 7.250 cents per unit for the period from 01/04/18 to 17/09/18	**(19,863)**	–
Distribution of 7.880 cents per unit for the period from 01/10/17 to 31/03/18	**(230,764)**	–
Distribution of 8.108 cents per unit for the period from 01/04/17 to 30/09/17	**–**	(237,289)
Distribution of 1.959 cents per unit for the period from 16/02/17 to 31/03/17	**–**	(57,296)
	(463,083)	(294,585)
Total amount available for distribution to Unitholders at end of the financial year	**253,754**	231,154
Distribution per Unit (cents)	**16.035**	15.988
[1] Comprises:		
– Taxable income	**432,053**	438,380

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

DISTRIBUTION **STATEMENT**

YEAR ENDED 31 MARCH 2019

	Group	
	2019	2018
	$'000	$'000
Note A – Distribution adjustments comprise:		
Amount reserved for distribution to perpetual securities holders	**14,250**	14,250
Management fee paid/payable in Units	**10,873**	10,139
Rollover adjustment from prior years	**7,762**	5,851
Trustee fee	**1,993**	2,749
Others	**29,903**	15,071
Income from subsidiaries and joint venture	**(76,069)**	(63,359)
Net change in fair value of financial derivatives	**(22,197)**	(9,805)
Net foreign exchange differences	**11,093**	(7,275)
Gain on disposal of investment properties	**(5,088)**	(5,309)
Net change in fair value of investment properties (Note 4)	**(29,304)**	(3,800)
Total distribution adjustments	**(56,784)**	(41,488)

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

STATEMENTS OF
MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 MARCH 2019

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Unitholders' Funds				
Balance at beginning of the financial year	**6,194,310**	6,030,710	**6,170,366**	6,045,136
Operations				
Total return for the year attributable to Unitholders of the Trust	**503,087**	494,118	**459,938**	423,926
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)	**(14,250)**	(14,250)
Net increase in net assets resulting from operations	**488,837**	479,868	**445,688**	409,676
Movement in foreign currency translation reserve	**(38,104)**	(31,822)	**–**	–
Unitholders' transactions				
Units issued through equity fund raising	**452,138**	–	**452,138**	–
Development management fees paid in Units	**840**	–	**840**	–
Management fees paid/payable in Units	**10,873**	10,139	**10,873**	10,139
Unit issue costs	**(4,200)**	–	**(4,200)**	–
Distributions to Unitholders	**(463,083)**	(294,585)	**(463,083)**	(294,585)
Net decrease in net assets resulting from Unitholders' transactions	**(3,432)**	(284,446)	**(3,432)**	(284,446)
Balance at end of the financial year	**6,641,611**	6,194,310	**6,612,622**	6,170,366
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	**304,382**	304,382	**304,382**	304,382
Amount reserved for distribution to perpetual securities holders	**14,250**	14,250	**14,250**	14,250
Distribution to perpetual securities holders	**(14,250)**	(14,250)	**(14,250)**	(14,250)
Balance at end of the financial year	**304,382**	304,382	**304,382**	304,382
Non-controlling interests				
Balance at beginning of the financial year	**4**	28	**–**	–
Total return for the year attributable to non-controlling interests	**(4)**	(24)	**–**	–
Balance at end of the financial year	**–**	4	**–**	–
Total	**6,945,993**	6,498,696	**6,917,004**	6,474,748

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/3/2019 $'000	Carrying Amount 31/3/2018 $'000	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2018 %
Group										
SINGAPORE										
Business & Science Park Properties										
One-north										
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	46 years[a]	8/8A Biomedical Grove	**139,000**	139,000	**2.09**	2.24
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	52 years	1 & 3 Fusionopolis Link	**192,000**	191,400	**2.89**	3.09
International Business Park										
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	36 years	7 International Business Park	**23,000**	24,200	**0.35**	0.39
iQuest @ IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	27 International Business Park	**26,600**	31,400	**0.40**	0.51
Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	37 years[a]	29 International Business Park	**95,300**	97,900	**1.43**	1.58
31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	35 years[a]	31 International Business Park	**214,900**	216,900	**3.24**	3.50
Nordic European Centre	08 Jul 2011	Leasehold	60 years[a]	31 Mar 2057[a]	38 years[a]	3 International Business Park	**116,500**	111,900	**1.76**	1.81
Changi Business Park										
Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	39 years[a]	17 Changi Business Park Central 1	**70,800**	74,300	**1.07**	1.20
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	42 years[a]	1 Changi Business Park Avenue 1	**54,600**	52,200	**0.82**	0.84
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	47 years[a]	10 Changi Business Park Central 2	**119,500**	113,400	**1.80**	1.83
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	1, 3 & 5 Changi Business Park Crescent	**323,700**	323,400	**4.87**	5.22
DBS Asia Hub	31 Mar 2010	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	2&2A Changi Business Park Crescent	**166,900**	166,000	**2.51**	2.68
AkzoNobel House	08 Dec 2011	Leasehold	60 years[a]	28 Feb 2061[a]	42 years[a]	3 Changi Business Park Vista	**69,100**	69,100	**1.04**	1.12
ONE@Changi City	01 Mar 2016	Leasehold	60 years	29 Apr 2069	50 years	1 Changi Business Park Central 1	**500,100**	478,600	**7.53**	7.73
Balance carried forward – (Business & Science Park Properties)							**2,112,000**	2,089,700	**31.80**	33.74

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
							$'000	$'000	**%**	%
SINGAPORE										
Business & Science Park Properties (continued)										
Balance brought forward – (Business & Science Park Properties)							**2,112,000**	2,089,700	**31.80**	33.74
Science Park I										
TÜV SÜD PSB Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	61 years	1 Science Park Drive	**90,000**	88,000	**1.36**	1.42
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	49 years	87 & 89 Science Park Drive	**100,000**	100,000	**1.51**	1.61
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	49 years	73 Science Park Drive	**57,500**	58,800	**0.87**	0.95
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	49 years	75 Science Park Drive	**47,000**	45,000	**0.71**	0.73
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	49 years	77 & 79 Science Park Drive	**133,000**	130,500	**2.00**	2.11
12,14 &16 Science Park Drive	16 Feb 2017	Leasehold	99 years	31 May 2081	62 years	12, 14 and 16 Science Park Drive	**450,000**	450,000	**6.78**	7.26
Science Park II										
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	10 Science Park Road	**102,000**	105,000	**1.54**	1.70
The Aries, Sparkle & Gemini[i]	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	41, 45 & 51 Science Park Road	**204,500**	204,400	**3.08**	3.30
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	1 Science Park Road	**116,000**	113,000	**1.74**	1.82
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	60 years	61 Science Park Road	**143,200**	143,200	**2.15**	2.31
The Kendall	30 Mar 2015	Leasehold	64 years	24 Mar 2079	60 years	50 Science Park Road	**136,000**	130,000	**2.04**	2.10
Total Singapore Business & Science Park Properties							**3,691,200**	3,657,600	**55.58**	59.05
Integrated Development, Amenities & Retail Properties										
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	16 years	50 Tampines North Drive 2	**64,000**	65,700	**0.96**	1.06
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	16 years	21 Tampines North Drive 2	**84,000**	86,000	**1.26**	1.39
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	53 years	8, 10 & 12 Kallang Avenue	**576,000**	573,300	**8.68**	9.25
Total Singapore Integrated Development, Amenities & Retail Properties							**724,000**	725,000	**10.90**	11.70

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

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Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/3/2019 $'000	Carrying Amount 31/3/2018 $'000	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2018 %
SINGAPORE										
High-Specifications Industrial Properties & Data Centres										
Data Centres										
Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	72 years	5 Tampines Central 6	**268,700**	267,600	**4.04**	4.32
Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	72 years	38 Kim Chuan Road	**143,100**	142,200	**2.14**	2.30
38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	72 years	38A Kim Chuan Road	**126,400**	123,400	**1.90**	1.99
High-Specifications Industrial Properties										
Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	34 years	31 Kaki Bukit Road 3	**124,000**	126,400	**1.87**	2.04
Siemens Centre	12 Mar 2004	Leasehold	60 years[a]	15 Dec 2061[a]	42 years[a]	60 MacPherson Road	**106,100**	101,100	**1.60**	1.63
Infineon Building	01 Dec 2004	Leasehold	47 years[c]	30 Jun 2050[c]	31 years[c]	8 Kallang Sector	**87,600**	87,200	**1.32**	1.41
Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	33 years	10 Ang Mo Kio Street 65	**155,100**	154,900	**2.34**	2.50
Wisma Gulab	01 Dec 2004	Freehold	Freehold	–	–	190 MacPherson Road	**83,400**	82,500	**1.26**	1.33
KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	39 years	150 Kampong Ampat	**50,700**	49,000	**0.76**	0.79
KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	39 years	159 Kampong Ampat	**21,700**	21,700	**0.33**	0.35
Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang Timor	**90,700**	90,500	**1.37**	1.46
Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	37 years	1 Kaki Bukit View	**152,900**	152,500	**2.30**	2.46
1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang	**25,000**	24,800	**0.38**	0.40
30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[a]	31 Dec 2063[a]	44 years[a]	30 Tampines Industrial Avenue 3	**37,800**	37,400	**0.57**	0.61
138 Depot Road	15 Mar 2006	Leasehold	60 years[a]	30 Nov 2064[a]	45 years[a]	138 Depot Road	**66,900**	65,600	**1.01**	1.06
2 Changi South Lane	01 Feb 2007	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	2 Changi South Lane	**38,300**	37,000	**0.58**	0.60
CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	9 Serangoon North Avenue 5	**24,300**	24,100	**0.37**	0.39
Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	31 years	2 Corporation Road	**123,800**	123,800	**1.86**	2.00
31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[a]	28 Feb 2050[a]	31 years[a]	31 Ubi Road 1	**32,100**	31,700	**0.48**	0.51
Hyflux Innovation Centre	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	49 years	80 Bendemeer Road	**212,300**	212,300	**3.20**	3.43
Schneider Electric Building (formerly known as "50 Kallang Avenue")	27 Feb 2006	Leasehold	60 years	15 Nov 2055	36 years	50 Kallang Avenue	**91,600**	90,000	**1.38**	1.45
10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	36 years[a]	10 Toh Guan Road	**129,000**	128,900	**1.94**	2.08
Total Singapore High-Specifications Industrial Properties & Data Centres							**2,191,500**	2,174,600	**33.00**	35.11

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Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/3/2019 $'000	Carrying Amount 31/3/2018 $'000	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2018 %
SINGAPORE										
Light Industrial Properties & Flatted Factories										
Flatted Factories										
Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	33 years	Blk 4008-4012 Ang Mo Kio Avenue 10	**144,600**	144,300	**2.18**	2.33
Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	33 years	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	**189,900**	189,800	**2.86**	3.06
Light Industrial Properties										
OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	38 years	65 Ubi Avenue 1	**39,500**	39,500	**0.59**	0.64
41 Changi South Avenue 2[ii]	13 Oct 2003	Leasehold	60 years[a]	28 Feb 2055[a]	36 years[a]	41 Changi South Avenue 2	**–**	11,600	**–**	0.19
12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[a]	15 Jan 2056[a]	37 years[a]	12 Woodlands Loop	**28,200**	28,200	**0.42**	0.46
25 Changi South Street 1	26 Nov 2004	Leasehold	60 years[a]	30 Sep 2057[a]	38 years[a]	25 Changi South Street 1	**19,900**	21,600	**0.30**	0.35
247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	32 years	247 Alexandra Road	**66,000**	66,000	**0.99**	1.07
5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	30 years	5 Tai Seng Drive	**22,400**	19,900	**0.34**	0.32
35 Tampines Street 92	01 Dec 2004	Leasehold	60 years[a]	31 Jan 2052[a]	33 years[a]	35 Tampines Street 92	**12,600**	12,600	**0.19**	0.20
53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	53 Serangoon North Avenue 4	**13,500**	13,900	**0.21**	0.22
3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	30 years	3 Tai Seng Drive	**20,600**	19,100	**0.31**	0.31
27 Ubi Road 4	01 Apr 2005	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	27 Ubi Road 4	**12,500**	12,500	**0.19**	0.20
52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[a]	15 Sep 2055[a]	36 years[a]	52 Serangoon North Avenue 4	**21,800**	21,800	**0.33**	0.35
202 Kallang Bahru	04 Apr 2005	Leasehold	60 years	15 Jan 2041	22 years	202 Kallang Bahru	**18,500**	19,000	**0.28**	0.31
25 Ubi Road 4	16 May 2005	Leasehold	60 years[a]	29 Feb 2056[a]	37 years[a]	25 Ubi Road 4	**8,700**	10,300	**0.13**	0.17
Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[a]	30 Nov 2049[a]	30 years[a]	11 Tampines Street 92	**24,200**	24,100	**0.36**	0.39
Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	14 years	455A Jalan Ahmad Ibrahim	**8,800**	7,200	**0.13**	0.12
37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[a]	31 Aug 2054[a]	35 years[a]	37A Tampines Street 92	**15,900**	15,600	**0.24**	0.25
Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[a]	28 Feb 2065[a]	46 years[a]	11 Changi North Rise	**41,000**	41,000	**0.62**	0.66
Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[f]	30 Jun 2047[f]	28 years[f]	21 Changi North Rise	**12,000**	12,000	**0.18**	0.19
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	37 years[a]	150 Ubi Avenue 4	**18,500**	18,400	**0.28**	0.30
2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	37 years[a]	2 Senoko South Road	**39,000**	37,200	**0.59**	0.60
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	38 years[a]	18 Woodlands Loop	**33,400**	30,300	**0.50**	0.49
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	35 years[a]	9 Woodlands Terrace	**3,600**	3,500	**0.05**	0.06
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	37 years[a]	11 Woodlands Terrace	**4,600**	4,600	**0.07**	0.07
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	25 years[a]	1 Senoko Avenue	**91,100**	87,100	**1.37**	1.40
8 Loyang Way 1	05 May 2008	Leasehold	30 years[g]	15 Jul 2052[g]	33 years[g]	8 Loyang Way 1	**23,600**	23,600	**0.36**	0.38
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	36 years[a]	31 Joo Koon Circle	**18,800**	18,700	**0.28**	0.30
Total Singapore Light Industrial Properties & Flatted Factories							**953,200**	953,400	**14.35**	15.39

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Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
							$'000	$'000	**%**	%
SINGAPORE										
Logistics & Distribution Centres										
20 Tuas Avenue 1[iii]	19 Feb 2004	Leasehold	58 years[b]	31 Aug 2056[b]	37 years[b]	20 Tuas Avenue 1	**86,400**	–	**1.30**	–
LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	37 years	3 Changi North Street 2	**50,600**	49,800	**0.76**	0.80
Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[a]	15 Oct 2050[a]	31 years[a]	19 Loyang Way	**78,600**	80,800	**1.18**	1.30
4 Changi South Lane	31 May 2004	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	4 Changi South Lane	**26,000**	26,500	**0.39**	0.43
40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[d]	31 Dec 2049[d]	30 years[d]	40 Penjuru Lane	**241,500**	243,000	**3.64**	3.92
Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[a]	31 May 2054[a]	35 years[a]	3 Changi South Street 2	**35,600**	34,500	**0.54**	0.56
20 Tuas Avenue 6	02 Dec 2004	Leasehold	60 years[a]	15 Jul 2050[a]	31 years[a]	20 Tuas Avenue 6	**7,700**	7,400	**0.12**	0.12
Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	6 Changi South Street 2	**24,700**	25,300	**0.37**	0.41
9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[a]	30 Apr 2055[a]	36 years[a]	9 Changi South Street 3	**43,600**	42,600	**0.66**	0.69
5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[a]	15 Dec 2049[a]	30 years[a]	5 Toh Guan Road East	**27,900**	27,300	**0.41**	0.44
Xilin Districentre Building C	05 May 2005	Leasehold	60 years[a]	30 Sep 2054[a]	35 years[a]	7 Changi South Street 2	**29,000**	27,300	**0.44**	0.44
19 & 21 Pandan Avenue	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[e]	31 Jan 2049[e]	30 years[e]	19 & 21 Pandan Avenue	**126,400**	124,400	**1.90**	2.01
1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	39 years	1 Changi South Lane	**47,400**	47,400	**0.71**	0.76
Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[a]	15 May 2053[a]	34 years[a]	2 Clementi Loop	**31,500**	32,000	**0.47**	0.52
11 Changi North Way	18 Nov 2005	Leasehold	60 years[a]	15 Nov 2063[a]	44 years[a]	11 Changi North Way	**17,400**	16,800	**0.26**	0.27
21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[a]	30 Sep 2055[a]	36 years[a]	21 Jalan Buroh	**76,500**	75,900	**1.15**	1.23
21 Changi South Avenue 2	19 Mar 2008	Leasehold	60 years[a]	30 Sep 2054[a]	35 years[a]	21 Changi South Avenue 2	**21,000**	22,300	**0.32**	0.36
15 Changi North Way	29 Jul 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	15 Changi North Way	**41,700**	39,700	**0.63**	0.64
Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	17 years	15 Pioneer Walk	**122,500**	119,800	**1.84**	1.93
71 Alps Avenue	02 Sep 2009	Leasehold	60 years[a]	14 Aug 2068[a]	49 years[a]	71 Alps Avenue	**21,800**	21,600	**0.33**	0.35
90 Alps Avenue	20 Jan 2012	Leasehold	60 years[a]	22 Oct 2070[a]	51 years[a]	90 Alps Avenue	**51,800**	50,500	**0.79**	0.82
Total Singapore Logistics & Distribution Centres							**1,209,600**	1,114,900	**18.21**	18.00
Total Singapore investment properties							**8,769,500**	8,625,500	**132.04**	139.25

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AUSTRALIA										
Logistics & Distribution Centres										
Logistics & Distribution Centres (Sydney, New South Wales)										
484 – 490 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	484-490 Great Western Highway, Arndell Park	**19,912**	22,293	**0.30**	0.36
494 – 500 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	494-500 Great Western Highway, Arndell Park	**35,745**	37,492	**0.54**	0.61
1A & 1B Raffles Glade^	18 Nov 2015	Freehold	Freehold	–	–	1A & 1B Raffles Glade, Eastern Creek	**42,702**	41,545	**0.64**	0.67
7 Grevillea Street^	18 Nov 2015	Freehold	Freehold	–	–	7 Grevillea Street, Eastern Creek	**123,309**	122,103	**1.86**	1.97
5 Eucalyptus Place^	18 Nov 2015	Freehold	Freehold	–	–	5 Eucalyptus Place, Eastern Creek	**27,589**	27,359	**0.42**	0.44
16 Kangaroo Avenue^	18 Nov 2015	Freehold	Freehold	–	–	16 Kangaroo Avenue, Eastern Creek	**38,144**	37,492	**0.57**	0.61
1-15 Kellet Close^	18 Nov 2015	Freehold	Freehold	–	–	1-15 Kellet Close, Erskine Park	**46,541**	44,079	**0.70**	0.71
94 Lenore Drive^	18 Nov 2015	Freehold	Freehold	–	–	94 Lenore Drive, Erskine Park	**37,185**	39,519	**0.56**	0.64
1 Distribution Place^	18 Nov 2015	Freehold	Freehold	–	–	1 Distribution Place, Seven Hills	**26,629**	28,879	**0.40**	0.47
6-20 Clunies Ross Street	22 Feb 2016	Freehold	Freehold	–	–	6-20 Clunies Ross Street, Pemulway	**80,606**	85,117	**1.21**	1.37
Logistics & Distribution Centres (Melbourne, Victoria)										
676-698 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	676-698 Kororoit Creek Road, Altona North	**62,374**	56,745	**0.94**	0.92
700-718 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	700-718 Kororoit Creek Road, Altona North	**34,546**	34,351	**0.52**	0.55
14-28 Ordish Road^	18 Nov 2015	Freehold	Freehold	–	–	14-28 Ordish Road, Dandenong South	**42,222**	44,484	**0.64**	0.72
35-61 South Park Drive^	18 Nov 2015	Freehold	Freehold	–	–	35-61 South Park Drive, Dandenong South	**40,879**	39,367	**0.62**	0.63
2-16 Aylesbury Drive^	18 Nov 2015	Freehold	Freehold	–	–	2-16 Aylesbury Drive, Altona	**18,328**	18,391	**0.28**	0.30
81-89 Drake Boulevard^	18 Nov 2015	Freehold	Freehold	–	–	81-89 Drake Boulevard, Altona	**15,162**	15,503	**0.23**	0.25
9 Andretti Court^	18 Nov 2015	Freehold	Freehold	–	–	9 Andretti Court, Truganina	**29,748**	27,967	**0.45**	0.45
31 Permas Way^	18 Nov 2015	Freehold	Freehold	–	–	31 Permas Way, Truganina	**57,576**	54,718	**0.87**	0.88
162 Australis Drive^	18 Nov 2015	Freehold	Freehold	–	–	162 Australis Drive, Derrimut	**25,909**	25,333	**0.39**	0.41
52 Fox Drive	03 Apr 2017	Freehold	Freehold	–	–	52 Fox Drive, Dandenong South	**26,869**	26,852	**0.40**	0.43
169-177 Australis Drive[iv]	04 Jun 2018	Freehold	Freehold	–	–	169-177 Australis Drive, Derrimut	**33,586**	–	**0.50**	–
1314 Ferntree Gully Road[v]	26 Jun 2018	Freehold	Freehold	–	–	1314 Ferntree Gully Road, Scoresby	**15,354**	–	**0.22**	–
Balance carried forward – (Logistics & Distribution Centres)							**880,915**	829,589	**13.26**	13.39

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/3/2019 $'000	Carrying Amount 31/3/2018 $'000	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2018 %
AUSTRALIA										
Logistics & Distribution Centres (continued)										
Balance brought forward – (Logistics & Distribution Centres)							**880,915**	829,589	**13.26**	13.39
Logistics & Distribution Centres (Brisbane, Queensland)										
62 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	62 Sandstone Place, Parkinson	**20,679**	23,179	**0.31**	0.37
92 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	92 Sandstone Place, Parkinson	**22,455**	24,725	**0.34**	0.40
62 Stradbroke Street^	23 Oct 2015	Freehold	Freehold	–	–	62 Stradbroke Street, Heathwood	**35,025**	36,859	**0.53**	0.60
82 Noosa Street^	23 Oct 2015	Freehold	Freehold	–	–	82 Noosa Street, Heathwood	**54,457**	59,075	**0.82**	0.95
95 Gilmore Road^	23 Oct 2015	Freehold	Freehold	–	–	95 Gilmore Road, Berrinba	**81,086**	85,751	**1.22**	1.39
77 Logistics Place^	18 Nov 2015	Freehold	Freehold	–	–	77 Logistics Place, Larapinta	**25,237**	27,055	**0.38**	0.44
99 Radius Drive^	18 Nov 2015	Freehold	Freehold	–	–	99 Radius Drive, Larapinta	**24,518**	25,991	**0.37**	0.42
1-7 Wayne Goss Drive[(vi)]	07 Sep 2018	Freehold	Freehold	–	–	1-7 Wayne Goss Drive, Berrinba	**25,909**	–	**0.39**	–
Cargo Business Park[(vii)]	17 Sep 2018	Freehold	Freehold	–	–	56 Lavarack Ave, Eagle Farm	**32,291**	–	**0.49**	–
Logistics & Distribution Centres (Perth, Western Australia)										
35 Baile Road^	23 Oct 2015	Freehold	Freehold	–	–	35 Baile Road, Canning Vale	**37,424**	37,999	**0.56**	0.61
Total Australia Logistics & Distribution Centres							**1,239,996**	1,150,223	**18.67**	18.57
Suburban Offices										
Suburban Offices (Sydney, New South Wales)										
197-201 Coward Street	09 Sep 2016	Freehold	Freehold	–	–	197-201 Coward Street, Mascot	**162,172**	158,075	**2.44**	2.55
Suburban Offices (Brisbane, Queensland)										
100 Wickham	25 Sep 2017	Freehold	Freehold	–	–	100 Wickham Street, Fortitude Valley	**68,610**	83,597	**1.03**	1.35
108 Wickham	22 Dec 2017	Freehold	Freehold	–	–	108 Wickham Street, Fortitude Valley	**90,202**	101,583	**1.36**	1.64
Total Australia Suburban Offices							**320,984**	343,255	**4.83**	5.54
Total Australia investment properties							**1,560,980**	1,493,478	**23.50**	24.11

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/3/2019 $'000	Carrying Amount 31/3/2018 $'000	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2018 %
UNITED KINGDOM										
Logistics & Distribution Centres (East England)										
Market Garden Road[x]	16 Aug 2018	Freehold	Freehold	–	–	Market Garden Road, Stratton Business Park, Biggleswade	**37,128**	–	**0.56**	–
Logistics & Distribution Centres (East Midlands)										
Common Road, Fullwood Industrial Estate[x]	16 Aug 2018	Freehold	Freehold	–	–	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	**35,802**	–	**0.54**	–
Unit 1-5, Export Drive[x]	16 Aug 2018	Freehold	Freehold	–	–	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	**2,917**	–	**0.04**	–
Logistics & Distribution Centres (North West England)										
Astmoor Road[x]	16 Aug 2018	Freehold	Freehold	–	–	Astmoor Road, Astmoor Industrial Estate, Runcorn	**51,714**	–	**0.79**	–
Transpennine 200[x]	16 Aug 2018	Freehold	Freehold	–	–	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	**15,028**	–	**0.23**	–
Leacroft Road[xi]	04 Oct 2018	Freehold	Freehold	–	–	Leacroft Road, Birchwood, Warrington	**9,459**	–	**0.16**	
Hawleys Lane[xi]&[Xii]	04 Oct 2018	965 Years	Leasehold	22 Nov 2962	943 Years	Hawleys Lane, Warrington	**43,139**	–	**0.65**	–
8 Leacroft Road[xi]	04 Oct 2018	Freehold	Freehold	–	–	8 Leacroft Road, Birchwood, Warrington	**12,376**	–	**0.19**	–
Logistics & Distribution Centres (South East England)										–
Howard House[ix]&[x]	16 Aug 2018	999 Years	Leasehold	28 Nov 3004	985 Years	Howard House, Howard Way, Interchange Park, Newport Pagnell	**55,869**	–	**0.84**	–
Units 1-2, Tower Lane[x]	16 Aug 2018	Freehold	Freehold	–	–	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	**20,332**	–	**0.31**	–
Lodge Road[xi]	04 Oct 2018	Freehold	Freehold	–	–	Lodge Road, Staplehurst, Kent	**22,718**	–	**0.34**	–
Logistics & Distribution Centres (West Midlands)										–
Eastern Avenue[x]	16 Aug 2018	Freehold	Freehold	–	–	Eastern Avenue, Derby Road, Burton-on-Trent	**25,990**	–	**0.39**	–
Vernon Road[x]	16 Aug 2018	Freehold	Freehold	–	–	Vernon Road, Stoke-on-Trent	**30,454**	–	**0.46**	–
1 Sun Street[xi]	04 Oct 2018	Freehold	Freehold	–	–	1 Sun Street, Wolverhampton	**43,935**	–	**0.66**	–
The Triangle, North view[xi]	04 Oct 2018	Freehold	Freehold	–	–	The Triangle, North View, Walsgrave, Coventry	**46,410**	–	**0.70**	–
Unit 103, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 103, Pointon Way, Stonebridge Cross Business Park, Droitwich	**2,298**	–	**0.03**	–
Unit 302, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	**36,598**	–	**0.55**	–
Balance carried forward – (Logistics & Distribution Centres)							**492,167**	–	**7.44**	–

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/3/2019	31/3/2018	**31/3/2019**	31/3/2018
							$'000	$'000	**%**	%
UNITED KINGDOM										
Balance brought forward – (Logistics & Distribution Centres)							**492,167**	–	**7.44**	–
Logistics & Distribution Centres (West Midlands) (continued)										
Unit 401, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	**10,873**	–	**0.16**	–
Unit 402, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	**8,221**	–	**0.12**	–
Unit 404, Stonebridge Cross Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	**8,310**	–	**0.13**	–
Unit 1, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	**43,493**	–	**0.65**	–
Unit 2, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	**29,437**	–	**0.45**	–
Unit 3, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	**43,581**	–	**0.66**	–
Unit 4, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	**10,696**	–	**0.16**	–
Unit 5, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	**12,288**	–	**0.19**	–
Unit 8, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	**21,658**	–	**0.32**	–
Unit 13, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	**9,680**	–	**0.15**	–
Unit 14, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	**14,321**	–	**0.21**	–
Unit 16, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	**3,050**	–	**0.04**	–
Unit 17, Wellesbourne Distribution Park[ix]	04 Oct 2018	Freehold	Freehold	–	–	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	**2,122**	–	**0.03**	–
Unit 18, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	**1,591**	–	**0.02**	–
Unit 19, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	**2,077**	–	**0.03**	–
Unit 20, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	**4,243**	–	**0.06**	–
Unit 21, Wellesbourne Distribution Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Unit 21, Wellesbourne Distribution Pwark, Wellesbourne, Warwick	**5,304**	–	**0.08**	–
Balance carried forward – (Logistics & Distribution Centres)							**723,112**	–	**10.90**	–

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/3/2019 $'000	Carrying Amount 31/3/2018 $'000	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2018 %
UNITED KINGDOM										
Balance brought forward – (Logistics & Distribution Centres)							**723,112**	–	**10.90**	–
***Logistics & Distribution Centres* (Yorkshire and the Humber)**										–
12 Park Farm Road[x]&[viii]	16 Aug 2018	999 Years	Leasehold	25 Mar 2998	979 Years	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	**19,448**	–	**0.29**	–
Units 1a, 1b, 2 & 3, Upwell Street, Victory Park[x]	16 Aug 2018	Freehold	Freehold	–	–	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	**30,763**	–	**0.46**	
Unit 3, Brookfields Way[x]	16 Aug 2018	Freehold	Freehold	–	–	Unit 3, Brookfields Way, Rotherham	**22,100**	–	**0.33**	–
Lowfields Way, Lowfields Business Park[xi]	04 Oct 2018	Freehold	Freehold	–	–	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	**18,034**	–	**0.27**	–
Total United Kingdom investment properties							**813,457**	–	**12.25**	–
Total Group's investment properties							**11,143,937**	10,118,978	**167.79**	163.36
Investment properties under development (Note 5)							**91,595**	95,463	**1.38**	1.54
Investment property held for sale (Note 11)							**–**	20,300	**–**	0.33
Other assets and liabilities (net)							**(4,289,539)**	(3,736,045)	**(64.59)**	(60.32)
Net assets of the Group							**6,945,993**	6,498,696	**104.58**	104.91
Perpetual securities							**(304,382)**	(304,382)	**(4.58)**	(4.91)
Non-controlling interests							**–**	(4)	**–**	–
Net assets attributable to Unitholders							**6,641,611**	6,194,310	**100.00**	100.00

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

Independent valuations for 171 (2018: 131) properties including investment properties, investment properties under development and investment property held for sale were undertaken by the following valuers on the dates stated below:

Valuers	2019 Valuation date	2018 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	**31 March 2019**	31 March 2018
CBRE Pte. Ltd.	**31 March 2019**	31 March 2018
Edmund Tie & Company (SEA) Pte Ltd	**31 March 2019**	31 March 2018
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	**31 March 2019**	31 March 2018
Jones Lang LaSalle Property Consultants Pte Ltd	**31 March 2019**	31 March 2018
Knight Frank Pte Ltd	**31 March 2019**	31 March 2018
Knight Frank LLP	**31 March 2019**	–
Jones Lang LaSalle Advisory Services Pty Ltd	**31 March 2019**	–
Knight Frank Valuations	**–**	31 March 2018

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

INVESTMENT PROPERTIES
PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach and discounted cash flow analysis. As at 31 March 2019, the valuations adopted for investment properties amounted to $11,143.9 million (2018: $10,119.0 million). The net fair value gain on investment properties and investment properties under development recognised in Statement of Total Return is $29.3 million (2018: Gain of $3.8 million).

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

(ii) The divestment of 41 Changi South Avenue 2 was completed on 20 August 2018.

(iii) The redevelopment of 20 Tuas Avenue 1 was completed in April 2018. It was classified as investment properties under development as at 31 March 2018.

(iv) 169-177 Australis Drive, Derrimut, a Logistics & Distribution Centre located in Australia was acquired on 4 June 2018.

(v) 1314 Ferntree Gully Road, Scoresby, a Logistics & Distribution Centre located in Australia was acquired on 26 June 2018.

(vi) 1-7 Wayne Goss Drive, Berrinba, was recorded as investment properties under development as at 31 March 2018. It was completed and transferred to investment properties on 7 September 2018.

(vii) Cargo Business Park, Eagle Farm, a Logistics & Distribution Centre located in Australia was acquired on 17 September 2018.

(viii) Leasehold for a term of 999 years from 26 March 1999 to 25 March 2998.

(ix) Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.

(x) The 12 logistics properties in the UK were acquired on 16 August 2018.

(xi) The 26 logistics properties in the UK were acquired on 4 October 2018.

(xii) Leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.

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

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

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

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

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

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

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

^ These properties were pledged as securities in relation to the syndicated term loans from Australian banks for the financial year ended 31 March 2019 and 2018.

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018 $'000
Cash flows from operating activities			
Total return for the year before tax		**517,474**	496,921
Adjustments for:			
Finance costs	23	**126,488**	109,842
Management fees paid/payable in Units	21	**10,873**	10,139
(Reversal)/provision of impairment loss on doubtful receivables	10	**(10)**	10
Write-off of receivables		**30**	–
Net change in fair value of financial derivatives		**(22,197)**	(9,805)
Finance income	23	**(10,448)**	(9,081)
Net foreign exchange differences		**11,093**	(7,275)
Gain from disposal of investment properties		**(5,088)**	(5,309)
Net change in fair value of investment properties		**(29,304)**	(3,800)
Share of joint venture's results		**(493)**	(514)
Operating income before working capital changes		**598,418**	581,128
Changes in working capital:			
Trade and other receivables		**(3,373)**	10,984
Trade and other payables		**23,117**	(28,548)
Cash generated from operating activities		**618,162**	563,564
Income tax paid		**(5,729)**	(24,677)
Net cash generated from operating activities		**612,433**	538,887
Cash flows from investing activities			
Acquisition of investment properties	(A)	**(914,244)**	(206,643)
Payment for capital improvement on investment properties		**(66,162)**	(77,630)
Payment for investment properties under development		**(109,888)**	(55,088)
Payment of deferred sum payable for an investment property		**–**	(20,000)
Proceeds from disposal of investment properties		**37,580**	60,760
Dividend received from joint venture	9	**514**	517
Interest received		**24,413**	22,971
Net cash used in investing activities		**(1,027,787)**	(275,113)

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	2018 $'000
Cash flows from financing activities			
Proceeds from issue of Units through equity fund raising		**452,138**	–
Unit issue costs paid		**(3,970)**	–
Distributions paid to Unitholders		**(463,083)**	(294,585)
Distributions paid to perpetual securities holders		**(14,250)**	(14,250)
Finance costs paid		**(128,650)**	(118,388)
Transaction costs paid in respect of borrowings		**(7,407)**	(1,633)
Proceeds from borrowings		**2,311,699**	1,103,111
Repayment of borrowings		**(1,702,070)**	(982,319)
Net cash received/(used in) financing activities		**444,407**	(308,064)
Net increase/(decrease) in cash and cash equivalents		**29,053**	(44,290)
Cash and cash equivalents at beginning of the financial year	12	**(22,949)**	22,000
Effect of exchange rate changes on cash balances		**(1,183)**	(659)
Cash and cash equivalents at end of the financial year	12	**4,921**	(22,949)

Notes:

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

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

	Group 2019 $'000	2018 $'000
Investment properties (including acquisition costs) (Note 4)	**919,491**	232,139
Trade and other receivables	**6,063**	–
Trade and other payables	**(9,793)**	–
Provision for taxation	**(656)**	–
Deferred tax liabilities	**(861)**	–
Net identifiable assets acquired	**914,244**	232,139
Total consideration	**914,244**	232,139
Less: prepaid deposits	**–**	(25,496)
Net cash outflow	**914,244**	206,643

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

(B) Significant non-cash transactions

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,540,000 were issued at issue prices ranging from $2.5731 to $2.6584 per unit for the payment of 20% base management fee to the Manager in Units.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manager at an issue price of $2.8126 per unit. The issuance of Units was for the payment of 1% development management fee for the $84.0 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

During the financial year ended 31 March 2018:

- 3,736,735 new Units amounting to $9,995,000 were issued at issue prices ranging from $2.6734 to $2.6761 per unit for the payment of 20% base management fee to the Manager in Units.

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

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The financial statements were authorised for issue by the Manager and the Trustee on 21 May 2019.

1. GENERAL

Ascendas Real Estate Investment Trust (the "Trust" or "Ascendas Reit") is a Singapore-domiciled real estate investment trust constituted pursuant to the trust deed dated 9 October 2002 between Ascendas Funds Management (S) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), as supplemented and amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, the First Amending and Restating Deed dated 11 June 2008, the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017 and the Fifteenth Supplemental Deed dated 20 August 2018 (collectively, the "Trust Deed").

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

The principal activity of the Trust is to invest in a diverse portfolio of properties and property related assets with the mission to deliver predictable distributions and achieve long-term capital stability for Unitholders. The principal activities of the subsidiaries are set out in Note 8.

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

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

The fees structures of these services are as follows:

1.1 Trustee fee

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

1. GENERAL (CONTINUED)

1.2 Management fees

The Manager is entitled to receive the following remuneration:

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

(ii) an annual performance fee of:

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

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

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

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

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

With effect from 1 April 2014, the Manager has improved the basis of determining management fees by excluding derivative assets and investment properties under development from the computation of Deposited Property (the "Adjusted Deposited Property").

The Manager will also unilaterally waive part of its performance fee to ensure equitable distribution of the growth in distributable income such that any increase in DPU (which is calculated before accounting for the performance fee) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the performance fee. In addition, the performance fee payable will be based on 0.1% per annum, or as the case may be, 0.2% per annum of the Adjusted Deposited Property instead of the Deposited Property.

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

With effect from 17 November 2004, the Manager may elect to receive performance fee in cash and/or Units, in such proportion as may be determined by the Manager.

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

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties)

(i) Property management services

For property management services, the Group will pay Ascendas Services Pte Ltd ("ASPL") (the "Property Manager"), a fee of 2.0% per annum of the adjusted gross revenue of each property, managed by the Property Manager, and in the event that the Property Manager only manages such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Property Manager manages such property divided by the number of days in such year.

(ii) Marketing services

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

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

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(iii) Project management services

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

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

For purpose of calculating the fees payable to the Property Manager, construction costs means all construction costs and expenditure valued by the quantity surveyor engaged by the Group for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and goods and services tax.

(iv) Energy audit services

For energy audit services, the Group will pay the Property Manager $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property (being the base energy audit fee). In addition to these fees, the Trust will pay ASPL 40.0% of the cost savings achieved in each property during the first three years after the completion of the works in such property, subject to a maximum of $40,000 per property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees:

- in relation to the car parks located at certain 33 properties as set out in the property management agreement ("Managed Car Parks"), a management fee of $2.16 million per annum ("Base Car Park Fee") and 40.0% of hourly parking collections for such car parks (excluding goods and services tax). For the avoidance of doubt, any hourly car park rebates given to car park users will not be included in the hourly car park collections for the computation of fees.

- in the event that additional car parks are added or subsequently removed from the Managed Car Parks, the Base Car Park Fee shall be adjusted as follows:

  – in relation to a property which has up to 100 car park lots – the Base Car Park Fee shall be increased or decreased by $35 per car park lot per month multiplied by the number of car park lots in such property.

  – in relation to a property which has more than 100 car park lots – the Base Car Park Fee shall be increased or decreased by $25 per car park lot per month multiplied by the number of car park lots in such property.

1.4 Fees under the lease management agreement (for the Singapore properties)

(i) Lease management services

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

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

- pro-rated based on 0.5 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than one year;

- 0.5 month's gross rent inclusive of service charge for securing a tenancy of one year or more but less than or equivalent to three years;

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

1. GENERAL (CONTINUED)

1.4 Fees under the lease management agreement (for the Singapore properties) (continued)

(i) Lease management services (continued)

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

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

- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than three years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 2.0 months' gross rent inclusive of service charge for securing a tenancy of five years; and
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than five years, provided that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge.

(ii) Property tax services

For property tax services, the Manager or its nominees (as the Manager may direct) are entitled to the following fees if as a result of the Manager's or the nominees' objections to the tax authorities, the proposed annual value is reduced resulting in property tax savings for the property:

- a fee of 7.5% of the property tax savings, where the proposed reduction in annual value is $1.0 million or less;
- a fee of 5.5% of the property tax savings, where the proposed reduction in annual value is more than $1.0 million but does not exceed $5.0 million; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million.

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period less the expenses incurred to obtain the property tax savings and is not payable to the Manager if the Manager's objections are not successful or if the reduction in annual value results from an appeal to the valuation review board.

1. GENERAL (CONTINUED)

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

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

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

1.6 Fees under the asset and lease management agreements [for the United Kingdom (the "UK") properties]

The Group appointed Ascendas Investment Pte Ltd ("AIPL") as the asset manager for a term of approximately four years till 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the UK, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time. In connection with the foregoing, the Manager, the Trustee and AIPL entered into a master asset and lease management agreement (the "Master ALMA").

Pursuant to the Master ALMA, individual asset and lease management agreements (the "Individual ALMAs", together with the Master ALMA, the "ALMAs") were entered into by each underlying asset holding company with Ascendas Management (UK) Ltd ("AMUK"), a wholly-owned subsidiary of AIPL, to appoint AMUK as the asset manager for the UK properties for a term of approximately four years till 30 September 2022.

In consideration of AMUK providing the asset management services under the ALMAs, the Group will pay AMUK an asset management fee of 0.4% per annum of the Deposited Property. The payment of the asset management fee will reduce the base management fees payable to the Manager described under 1.2 (i) correspondingly, such that there is no double-counting of the payment of the asset management fees under the asset and lease management agreements and the payment of base management fees to the Manager.

For lease management services, the Group will pay AMUK a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the UK.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Functional and presentation currency

The financial statements are presented in Singapore dollars ("SGD"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.3 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, investment property held for sale, investment properties under development and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

As at 31 March 2019, the Group and the Trust's current liabilities exceed its current assets by $728.9 million (2018: $1,026.6 million) and $747.0 million (2018: $753.1 million) respectively. Notwithstanding the net current liabilities position, based on the Group and the Trust's existing financial resources, the Manager is of the opinion that the Group and the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities at the end of each reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

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

- Note 30 (d) – Valuation of investment properties
- Note 30 (b) and (c) – Valuation of financial instruments

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Measurement of fair values

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Note 30 (d) – Valuation of investment properties

- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies

Revised standards

The Group has applied the principles relating to the recognition and measurement of the following FRSs for the first time for the annual period beginning on 1 April 2018:

- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*

The adoption of these principles did not have a material effect on the Group's and the Trust's financial statements.

FRS 109 *Financial Instruments*

Classification and measurement of financial assets and financial liabilities

For an explanation of how the Group classifies and measures financial assets and related gains and losses under the principles of FRS 109, refer to note 3.7.

The adoption of these principles did not have a material effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under the principles of FRS 39 and the new measurement categories under the principles of FRS 109 for each class of the Group's and the Trust's financial assets and financial liabilities as at 1 April 2018.

	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Group				
Financial assets				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	9,948	9,948
Trade and other receivables[i]	Loans and receivables	Amortised cost	21,720	21,720
Finance lease receivables	Loans and receivables	Amortised cost	55,628	55,628
Cash and fixed deposits	Loans and receivables	Amortised cost	25,016	25,016
			112,312	112,312

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies (continued)

	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Group (continued)				
Financial liabilities				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	(63,539)	(63,539)
Trade and other payables[ii]	Other financial liabilities	Other financial liabilities	(123,122)	(123,122)
Security deposits	Other financial liabilities	Other financial liabilities	(120,080)	(120,080)
Loans and borrowings – Gross	Other financial liabilities	Other financial liabilities	(3,524,924)	(3,524,924)
			(3,831,665)	(3,831,665)
Trust				
Financial assets				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	9,888	9,888
Loans to subsidiaries	Loans and receivables	Amortised cost	269,538	269,538
Trade and other receivables[i]	Loans and receivables	Amortised cost	24,573	24,573
Finance lease receivables	Loans and receivables	Amortised cost	55,628	55,628
Cash and fixed deposits	Loans and receivables	Amortised cost	3,860	3,860
			363,487	363,487
Financial liabilities				
Financial derivatives – Cross currency swaps, Interest rate swaps and Forward exchange contracts	Fair value	Fair value	(59,629)	(59,629)
Trade and other payables[ii]	Other financial liabilities	Other financial liabilities	(122,252)	(122,252)
Security deposits	Other financial liabilities	Other financial liabilities	(118,581)	(118,581)
Loans and borrowings – Gross	Other financial liabilities	Other financial liabilities	(2,953,076)	(2,953,076)
			(3,253,538)	(3,253,538)

(i) Excludes prepayments.
(ii) Excludes rental received in advance and GST/Value Added Tax ("VAT") payable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities which address changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset measured at fair value depending on the level of influence retained.

Investment in joint venture

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

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

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

Transactions eliminated on consolidation

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

Subsidiaries in the separate financial statements

Interest in subsidiaries and joint venture are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the Statement of Total Return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation, which are recognised in Unitholders' funds.

Foreign operations

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties and investment properties under development

Investment properties are properties held either to earn rental income or for capital appreciation, or for both, but not for sale in the ordinary course of business. Investment properties under development include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

(i) in such manner and frequency required under the CIS Code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of the investment properties.

Subsequent expenditure on investment properties is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

3.4 Investment property held for sale

Investment properties that are expected to be recovered primarily through disposal rather than through continued use, are classified as investment property held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

3.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefit in excess of the originally assessed standard of performance of the existing asset will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Plant and equipment (continued)

Depreciation is provided on the straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Furniture and fixtures	5 – 7 years
Equipment	5 – 10 years
Computers and office equipment	1 – 5 years

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return on the date of retirement or disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

3.6 Leases

(i) Operating lease

Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.14. Contingent rents are recognised as revenue in the period in which they are earned.

Lessee

Payments made under operating leases (net of any incentives received from the lessor) are recognised in the Statement of Total Return on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Lessor

Leases which the Group has substantially transferred all the risks and rewards incidental to ownership of the asset to the lessee are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised as finance lease receivable on the Statement of Financial Position. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned interest income.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments

The accounting for financial instruments before 1 April 2018 are as follows:

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the Statement of Total Return when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Statement of Total Return.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Total Return when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised in the Statement of Total Return.

The accounting for financial instruments from 1 April 2018 are as follows:

(i) Financial assets

Classification and measurement

The Group classifies its non-derivative financial assets at amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised costs are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in the Statement of Total Return using the effective interest method.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Total Return when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment

(i) Financial assets

The accounting for financial instruments before 1 April 2018 are as follows:

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar credit risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the Statement of Total Return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Total Return to the extent that the carrying amount of the assets does not exceed its amortised cost at the reversal date.

The accounting for financial instruments from 1 April 2018 are as follows:

The Group recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Group are measured on either of the following bases:

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument; or
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(i) Financial assets (continued)

Simplified approach

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

General approach

For other financial assets at amortised costs, the Group applies the general approach to provide for ECLs. Under the general approach, the loss allowance is measured at an amount equal to 12-months ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments which are 1 to 90 days past due or there is significant financial difficulty of the counterparty.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(i) Financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

The Group determined that its financial assets are credit-impaired when:

- there is significant financial difficulty of the debtor
- a breach of contract, such as a default or past due event
- it is becoming probable that the debtor will enter bankruptcy or another financial reorganisation

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

(ii) Non-financial assets

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

An impairment loss is recognised in the Statement of Total Return if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return.

Calculation of recoverable amount

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(ii) Non-financial assets (continued)

Reversals of impairment

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

3.9 Taxation

(i) Current tax and deferred tax

Current and deferred tax are recognised in the Statement of Total Return, except to the extent that they relate to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

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

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

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

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in Singapore, Australia and the UK the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

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

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

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

However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to the extent that the beneficial Unitholders are:

(i) individuals (whether resident or non-resident) who receive such distributions as investment income (excluding income received through a Singapore partnership);

(ii) companies incorporated and tax resident in Singapore;

(iii) Singapore branches of foreign companies which have presented a letter of approval from the IRAS granting waiver from tax deducted at source in respect of distributions from the Trust;

(iv) non-corporate Singapore constituted or registered entities (e.g. town councils, statutory boards, charitable organisations, management corporations, clubs and trade and industry associations constituted, incorporated, registered or organised in Singapore);

(v) Central Provident Fund ("CPF") members who use their CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts; and

(vi) individuals who use their Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

The Trustee and the Manager will deduct tax at the reduced concessionary rate of 10.0% from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to beneficial Unitholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units in the Trust are not obtained from that operation.

The reduced concessionary tax rate of 10.0% has been extended to 31 March 2020.

(ii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3.11 Distribution policy

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

3.12 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders funds.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Perpetual securities

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

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

3.14 Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Other income

Other income comprises interest income received from finance lease receivable, car park charges, utilities income and sundry income. Interest income received from finance lease receivable is recognised on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Except for interest income received from finance lease receivable, other income is recognised when the right to receive payment is established, after services have been rendered.

3.15 Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are fees incurred under the property management agreements and lease management agreement in Singapore, strategic and asset management agreement in Australia and ALMAs in the UK which are based on the applicable formula stipulated in Note 1.3 to Note 1.6 respectively.

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the Statement of Total Return on a straight-line basis over the term of leases.

Management fees

Management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1.2.

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee fee which is based on the applicable formula stipulated in Note 1.1.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Finance costs

Finance costs comprise interest expense on borrowings, amortisation of borrowing-related transaction costs, transaction costs directly attributable to financial liabilities measured at fair value through profit or loss, fair value losses on financial instruments measured at fair value through profit or loss, and accretion adjustments on security deposits.

Interest expense on borrowings, amortisation of borrowing-related transaction costs and accretion adjustments on security deposits are recognised in the Statement of Total Return using the effective interest method over the period of borrowings, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.17 Earnings per Unit

The Group presents basic and diluted earnings per Unit data for its Units. Basic earnings per Unit is calculated by dividing the total return for the year attributable to Unitholders of the Trust by the weighted average number of Units outstanding during the year.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.19 New standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard which means lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT-FRS 104 Determining whether an Arrangement contains a Lease, INT-FRS 115 Operating Leases – Incentives and INT-FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 New standards and interpretations not adopted (continued)

FRS 116 *Leases* (continued)

The Group and the Trust plan to apply the principles of FRS 116 initially on 1 April 2019, using the modified retrospective approach and will not restate comparative amounts for the year prior to the first adoption. ROU for land leases will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The Group and the Trust plan to apply the practical expedient for the definition of a lease on transition. This means the principles of FRS 116 will be applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with the principles of FRS 17 and INT-FRS 104.

The Group and the Trust as lessee

The Group and the Trust expect to measure lease liabilities by applying a single discount rate to each group of leases of similar characteristics. Furthermore, the Group and the Trust plan to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities on 1 April 2019. Therefore, the application of FRS 116 will have no material impact on the net assets value of the Group and the Trust. For lease contracts that contain the option to renew, the Group and the Trust are expected to use hindsight in determining the lease term.

The Group and the Trust expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under the principles of FRS 116. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at the date of initial application.

The Group and the Trust as lessor

The principles of FRS 116 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group and the Trust continue to classify their leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Group and the Trust will reassess the classification of sub-leases in which the Group or the Trust is a lessor. Based on the information currently available, no significant impact is expected for leases in which the Group or the Trust is a lessor.

4. INVESTMENT PROPERTIES

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At 1 April	**10,118,978**	9,874,204	**8,625,500**	8,567,210
Acquisition of investment properties	**919,491**	232,139	**–**	–
Transfer from investment properties under development (Note 5)	**112,111**	64,190	**86,400**	64,190
Transfer to investment property held for sale (Note 11)	**–**	(20,300)	**–**	(20,300)
Capital expenditure incurred	**61,946**	83,838	**53,538**	79,793
Disposal of investment properties	**(19,783)**	(54,700)	**(19,783)**	(54,700)
Exchange differences	**(84,966)**	(74,832)	**–**	–
Fair value change	**36,160**	14,439	**23,845**	(10,693)
At 31 March	**11,143,937**	10,118,978	**8,769,500**	8,625,500
Statement of Total Return:				
Fair value change of investment properties	**36,160**	14,439	**23,845**	(10,693)
Fair value change of investment properties under development (Note 5)	**–**	(11,544)	**–**	(11,544)
Effect of lease incentive and marketing fee amortisation	**(6,856)**	905	**(2,983)**	809
Net fair value change on investment properties recognised in the Statement of Total Return (unrealised)	**29,304**	3,800	**20,862**	(21,428)

Details of the properties are shown in the Investment Properties Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating lease or finance lease (Note 19 and Note 27).

As at 31 March 2019, investment properties with an aggregate carrying amount of $1,025,381,000 (2018: $1,038,254,000) have been pledged as collateral for certain term loans taken out by the Group (Note 15).

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2019 and 31 March 2018. Information on the fair value assessment of investment properties is disclosed in Note 30(d).

5. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At 1 April	**95,463**	125,062	**86,400**	125,062
Transfer to investment property (Note 4)	**(112,111)**	(64,190)	**(86,400)**	(64,190)
Capital expenditure incurred	**108,385**	37,072	**91,595**	37,072
Addition	**–**	9,163	**–**	–
Fair value change	**–**	(11,544)	**–**	(11,544)
Exchange differences	**(142)**	(100)	**–**	–
At 31 March	**91,595**	95,463	**91,595**	86,400

As at 31 March 2019, investment properties under development ("IPUD") represented one built-to-suit project in one-north, Singapore, which will be completed in 2020.

As at 31 March 2018, IPUD included the redevelopment project at 20 Tuas Avenue 1 in Singapore and the progress payment made in relation to the fund-through acquisition of a logistics property in Australia. The redevelopment work at 20 Tuas Avenue 1 was completed in April 2018 and the fund-through acquisition was completed in September 2018. Both the two investment properties under development were transferred to the investment properties (Note 4) upon completion.

The carrying amount of investment properties under development is stated at fair value based on internal or external valuation. Information on the fair value assessment of investment properties under development is disclosed in Note 30(d).

6. PLANT AND EQUIPMENT

	Furniture and fixtures $'000	Equipment $'000	Computers and office equipment $'000	Total $'000
Group				
Cost				
At 1 April 2017	2,878	5,827	521	9,226
Divestment of subsidiaries	(26)	(32)	(90)	(148)
At 31 March 2018, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 1 April 2017	2,861	5,810	487	9,158
Depreciation charge for the year	2	4	13	19
Divestment of subsidiaries	(11)	(19)	(69)	(99)
At 31 March 2018, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 31 March 2018 and 31 March 2019	–	–	–	–
Trust				
Cost				
At 1 April 2017, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Accumulated depreciation				
At 1 April 2017, 1 April 2018 and 31 March 2019	**2,852**	**5,795**	**431**	**9,078**
Carrying amounts				
At 31 March 2018 and 31 March 2019	–	–	–	–

7. FINANCE LEASE RECEIVABLES

	2019 Carrying amount $'000	2019 Face value $'000	2018 Carrying amount $'000	2018 Face value $'000
Group and Trust				
Finance lease receivables				
– Current	**2,688**	**6,376**	2,385	6,251
– Non-current	**50,554**	**72,298**	53,243	78,674
	53,242	**78,674**	55,628	84,925

Finance lease receivables are receivable from the lessees as follows:

	2019 Gross receivable $'000	2019 Unearned interest income $'000	2019 Net receivable $'000	2018 Gross receivable $'000	2018 Unearned interest income $'000	2018 Net receivable $'000
Group and Trust						
Within 1 year	**6,376**	**3,688**	**2,688**	6,251	3,866	2,385
After 1 year but within 5 years	**26,223**	**12,273**	**13,950**	26,279	13,446	12,833
After 5 years	**46,075**	**9,471**	**36,604**	52,395	11,985	40,410
	78,674	**25,432**	**53,242**	84,925	29,297	55,628

The Group has a credit policy in place to monitor lessees' credit rating on an ongoing basis. The lessees would be required to provide a security deposit if the credit rating falls below the agreed terms. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES

	Trust	
	2019	2018
	$'000	$'000
Interests in subsidiaries		
Equity investment, at cost		
At 1 April	**501,864**	459,263
Acquisitions	**38,465**	42,601
At 31 March	**540,329**	501,864
Loans to subsidiaries (Note a)	**638,683**	167,490
	1,179,012	669,354
Loans to subsidiaries		
Loans to subsidiaries (Note b)	**297,000**	269,538

(a) As loans to subsidiaries for both financial years ended 31 March 2019 and 31 March 2018 were, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses. The other loans to subsidiaries were interest free and unsecured. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future.

(b) As at 31 March 2019, loans to subsidiaries bear interest of BBSY+2.3% and BBSW+1.8% (2018: a loan to a subsidiary of BBSY+2.3%) per annum respectively. The interest is payable annually while the payment of principal will be upon maturity in 2021 and 2023.

Details of interests in subsidiaries:

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			2019	2018
			%	%
(i) Direct subsidiaries				
PLC 8 Holdings Pte. Ltd. ("PLC8H")*	Investment holding	Singapore	**100**	100
Ruby Assets Pte. Ltd.#	To issue debt securities and grant collateral loan to the Trust	Singapore	**–**	–
Ascendas REIT Australia ("ARA")^	Investment holding	Australia	**100**	100
Ascendas REIT (Europe) Pte. Ltd.@	Investment holding	Singapore	**100**	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries: (continued)

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries				
PLC 8 Development Pte. Ltd. ("PLC8D")*	Commercial and industrial real estate management	Singapore	**100**	100
Ascendas Logistics Trust ("ALT")^	Investment holding	Australia	**100**	100
Ascendas Logistics Trust 2 ("ALT2")^	Investment holding	Australia	**100**	100
Ascendas Logistics Trust 3 ("ALT3")~	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No.1^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.2^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.3^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.4^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.5^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.6^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.7^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.8^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.9^	Investment holding	Australia	**100**	100
Ascendas Longbeach Trust No.10~	Investment holding	Australia	**100**	–
Ascendas Longbeach Trust No. 11~	Investment holding	Australia	**100**	–
Ascendas Longbeach Sub-Trust No.1^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.2^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.3^	Investment holding	Australia	**100**	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Sub-Trust No.4^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.5^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.6^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.7^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.8^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.9^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.10^	Investment holding	Australia	**100**	100
Ascendas Longbeach Sub-Trust No.11^	Investment holding	Australia	**100**	100
Ascendas Business Park Trust No.1^	Investment holding	Australia	**100**	100
Ascendas REIT (Europe Sub 1) Ltd.&	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics I) Limited (formerly known as "OXW Catalina (Logistics) Limited")&	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics II) Limited (formerly known as "OXW Catalina (Logistics III) Limited")&	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics III) Limited (formerly known as "OXW Catalina (Logistics VII) Limited")&	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics IV) Limited (formerly known as "OXW Catalina (Logistics VIII) Limited")&	Investment holding	Guernsey	**100**	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	Effective equity held by the Trust 2018 %
(ii) Indirect subsidiaries (continued)				
ARE S1 (Logistics V) Limited (formerly known as "OXW Catalina (NPP) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics VI) Limited (formerly known as "OXW Catalina (Logistics II) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics Vll) Limited (formerly known as "OXW Catalina (Logistics IV) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics VllI) Limited (formerly known as "OXW Catalina (Logistics V) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics IX) Limited (formerly known as "OXW Catalina (Logistics VI) Limited")[&]	Investment holding	Guernsey	**100**	–
ARE S1 (Logistics X) Limited (formerly known as "OXW Catalina (Logistics IX) Limited")[&]	Investment holding	Guernsey	**100**	–
Ascendas REIT (Europe Sub 2) Group Ltd (formerly known as "Griffin UK Logistics Fund Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics I) Limited (formerly known as "Gulf Ventures 1 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics II) Limited (formerly known as "Gulf Ventures 3 Limited")[&]	Investment holding	Jersey	**100**	–
ARE S2 (Logistics III) Limited (formerly known as "Gulf Ventures 4 Limited")[&]	Investment holding	Jersey	**100**	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 2019 %	2018 %
(ii) Indirect subsidiaries (continued)				
ARE S2 (Logistics IV) Limited (formerly known as "Gulf Ventures 6 Limited")&	Investment holding	Jersey	**100**	–
ARE S2 (Logistics V) Limited (formerly known as "Gulf Ventures 8 Limited")&	Investment holding	Jersey	**100**	–
ARE S2 (Logistics VI) Limited (formerly known as "GUPI 2 Limited")&	Investment holding	Jersey	**100**	–
ARE S2 (Logistics VII) Limited (formerly known as "GUPI 3 Limited")&	Investment holding	Jersey	**100**	–
ARE S2 (Logistics VIII) Limited (formerly known as "GUPI 4 Limited")&	Investment holding	Jersey	**100**	–
ARE S2 (Logistics IX) Limited (formerly known as "GUPI 7 Limited")&	Investment holding	Jersey	**100**	–

* Audited by EY LLP Singapore for the financial year ended 31 March 2019 (2018: EY LLP Singapore).

@ Audited by EY LLP Singapore for the financial year ended 31 March 2019 (2018: Not applicable).

^ Audited by a member firm of EY International for the financial year ended 31 March 2019 for Group consolidation purpose (2018: EY International).

~ Audited by a member firm of EY International for the financial year ended 31 March 2019 for Group consolidation purpose (2018: Not applicable).

& Audited by EY LLP Singapore for the financial year ended 31 March 2019 for Group consolidation purpose (2018: Not applicable).

(1) The Group does not hold any ownership interests in Ruby Assets Pte. Ltd.. However, based on the terms of the agreements under which this entity was established, the Group has the ability to direct the activities of the entity for the benefit of the Group. Accordingly, it was consolidated by the Group.

(2) Ruby Assets Pte. Ltd. completed its voluntary liquidation on 19 January 2019. No audit was required for the financial year ended 31 March 2019 (2018: audited by EY LLP Singapore).

9. INVESTMENT IN A JOINT VENTURE

	Group	
	2019	2018
	$'000	$'000
At 1 April	**123**	126
Share of post-acquisition profit	**493**	514
Dividend received	**(514)**	(517)
At 31 March	**102**	123

Details of the joint venture is as follows:

Name of joint venture	Principal place of business	Effective equity held by the Group and Trust	
		2019	2018
		%	%
Changi City Carpark Operations LLP*	Singapore	**39.914**	39.914

* Audited by Tan, Chan & Partners LLP for the financial year ended 30 September 2018 and 2017.

Changi City Carpark Operations LLP ("CCCO") is an unlisted joint arrangement in which the Group has joint control via a partnership agreement and 39.914% equity interest. CCCO manages and operates the car park at ONE@Changi City.

CCCO is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in CCCO as a joint venture, which is equity accounted.

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade receivables, gross	**7,536**	3,199	**2,692**	1,295
Impairment loss	**–**	(10)	**–**	(10)
Trade receivables, net	**7,536**	3,189	**2,692**	1,285
Deposits	**8,761**	1,242	**–**	1,021
Interest receivables	**8,795**	8,619	**8,626**	8,619
Other receivables				
– Subsidiaries	**–**	–	**12,652**	6,411
– Non-related parties	**7,868**	8,670	**6,720**	7,237
	7,868	8,670	**19,372**	13,648
	32,960	21,720	**30,690**	24,573
Prepayments	**6,675**	6,617	**2,880**	3,702
	39,635	28,337	**33,570**	28,275

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivable from a subsidiary is the interest receivable related to loans to subsidiaries, which is receivable on demand.

The Group's primary exposure to credit risk arises through its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk for trade receivables at reporting date, by operating segments, is as follows:

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Business & Science Park Properties, and Suburban Offices	**588**	736	**99**	439
Integrated Development, Amenities & Retail Properties	**96**	260	**96**	260
High-Specifications Industrial Properties & Data Centres	**1,702**	204	**1,702**	204
Light Industrial Properties & Flatted Factories	**191**	166	**191**	166
Logistics & Distribution Centres	**4,959**	1,823	**604**	216
	7,536	3,189	**2,692**	1,285

The amounts represented in the table above are mainly secured by way of bankers' guarantees, insurance bonds or cash security deposits held by the Group, except for trade receivables balance which are impaired.

As a result of the default in rental by tenants, $1,782,000 (2018: $2,107,000) of cash security deposits were forfeited during the financial year.

The ageing of trade receivables at the reporting date was:

	2019		2018	
	Gross	**Impairment losses**	Gross	Impairment losses
	$'000	**$'000**	$'000	$'000
Group				
Not past due	**5,086**	**–**	1,464	–
Past due 1 – 90 days	**2,369**	**–**	1,654	(3)
Past due over 90 days	**81**	**–**	81	(7)
	7,536	**–**	3,199	(10)
Trust				
Not past due	**242**	**–**	–	–
Past due 1 – 90 days	**2,369**	**–**	1,223	(3)
Past due over 90 days	**81**	**–**	72	(7)
	2,692	**–**	1,295	(10)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	2019 $'000	2018 $'000
Group and Trust		
At 1 April	**10**	–
(Reversal)/Provision of impairment losses during the year	**(10)**	10
At 31 March	**–**	10

The Manager believes that no provision of impairment losses is necessary in respect of the remaining trade receivables as majority of the balances are not past due. And the rest of these amounts mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantees, insurance bonds or cash security deposits.

11. INVESTMENT PROPERTY HELD FOR SALE

On 3 April 2018, the Trust entered into a sale and purchase agreement for the sale of No. 30 Old Toh Tuck Road (the "Property") for $24.0 million. Accordingly, the Property was classified as investment property held for sale as at 31 March 2018. The disposal of the Property was completed on 30 April 2018.

12. CASH AND FIXED DEPOSITS

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Cash at bank	**50,946**	23,567	**6,678**	3,860
Fixed deposits	**1,395**	1,449	**–**	–
	52,341	25,016	**6,678**	3,860

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following at the end of each financial year:

	Group	
	2019 $'000	2018 $'000
Cash at bank	**50,946**	23,567
Fixed deposits	**1,395**	1,449
	52,341	25,016
Bank overdrafts (Note 15)	**(47,420)**	(47,965)
Cash and cash equivalents	**4,921**	(22,949)

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade payables				
– non-related parties	**4,911**	3,614	**3,479**	3,632
– subsidiary	**–**	–	**–**	493
– the Manager	**1,618**	3,019	**1,618**	3,019
– the Property Manager	**6,587**	3,428	**6,587**	3,428
– the Trustee	**507**	430	**507**	430
– other related parties	**115**	3,096	**115**	3,096
GST/VAT payables	**5,752**	9,077	**2,509**	9,014
Accruals	**74,667**	71,870	**62,928**	63,123
Other payables	**15,067**	11,096	**12,718**	10,868
Amount owing to a subsidiary[1]	**–**	–	**9,392**	8,721
Property tax payable	**5,861**	11,852	**5,861**	11,852
Interest payable	**21,792**	14,717	**17,875**	13,590
Rental received in advance	**21,378**	11,632	**7,992**	8,856
	158,255	143,831	**131,581**	140,122

(1) The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Derivative assets				
Current	**1,425**	819	**1,425**	759
Non-current	**31,546**	9,129	**29,767**	9,129
	32,971	9,948	**31,192**	9,888
Derivative liabilities				
Current	**(8)**	(616)	**(8)**	(371)
Non-current	**(64,112)**	(62,923)	**(55,958)**	(59,258)
	(64,120)	(63,539)	**(55,966)**	(59,629)
Total derivative financial instruments	**(31,149)**	(53,591)	**(24,774)**	(49,741)
Derivative financial instruments as a percentage of net assets	**0.45%**	0.82%	**0.36%**	0.77%

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of $1,967.9 million (2018: $1,946.9 million) to provide fixed rate funding for terms of less than 1.0 year to 5.8 years (2018: less than one year to 6.8 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of $350.0 million (2018: $350.0 million) and basis interest rate swaps with an aggregate notional amount of $504.5 million (2018: $504.5 million) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

The changes in fair value of the interest rate swaps are recognised in the Statement of Total Return for both financial years ended 31 March 2019 and 2018.

As at 31 March 2019, the Group held cross currency swaps ("CCS") with notional amounts of JPY15.0 billion, HKD4.2 billion, and USD148.3 million (2018: JPY15.0 billion, HKD2.1 billion, and USD151.7 million respectively, to provide Singapore dollar funding for terms of less than one year to 10.4 years (2018: 1.0 year to 11.4 years).

In addition, the Group held CCS with notional amounts of AUD294.5 million and GBP114.9 million (2018: AUD294.5 million) as a hedge for its investment in Australia and the UK for a term of 1.5 to 4.0 years (2018: 2.5 years) respectively.

The Group had also entered into forward exchange contracts to manage its foreign currency risk. The notional amount of the Group's outstanding forward exchange contracts as at 31 March 2019 was AUD14.5 million (2018: AUD18.4 million).

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include derivative assets and derivative liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Statements of Financial Position.

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances, following the occurrence of a termination event as set out in the ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only the net amount is due or payable in settlement of all transactions.

The swaps presented below are not offset in the Statements of Financial Position as the right to off-set recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial assets/ liabilities $'000	Gross amounts of recognised financial liabilities/ assets offset in the Statements of Financial Position $'000	Net amounts of financial assets/ liabilities presented in the Statements of Financial Position $'000	Related amounts not offset in the Statements of Financial Position $'000	Net amount $'000
2019					
Group					
Types of financial assets					
Derivative assets	**32,971**	**–**	**32,971**	**(4,943)**	**28,028**
Types of financial liabilities					
Derivative liabilities	**64,120**	**–**	**64,120**	**(4,943)**	**59,177**
Trust					
Types of financial assets					
Derivative assets	**31,192**	**–**	**31,192**	**(4,943)**	**26,249**
Types of financial liabilities					
Derivative liabilities	**55,966**	**–**	**55,966**	**(4,943)**	**51,023**
2018					
Group					
Types of financial assets					
Derivative assets	9,948	–	9,948	(5,234)	4,714
Types of financial liabilities					
Derivative liabilities	63,539	–	63,539	(5,234)	58,305
Trust					
Types of financial assets					
Derivative assets	9,888	–	9,888	(5,174)	4,714
Types of financial liabilities					
Derivative liabilities	59,629	–	59,629	(5,174)	54,455

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Statements of Financial Position at their fair values.

15. LOANS AND BORROWINGS

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Current				
Short term bank borrowings (unsecured)	**168,400**	576,735	**168,400**	576,735
Bank overdrafts (Note 12)	**47,420**	47,965	**47,420**	47,965
	215,820	624,700	**215,820**	624,700
Term loans				
– Secured	**–**	285,924	**–**	–
– Unsecured	**301,142**	–	**301,142**	–
Less: Unamortised transaction costs	**(48)**	(681)	**(48)**	–
	301,094	285,243	**301,094**	–
Medium term notes (unsecured)	**95,000**	–	**95,000**	–
Less: Unamortised transaction costs	**(6)**	–	**(6)**	–
	94,994	–	**94,994**	–
Total current loans and borrowings	**611,908**	909,943	**611,908**	624,700
Non-current				
Term loans				
– Secured	**541,543**	285,924	**–**	–
– Unsecured	**1,061,434**	724,029	**704,080**	724,029
Less: Unamortised transaction costs	**(7,030)**	(1,742)	**(2,083)**	(1,061)
	1,595,947	1,008,211	**701,997**	722,968
Medium term notes (unsecured)	**1,893,839**	1,604,347	**1,893,839**	1,604,347
Less: Unamortised transaction costs	**(3,903)**	(3,281)	**(3,903)**	(3,281)
	1,889,936	1,601,066	**1,889,936**	1,601,066
Total non-current loans and borrowings	**3,485,883**	2,609,277	**2,591,933**	2,324,034
Total loans and borrowings	**4,097,791**	3,519,220	**3,203,841**	2,948,734

Maturity of gross loans and borrowings:

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Within 1 year	**611,962**	910,624	**611,962**	624,700
After 1 year but within 5 years	**2,173,430**	1,746,493	**1,545,305**	1,460,569
After 5 years	**1,323,386**	867,807	**1,052,614**	867,807
	4,108,778	3,524,924	**3,209,881**	2,953,076

15. LOANS AND BORROWINGS (CONTINUED)

Short term bank borrowings

As at the reporting date, the Group has in place various short term banking credit facilities totalling $1,417.5 million (2018: $1,265.9 million), of which $212.6 million (2018: $617.0 million) has been utilised. Included in the amount of $1,417.5 million (2018: $1,265.9 million) is a sub-facilities of $101.4 million (2018: $101.3 million) facility for the issuance of letters of guarantee.

Term loans

As at the reporting date, the Group has in place various term loan facilities totalling $2,002.9 million (2018: $1,321.8 million) of which $1,902.9 million (2018: $1,296.8 million) has been utilised.

Included in the above was approximately $541.5 million (2018: $571.8 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from the Trust.

Medium term notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN") Programme. Pursuant to the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes") in Singapore dollars or any other currency for up to a programme limit of $1.0 billion. In March 2016, the Trust upsized the programme limit to $5.0 billion.

The Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Trust ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Trust.

The principal amount of the Notes outstanding as at 31 March 2019 comprised $1,075.0 million (2018: $1,075.0 million) in SGD-denominated Notes, $183.7 million (2018: $184.6 million) in JPY-denominated Notes and $730.2 million (2018: $344.7 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY15.0 billion and HKD4.2 billion (2018: JPY15.0 billion and HKD2.1 billion) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 14).

As at 31 March 2019, the Notes issued under the MTN programme are as follows:

(i) $200.0 million (2018: $200.0 million) Series 004 Notes. The Series 004 Notes will mature on 3 February 2022 and bear a fixed interest rate of 4.00% per annum, payable semi-annually in arrear.

(ii) JPY10.0 billion (2018: JPY10.0 billion) Series 005 Notes. The Series 005 Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% per annum, payable semi-annually in arrear.

(iii) JPY5.0 billion (2018: JPY5.0 billion) Series 006 Notes. The Series 006 Notes will mature on 29 March 2021 and bear an interest rate of 3-month JPY LIBOR plus 0.50% per annum, payable quarterly in arrear.

15. LOANS AND BORROWINGS (CONTINUED)

Medium term notes (continued)

As at 31 March 2019, the Notes issued under MTN are as follows: (continued)

(iv) $95.0 million (2018: $95.0 million) Series 007 Notes. The series 007 Notes will mature on 16 May 2019 and bear a fixed interest rate of 2.50% per annum and payable semi-annually in arrear.

(v) HKD640.0 million (2018: HKD640.0 million) Series 009 Notes. The Series 009 Notes will mature on 4 September 2029 and bear a fixed interest rate of 3.64% per annum, payable annually in arrear.

(vi) $150.0 million (2018: $150.0 million) Series 010 Notes. The Series 010 Notes will mature on 3 June 2022 and bear a fixed interest rate of 3.20% per annum, payable semi-annually in arrear.

(vii) $100.0 million (2018: $100.0 million) Series 011 Notes. The Series 011 Notes will mature on 3 August 2020 and bear a fixed interest rate of 2.95% per annum, payable semi-annually in arrear.

(viii) HKD500.0 million (2018: HKD500.0 million) Series 012 Notes. The Series 012 Notes will mature on 4 February 2026 and bear a fixed interest rate of 3.00% per annum, payable annually in arrear.

(ix) $130.0 million (2018: $130.0 million) Series 013 Notes. The Series 013 Notes will mature on 7 April 2021 and bear a fixed interest rate of 2.655% per annum, payable semi-annually in arrear.

(x) HKD923.0 million (2018: HKD923.0 million) Series 014 Notes. The Series 014 Notes will mature on 3 August 2026 and bear a fixed interest rate of 2.77% per annum, payable annually in arrear.

(xi) $200.0 million (2018: $200.0 million) Series 015 Notes. The Series 015 Notes will mature on 10 August 2023 and bear a fixed interest rate of 2.47% per annum, payable semi-annually in arrear.

(xii) $200.0 million (2018: $200.0 million) Series 016 Notes. The Series 016 Notes will mature on 2 March 2025 and bear a fixed interest rate of 3.14% per annum, payable semi-annually in arrear.

(xiii) HKD729.0 million (2018: Nil) Series 017 Notes. The Series 017 Notes will mature on 16 May 2025 and bear a fixed interest rate of 3.66% per annum, payable semi-annually in arrear.

(xiv) HKD1,450.0 million (2018: Nil) Series 018 Notes. The Series 018 Notes will mature on 20 March 2029 and bear a fixed interest rate of 3.57% per annum, payable semi-annually in arrear.

The Trust has entered into cross currency swaps to swap – the Series 005 Notes, the Series 006 Notes, the Series 009 Notes, the Series 012 Notes, the Series 014 Notes, the Series 017 Notes, and the Series 018 Notes – into Singapore dollars.

15. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
2019				
Short term bank borrowings	SOR/COF^ + margin	2019	**215,820**	**215,820**
Term loans	SOR/COF^ + margin	2019 to 2025	**1,904,119**	**1,897,041**
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2019 to 2029	**1,988,839**	**1,984,930**
			4,108,778	**4,097,791**
2018				
Short term bank borrowings	SOR/COF^ + margin	2018	624,700	624,700
Term loans	SOR/COF^ + margin	2018 to 2020	1,295,877	1,293,454
Medium term notes	2.47 – 4.00/JPY 3-month LIBOR + 0.5%	2019 to 2029	1,604,347	1,601,066
			3,524,924	3,519,220
Trust				
2019				
Short term bank borrowings	SOR/COF^ + margin	2019	**215,820**	**215,820**
Term loans	SOR/COF^ + margin	2019 to 2023	**1,005,222**	**1,003,091**
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2019 to 2029	**1,988,839**	**1,984,930**
			3,209,881	**3,203,841**
2018				
Short term bank borrowings	SOR / COF^ + margin	2018	624,700	624,700
Term loans	SOR / COF^ + margin	2019 to 2020	724,029	722,968
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2019 to 2029	1,604,347	1,601,066
			2,953,076	2,948,734

^ COF denotes the lender's cost of funds

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 March 2019 was 3.00% (2018: 2.89%) per annum. Total borrowings have a weighted average term remaining of 3.6 years (2018: 3.3 years).

15. LOANS AND BORROWINGS (CONTINUED)

A reconciliation of liabilities (excluding the bank overdrafts) arising from financing activities is as follows:

	2018		Non-cash changes			2019
		Cash flows	Currency translation	Accretion of interests	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,471,255	609,629	(27,527)	2,541	(5,527)	4,050,371

	2017		Non-cash changes			2018
		Cash flows	Currency translation	Accretion of interests	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,400,066	120,792	(53,934)	1,903	2,428	3,471,255

The "Others" column related to the movement of debt related transaction cost.

16. DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities during the year are as follows:

	Investment Property $'000	Unremitted earnings of overseas subsidiaries $'000	Total $'000
Group			
At 1 April 2017	–	–	–
Recognised in the Statement of Total Return (Note 24)	–	1,411	1,411
At 31 March 2018	–	1,411	1,411
At 1 April 2018	–	1,411	1,411
Recognised in the Statement of Total Return (Note 24)	–	8,429	8,429
Acquisition of subsidiaries	861	–	861
At 31 March 2019	861	9,840	10,701
Trust			
At 1 April 2017	–	606	606
Divestment of subsidiaries	–	(606)	(606)
At 31 March 2018	–	–	–
At 1 April 2018 and 31 March 2019	–	–	–

17. PERPETUAL SECURITIES

In October 2015, the Trust issued $300.0 million perpetual securities. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 4.75% per annum with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded as equity in the Statements of Financial Position. The $304.4 million (2018: $304.4 million) presented in the Statements of Financial Position represents the carrying value of the $300.0 million (2018: $300.0 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

18. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	2019 ('000)	2018 ('000)
Units issued:		
At the beginning of the financial year	**2,928,504**	2,924,767
Issue of new Units:		
– Management fees paid in Units	**4,032**	3,737
– Equity fund raising	**178,007**	–
– Development management fees paid in Units	**299**	–
At the end of the financial year	**3,110,842**	2,928,504
Units to be issued:		
Management fee payable in Units	**1,296**	1,289
Total Units issued and to be issued at the end of the financial year	**3,112,138**	2,929,793

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,540,000 were issued at issue prices ranging from $2.5731 to $2.6584 per Unit for the payment of 20% base management fee to the Manager in Units.

- 178,007,000 new Units were issued on 18 September 2018 at an issue price of $2.540 per Unit pursuant to a private placement, amounting to $452,138,000. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 17 September 2018 received an advance distribution on 17 October 2018 of 7.250 cents per Unit for the period from 1 April 2018 to 17 September 2018. Thereafter, the 178,007,000 new Units rank *pari passu* in all respects with the Units in issue prior to 18 September 2018, including the entitlements to all future distributions.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manager at an issue price of $2.8126 per Unit. The issuance of Units was for the payment of 1% development management fee for the $84.0 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the Units in issue on the day immediately preceding the date of issue.

During the financial year ended 31 March 2018:

- 3,736,735 new Units amounting to $9,995,000 were issued at issue prices ranging from $2.6734 to $2.6761 per Unit for the payment of 20% base management fee to the Manager in Units.

18 UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or any part thereof) or of any estate or interest in any asset (or any part thereof) of the Trust;
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the issued units) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- One vote per unit at a Unitholders' meeting.

The restrictions to a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request for redemption of the units while the units are listed on the SGX-ST.

19. GROSS REVENUE

	Group	
	2019	2018
	$'000	$'000
Property rental income	**800,273**	784,306
Other income	**85,898**	77,805
	886,171	862,111

20. PROPERTY OPERATING EXPENSES

	Group	
	2019	2018
	$'000	$'000
Land rent	**32,343**	32,413
Maintenance and conservancy ("M&C") expenses	**38,262**	34,136
Property service fees	**35,193**	34,522
Property tax	**52,900**	59,617
Utilities	**46,945**	42,224
Security services	**8,193**	6,889
Site staff cost	**3,961**	5,435
Carpark management fee expenses	**4,563**	4,697
Land tax	**9,039**	9,064
Other operating expenses	**5,193**	3,714
	236,592	232,711

21. MANAGEMENT FEES

	Group	
	2019	2018
	$'000	$'000
Base management fee	**54,379**	50,707

Included in management fees is an aggregate of 5,328,000 (2018: 5,026,000) Units amounting to approximately $10,873,000 (2018: $10,139,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in Units at unit prices ranging from $2.6584 to $2.8755 (2018: $2.6316 to $2.6761) per Unit.

22. TRUST EXPENSES

	Group	
	2019	2018
	$'000	$'000
Auditors' remuneration		
– audit fees	**444**	331
– non-audit fees	**77**	117
Professional fees	**1,601**	1,084
Valuation fees	**589**	432
Trustee fee	**2,415**	3,123
Other expenses	**2,549**	2,627
	7,675	7,714

23. FINANCE INCOME AND FINANCE COSTS

	Group	
	2019	2018
	$'000	$'000
Finance income	**10,448**	9,081
Interest expense	**122,942**	106,305
Amortisation of transaction costs	**3,323**	3,359
Others	**223**	178
Finance costs	**126,488**	109,842

24. TAX EXPENSE

	Group	
	2019	2018
	$'000	$'000
Current tax expense		
– Current year	**5,955**	2,393
– Under/(Over) provision in respect of prior year	**7**	(977)
	5,962	1,416
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	**8,429**	1,411
Tax expense	**14,391**	2,827

Reconciliation of effective tax rate

Total return for the year before tax	**517,474**	496,921
Tax calculated using Singapore tax rate of 17% (2018: 17%)	**87,971**	84,477
Effect of different tax rate in foreign jurisdictions	**4,317**	2,393
Non-tax deductible items, net	**8,114**	5,271
Income not subject to tax	**(20,998)**	(15,223)
Tax on overseas profits yet to be remitted	**8,429**	1,411
Under/(Over) provision in respect of prior year	**7**	(977)
Tax transparency	**(73,449)**	(74,525)
	14,391	2,827

25. EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

(a) Basic earnings per Unit

The calculation of basic earnings per Unit is based on the total return for the year and weighted average number of units during the year:

	Group	
	2019	2018
	$'000	$'000
Total return for the year attributable to the Unitholders and perpetual securities holders	**503,087**	494,118
Less: Amount reserved for distribution to perpetual securities holders	**(14,250)**	(14,250)
Total return attributable to Unitholders	**488,837**	479,868

	Number of Units	
	2019	2018
	('000)	('000)
Weighted average number of Units:		
– outstanding during the year	**3,025,741**	2,926,784
– to be issued as payment for management fee payable in Units	**4**	4
	3,025,745	2,926,788

	Group	
	2019	2018
Basic earnings per Unit (cents)	**16.156**	16.396

(b) Diluted earnings per Unit

As at 31 March 2019 and 2018, the diluted earnings per Unit was equivalent to the basic earnings per Unit.

(c) Distribution per Unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	2019	2018
Total amount available for distribution for the year ($'000)	**485,683**	468,045
Distribution per Unit (cents)	**16.035**	15.988

26. COMMITMENTS AND CONTINGENCIES

(a) The Trust is required to pay JTC Corporation ("JTC") and the Housing Development Board ("HDB") annual land rent (including licence fee payable for development projects) in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreement limits any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC amounted to $37,796,000 (2018: to JTC and HDB amounted to $38,159,000 and $1,870,000 respectively) in relation to 70 (2018: 72) properties for the financial year ended 31 March 2019 (including amounts that have been directly recharged to tenants).

(b) The Group and the Trust lease out their investment properties under operating lease agreements. Non-cancellable operating lease rental receivables are as follows:

	Group		Trust	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Within 1 year	**762,874**	716,774	**630,447**	622,208
After 1 year but within 5 years	**1,672,177**	1,606,834	**1,246,807**	1,305,576
After 5 years	**1,094,387**	889,564	**765,862**	724,596
	3,529,438	3,213,172	**2,643,116**	2,652,380

(c) As at 31 March 2019, the Group and the Trust had $81.1 million (2018: $37.4 million) and $81.1 million (2018: $12.2 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

(d) The Trust has provided corporate guarantees amounting to $898.9 million (2018: $571.8 million) to banks for loans obtained by its subsidiaries.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of a significant Unitholder of the Trust.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group	
	2019	2018
	$'000	$'000
Acquisition fee paid/payable to the Manager and a subsidiary of the Manager	**9,305**	2,255
Car park management fee paid/payable to the Property Manager	**4,527**	4,696
Divestment fee paid/payable to the Manager	**229**	304
Development management fee paid to the Manager	**840**	–
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	**123,895**	38,434
Lease rental, securities, utilities and car park income received from other related parties	**(47,952)**	(48,133)
Lease service fees paid/payable to the Manager and a subsidiary of the Manager	**17,669**	19,609
Management fees paid/payable to the Manager and a subsidiary of the Manager	**52,523**	50,707
Property service fees paid to the Property Manager	**21,936**	22,334
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	**4,321**	2,351
Reimbursements and receipts on behalf of the Property Manager	**759**	440
Reimbursements paid/payable to the Manager	**2,144**	48
Reimbursements of expenses from other related parties	**(56)**	(81)
Receipts on behalf by the Manager	**(14)**	(52)
Rental income of meeting rooms and receipts on behalf by the Property Manager	**(23)**	(80)
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	**9,536**	11,071
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	**(264)**	(112)

28. FINANCIAL RATIOS

	Group	
	2019	2018
	%	%
Ratio of expenses to weighted average net asset value[1]	**0.93**	0.91
Ratio of expenses to weighted average net asset value[2]	**0.93**	0.91
Ratio of expenses to net asset value[3]	**4.30**	4.48
Portfolio turnover rate[4]	**0.60**	0.94

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, borrowing costs and performance component of management fees.

(2) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation are the same as in (1) above except that performance fee has been included.

(3) The ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.

(4) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is integral to the whole business of the Group. The Manager has a system of controls in place to maintain an acceptable balance between the benefits derived from managing risks and the cost of managing those risks. The Manager also monitors the Group's risk management process closely to ensure an appropriate balance between control and achievement of business objectives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit and Risk Committee of the Manager oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's exposure to those risks. The Audit and Risk Committee's oversight role is assisted by an internal audit function which is outsourced to an independent professional firm ("Internal Audit"). Internal Audit undertakes both regular and ad-hoc reviews of controls and procedures, the results of which are reported to the Audit and Risk Committee.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Australia and the UK. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

The Group's exposure to fluctuations in foreign currency rates relates primarily to its bank borrowings and medium term notes that are denominated in foreign currencies as well as investments in non-Singapore properties. The foreign currencies giving rise to this risk are mainly AUD, GBP, HKD, JPY and USD.

The Group monitors its foreign currency exposure on an ongoing basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products. The Group and the Trust enter into CCS with banks to manage currency risk.

In relation to foreign currency risk arising from investments in non-Singapore properties, the Group and the Trust had borrowed in the foreign currency of underlying investments to achieve a natural hedge. The Group and the Trust had also entered into forward exchange contracts to hedge the cash flows from overseas investments (Note 14).

The Group's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2019							
Financial assets							
Cash and fixed deposits	3,706	28,695	19,940	–	–	–	52,341
Trade and other receivables[1]	18,539	3,384	11,037	–	–	–	32,960
Finance lease receivables	53,242	–	–	–	–	–	53,242
	75,487	32,079	30,977	–	–	–	138,543
Financial liabilities							
Trade and other payables[2]	(116,948)	(8,246)	(5,931)	–	–	–	(131,125)
Security deposits	(126,713)	(1,464)	(852)	–	–	–	(129,029)
Loans and borrowings – Gross	(1,730,139)	(890,865)	(372,793)	(201,142)	(730,164)	(183,675)	(4,108,778)
	(1,973,800)	(900,575)	(379,576)	(201,142)	(730,164)	(183,675)	(4,368,932)
Net financial liabilities	(1,898,313)	(868,496)	(348,599)	(201,142)	(730,164)	(183,675)	(4,230,389)
Net non-financial assets of the foreign subsidiaries	–	349,321	223,159	–	–	–	572,480
Less: Net financial assets denominated in the respective entities' functional currency	1,690,597	524,180	125,460	–	–	–	2,340,237
Less: Cross currency swap	207,716	–	–	201,142	730,164	183,675	1,322,697
Currency exposure	–	5,005	20	–	–	–	5,025

(1) Excludes prepayments.
(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2018						
Financial assets						
Cash and fixed deposits	5,002	20,014	–	–	–	25,016
Trade and other receivables[1]	18,327	3,393	–	–	–	21,720
Finance lease receivables	55,628	–	–	–	–	55,628
	78,957	23,407	–	–	–	102,364
Financial liabilities						
Trade and other payables[2]	(117,213)	(5,909)	–	–	–	(123,122)
Security deposits	(118,612)	(1,468)	–	–	–	(120,080)
Loans and borrowings – Gross	(1,962,961)	(833,587)	(199,029)	(344,727)	(184,620)	(3,524,924)
	(2,198,786)	(840,964)	(199,029)	(344,727)	(184,620)	(3,768,126)
Net financial liabilities	(2,119,829)	(817,557)	(199,029)	(344,727)	(184,620)	(3,665,762)
Net non-financial assets of the foreign subsidiaries	–	261,738	–	–	–	261,738
Less: Net financial assets denominated in the respective entities' functional currency	2,119,829	562,252	–	–	–	2,682,081
Less: Cross currency swap	–	–	199,029	344,727	184,620	728,376
Currency exposure	–	6,433	–	–	–	6,433

The Trust's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2019							
Financial assets							
Cash and fixed deposits	**1,653**	**5,005**	**20**	**–**	**–**	**–**	**6,678**
Trade and other receivables[1]	**18,207**	**3,255**	**9,228**	**–**	**–**	**–**	**30,690**
Finance lease receivables	**53,242**	**–**	**–**	**–**	**–**	**–**	**53,242**
Loans to subsidiaries	**–**	**297,000**	**–**	**–**	**–**	**–**	**297,000**
	73,102	**305,260**	**9,248**	**–**	**–**	**–**	**387,610**
Financial liabilities							
Trade and other payables[2]	**(121,080)**	**–**	**–**	**–**	**–**	**–**	**(121,080)**
Security deposits	**(126,611)**	**–**	**–**	**–**	**–**	**–**	**(126,611)**
Loans and borrowings – Gross	**(1,522,420)**	**(349,321)**	**(223,159)**	**(201,142)**	**(730,164)**	**(183,675)**	**(3,209,881)**
	(1,770,111)	**(349,321)**	**(223,159)**	**(201,142)**	**(730,164)**	**(183,675)**	**(3,457,572)**
Net financial liabilities	**(1,697,009)**	**(44,061)**	**(213,911)**	**(201,142)**	**(730,164)**	**(183,675)**	**(3,069,962)**
Net interest in subsidiaries	**–**	**52,321**	**223,159**	**–**	**–**	**–**	**275,480**
Less: Net financial assets denominated in the respective entities' functional currency	**1,697,009**	**–**	**–**	**–**	**–**	**–**	**1,697,009**
Less: Cross currency swap	**–**	**–**	**–**	**201,142**	**730,164**	**183,675**	**1,114,981**
Currency exposure	**–**	**8,260**	**9,248**	**–**	**–**	**–**	**17,508**

(1) Excludes prepayments.
(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
2018						
Financial assets						
Cash and fixed deposits	3,838	22	–	–	–	3,860
Trade and other receivables[1]	18,162	6,411	–	–	–	24,573
Finance lease receivables	55,628	–	–	–	–	55,628
Loans to subsidiaries	–	269,538	–	–	–	269,538
	77,628	275,971	–	–	–	353,599
Financial liabilities						
Trade and other payables[2]	(122,252)	–	–	–	–	(122,252)
Security deposits	(118,581)	–	–	–	–	(118,581)
Loans and borrowings – Gross	(1,962,961)	(261,739)	(199,029)	(344,727)	(184,620)	(2,953,076)
	(2,203,794)	(261,739)	(199,029)	(344,727)	(184,620)	(3,193,909)
Net financial assets/(liabilities)	(2,126,166)	14,232	(199,029)	(344,727)	(184,620)	(2,840,310)
Less: Net financial assets denominated in the respective entities' functional currency	2,126,166	–	–	–	–	2,126,166
Less: Cross currency swap	–	–	199,029	344,727	184,620	728,376
Currency exposure	–	14,232	–	–	–	14,232

(1) Excludes prepayments.
(2) Excludes rental received in advance and GST/VAT payable.

Sensitivity analysis

The Group and the Trust are not subject to significant currency risk after entering into cross currency swap and forward exchange contracts for the financial assets or liabilities denominated in foreign currencies.

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets.

The Group's policy is to maintain a certain level of its borrowings in fixed-rate instruments. The Group's and the Trust's exposure to cash flow interest rate risks arise mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's and Trust's borrowings at variable rates on which interest rate swaps have not been entered into, are denominated mainly in SGD and AUD (2018: SGD). If the SGD or AUD interest rates had increased/decreased by 100 basis point (2018: 100 basis point) with all other variables including tax rate being held constant, the total profit would have been lower/higher by $9,134,000 and $9,134,000 respectively (2018: $9,934,000 and $9,934,000 respectively) as a result of higher/lower interest expense on these borrowings.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's major classes of financial assets are cash and cash equivalents, finance receivables, trade and other receivables and derivative financial assets.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Group deals only with high credit quality counterparties. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

The Manager has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Manager before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees, corporate guarantees or cash security deposits are obtained upon the commencement of the lease.

As at the reporting date, there are no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments on the Statements of Financial Position.

Expected credit loss assessment for financial assets as at 1 April 2018 and 31 March 2019

(i) Trade receivables

For all trade receivables, the Group provides for lifetime expected credit losses using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group's and the Trust's credit risk for net trade receivables based on the information provided to key management is disclosed in Note 10.

(ii) Loans to subsidiaries

The Trust held loans to its subsidiaries of $297,000,000 (2018: $269,538,000) which are amounts lent to subsidiaries to satisfy long term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis, and the amount of the allowance is not significant.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(iii) Financial derivatives

Financial derivatives are entered into with financial institution counterparties, which are regulated.

(iv) Cash and fixed deposits

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings, thus management does not expect any counterparty to fail to meet its obligations.

Previous accounting policy for impairment of financial assets

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and fix deposits, and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(ii) Financial assets that are either past due or impaired

Information regarding financial asset that are either past due or impaired is disclosed in Note 10 (Trade and other receivables).

Other than the above, the Group and the Trust had no other financial assets which it had determined to be impaired and there are no allowances on impairment provided for as at 31 March 2018 and 1 April 2017.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Trust may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The Group strives to maintain available banking facilities at a reasonable level to meet its investment opportunities. The Group has in place various credit facilities and a Multicurrency Medium Term Note Programme with a programme limit of $5.0 billion (Note 15).

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group			
2019			
Non-derivative financial liabilities			
Loans and borrowings	**714,398**	**2,447,791**	**1,413,112**
Trade and other payables[1]	**131,125**	**–**	**–**
Security deposits	**46,862**	**67,917**	**14,250**
	892,385	**2,515,708**	**1,427,362**
Derivative financial liabilities			
Interest rate swaps (net-settled)	**1,906**	**15,049**	**1,969**
Cross currency swaps (net-settled)	**–**	**–**	**40,253**
	1,906	**15,049**	**42,222**
	894,291	**2,530,757**	**1,469,584**
2018			
Non-derivative financial liabilities			
Loans and borrowings	987,269	1,926,691	963,342
Trade and other payables[1]	123,122	–	–
Security deposits	42,095	71,617	6,368
	1,152,486	1,998,308	969,710
Derivative financial liabilities			
Interest rate swaps (net-settled)	455	5,846	299
Cross currency swaps (net-settled)	–	–	51,705
	455	5,846	52,004
	1,152,941	2,004,154	1,021,714

(1) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
2019			
Non-derivative financial liabilities			
Loans and borrowings	**692,972**	**1,770,062**	**1,131,857**
Trade and other payables[1]	**121,080**	**–**	**–**
Security deposits	**46,690**	**66,523**	**13,398**
	860,742	**1,836,585**	**1,145,255**
Derivative financial liabilities			
Interest rate swaps (net-settled)	**–**	**8,801**	**1,969**
Cross currency swaps (net-settled)	**–**	**–**	**40,253**
	–	**8,801**	**42,222**
	860,742	**1,845,386**	**1,187,477**
2018			
Non-derivative financial liabilities			
Loans and borrowings	689,666	1,628,705	963,342
Trade and other payables[1]	122,252	–	–
Security deposits	42,044	70,169	6,368
	853,962	1,698,874	969,710
Derivative financial liabilities			
Interest rate swaps (net-settled)	251	2,200	299
Cross currency swaps (net-settled)	–	–	51,705
	251	2,200	52,004
	854,213	1,701,074	1,021,714

(1) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below shows the contractual expiry by maturity of the Trust's corporate guarantee provided to the subsidiaries (Note 26(d)). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
2019			
Corporate guarantee	**898,897**	**–**	**–**
2018			
Corporate guarantee	571,830	–	–

(d) Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mixture of available capital sources which include debt, equity and convertible instruments. In addition, the Group and the Trust ensure the compliance with statutory and constitutional capital and distribution requirements, maintaining gearing ratio, interest expense coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management as well as financing policies regularly so as to optimise the Group's and the Trust's capital funding structure. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the Deposited Property.

As at 31 March 2019, the Aggregate Leverage of the Group is 36.3% (2018: 33.8%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

30. FAIR VALUE MEASUREMENT

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

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

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities of the Group measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2019				
Financial assets				
Derivative assets	**–**	**32,971**	**–**	**32,971**
Total financial assets	**–**	**32,971**	**–**	**32,971**
Non-financial assets				
Investment properties	**–**	**–**	**11,143,937**	**11,143,937**
Investment properties under development	**–**	**–**	**91,595**	**91,595**
Total non-financial assets	**–**	**–**	**11,235,532**	**11,235,532**
Financial liabilities				
Derivative liabilities	**–**	**(64,120)**	**–**	**(64,120)**
Total financial liabilities	**–**	**(64,120)**	**–**	**(64,120)**
2018				
Financial assets				
Derivative assets	–	9,948	–	9,948
Total financial assets	–	9,948	–	9,948
Non-financial assets				
Investment properties	–	–	10,118,978	10,118,978
Investment property held for sale	–	–	20,300	20,300
Investment properties under development	–	–	95,463	95,463
Total non-financial assets	–	–	10,234,741	10,234,741
Financial liabilities				
Derivative liabilities	–	(63,539)	–	(63,539)
Total financial liabilities	–	(63,539)	–	(63,539)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value (continued)

The following table shows an analysis of each class of assets and liabilities of the Trust measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2019				
Financial assets				
Derivative assets	–	31,192	–	31,192
Total financial assets	–	31,192	–	31,192
Non-financial assets				
Investment properties	–	–	8,769,500	8,769,500
Investment properties under development	–	–	91,595	91,595
Total non-financial assets	–	–	8,861,095	8,861,095
Financial liabilities				
Derivative liabilities	–	(55,966)	–	(55,966)
Total financial liabilities	–	(55,966)	–	(55,966)
2018				
Financial assets				
Derivative assets	–	9,888	–	9,888
Total financial assets	–	9,888	–	9,888
Non-financial assets				
Investment properties	–	–	8,625,500	8,625,500
Investment property held for sale	–	–	20,300	20,300
Investment properties under development	–	–	86,400	86,400
Total non-financial assets	–	–	8,732,200	8,732,200
Financial liabilities				
Derivative liabilities	–	(59,629)	–	(59,629)
Total financial liabilities	–	(59,629)	–	(59,629)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair value of interest rate swaps, forward contracts and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties, investment properties under development and investment property held for sale

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

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The fair value of investment properties of the Group and the Trust was $11,143.9 million (2018: $10,119.0 million) and $8,769.5 million (2018: $8,625.5 million) as at 31 March 2019 respectively. The fair value of investment properties under development of the Group and the Trust was $91.6 million (2018: $95.5 million) and $91.6 million (2018: $86.4 million) as at 31 March 2019 respectively. The fair value of investment property held for sale for the Group and the Trust was $20.3 million as at 31 March 2018.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurement (continued)

Investment properties, investment properties under development and investment property held for sale (continued)

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
	Group	
Capitalisation Approach	Singapore and Australia • Capitalisation rates of 5.25% to 6.75% (2018: 5.00% to 7.00%) UK • Equivalent yield of 4.30% to 8.00%	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price psm increased.
Discounted Cash Flow Method	Singapore and Australia • Discount rates of 6.25% to 8.25% (2018: 6.25% to 8.25%) • Terminal yields of 5.25% to 7.25% (2018: 5.25% to 7.50%)	
Direct Comparison Method	Singapore • Adjusted price (psm) of $1,563 to $9,289 (2018: $1,563 to $9,260)	
	Trust	
Capitalisation Approach	• Capitalisation rates of 5.00% to 7.00% (2018: 5.00% to 7.00%)	
Discounted Cash Flow Method	• Discount rates of 7.00% to 8.25% (2018: 7.00% to 8.25%) • Terminal yields of 5.25% to 7.25% (2018: 5.25% to 7.25%)	
Direct Comparison Method	• Adjusted price (psm) of $1,563 to $9,289 (2018: $1,563 to $9,260)	

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties, investment properties under development and investment property held for sale measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 4 and Note 5 respectively.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of the Group and the Trust's other non-current assets and liabilities not measured at fair value for which fair value is disclosed:

	Fair value determined using significant unobservable inputs (Level 3) Total $'000	Carrying amount $'000
Group		
2019		
Assets		
Finance lease receivables	**62,008**	**53,242**
Liabilities		
Security deposits	**74,681**	**82,167**
Medium term notes – gross	**1,889,104**	**1,889,936**
2018		
Assets		
Finance lease receivables	65,244	53,243
Liabilities		
Security deposits	72,195	77,985
Medium term notes – gross	1,568,128	1,604,347
Trust		
2019		
Assets		
Finance lease receivables	**62,008**	**53,242**
Liabilities		
Security deposits	**72,714**	**79,921**
Medium term notes – gross	**1,889,104**	**1,889,936**
2018		
Assets		
Finance lease receivables	65,244	53,243
Liabilities		
Security deposits	70,746	76,537
Medium term notes – gross	1,568,128	1,604,347

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed (continued)

Interest rates used to discount the estimated cash flows were as following:

	Group and Trust	
	2019	2018
	%	%
Finance lease receivables	**2.48**	2.81
Security deposits	**3.00**	2.89
Medium term notes	**1.58 – 4.37**	1.75 – 4.66

Determination of fair value

Finance lease receivables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at market interest rate for instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

Security deposits

The fair values of security deposits are calculated based on the present value of future cash outflows, discounted at the market interest rate at the reporting date.

Medium term notes

The fair values the medium term notes are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

Other non-current loans and borrowings

The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

Other financial assets and liabilities

The fair values of all other financial assets and liabilities are calculated based on the present value of future principal, discounted at the market interest rate of the instruments at the reporting date.

(f) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amount of the Group and the Trust's current financial assets and liabilities approximate their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

31. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Chief Executive Officer, the Group's Chief Operating Decision Maker ("CODM") reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 Operating Segments.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance. In addition, the CODM monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, performance fee, trust expenses, finance income, finance costs and related assets and liabilities.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Group												
Property rental income	**281,211**	280,491	**57,886**	57,467	**167,048**	167,389	**82,742**	86,465	**211,386**	192,494	**800,273**	784,306
Other income	**35,585**	33,758	**3,499**	3,978	**27,673**	23,986	**7,657**	6,935	**11,484**	9,148	**85,898**	77,805
Gross revenue	**316,796**	314,249	**61,385**	61,445	**194,721**	191,375	**90,399**	93,400	**222,870**	201,642	**886,171**	862,111
Property operating expenses	**(98,830)**	(93,435)	**(14,230)**	(13,751)	**(42,201)**	(49,355)	**(28,149)**	(28,313)	**(53,182)**	(47,857)	**(236,592)**	(232,711)
Segment net property income	**217,966**	220,814	**47,155**	47,694	**152,520**	142,020	**62,250**	65,087	**169,688**	153,785	**649,579**	629,400
Net property income margin	**68.8%**	70.3%	**76.8%**	77.6%	**78.3%**	74.2%	**68.9%**	69.7%	**76.1%**	76.3%	**73.3%**	73.0%

31. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Unallocated												
– Gain on disposal on investment properties											**5,088**	5,309
– Finance income											**10,448**	9,081
– Finance costs											**(126,488)**	(109,842)
– Other net expenses											**(73,147)**	(51,146)
Net income											**465,480**	482,802
Unallocated net change in fair value of financial derivatives											**22,197**	9,805
Net change in fair value of investment properties	**16,821**	34,178	**(9,006)**	(6,919)	**(1,142)**	4,799	**7,798**	(5,451)	**14,834**	(22,807)	**29,304**	3,800
Share of joint venture's results											**493**	514
Total return for the year before tax											**517,474**	496,921
Unallocated tax expense											**(14,391)**	(2,827)
Total return for the year											**503,083**	494,094

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2019						
Assets and liabilities						
Segment assets	4,108,375	724,305	2,247,948	954,443	3,283,698	11,318,769
Unallocated assets						95,054
Total assets						11,413,823
Segment liabilities	83,789	21,898	44,732	30,694	67,889	249,002
Unallocated liabilities:						
– loans and borrowings						4,097,791
– others						121,037
Total liabilities						4,467,830
Other segmental information						
Capital expenditure:						
– investment properties	21,566	10,146	14,190	3,133	12,911	61,946
– investment properties under development	91,595	–	–	–	16,790	108,385
Write-off of receivables	–	–	–	–	30	30
Reversal of impairment loss on doubtful receivables	(9)	–	–	–	(1)	(10)

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities (continued)

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2018						
Assets and liabilities						
Segment assets	4,005,910	726,799	2,231,784	953,132	2,409,116	10,326,741
Unallocated assets						27,052
Total assets						10,353,793
Segment liabilities	76,354	18,052	54,221	31,656	43,356	223,639
Unallocated liabilities:						
– loans and borrowings						3,519,220
– others						112,238
Total liabilities						3,855,097
Other segmental information						
Capital expenditure:						
– investment properties	14,866	11,198	31,171	8,008	18,595	83,838
– investment properties under development	–	–	–	–	37,072	37,072
Provision of impairment loss on doubtful receivables	9	–	–	–	1	10

31. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of properties. Segment assets are based on the geographical location of the assets. Information regarding the Group's geographical segments is presented in the tables below.

	Singapore		Australia		UK		Total	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000	**2019 $'000**	2018 $'000	**2019 $'000**	2018 $'000
Group								
External revenue	**747,661**	752,222	**116,676**	109,889	**21,834**	–	**886,171**	862,111
Non-current assets[1]	**8,861,197**	8,712,023	**1,560,980**	1,502,541	**813,457**	–	**11,235,634**	10,214,564

(1) Exclude financial assets.

STATISTICS OF **UNITHOLDINGS**

ISSUED AND FULLY PAID-UP UNITS

3,110,841,823 units (Voting rights: one vote per unit)
Market Capitalisation S$9,208,091,796 (based on closing price of S$2.96 as at 27 May 2019)

UNITHOLDERS DISTRIBUTION AS AT 27 MAY 2019

Size of Unitholdings	No. of Unitholders	No. of Units
1 – 99	38	778
100 – 1,000	2,136	1,654,133
1,001 – 10,000	8,866	42,720,927
10,001 – 1,000,000	3,019	114,171,493
1,000,001 and above	26	2,952,294,492
GRAND TOTAL	**14,085**	**3,110,841,823**

TWENTY LARGEST UNIHOLDERS AS AT 27 MAY 2019

As listed in the Register of Unitholders

	Name of Unitholder	No. of Units	% of Units in Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	770,666,357	24.77
2	DBS NOMINEES (PRIVATE) LIMITED	673,568,694	21.65
3	ASCENDAS LAND (SINGAPORE) PTE LTD	517,001,996	16.62
4	DBSN SERVICES PTE. LTD.	391,174,550	12.57
5	HSBC (SINGAPORE) NOMINEES PTE LTD	275,280,730	8.85
6	RAFFLES NOMINEES (PTE.) LIMITED	137,267,699	4.41
7	ASCENDAS FUNDS MANAGEMENT (S) LIMITED	72,459,064	2.33
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	39,924,321	1.28
9	DB NOMINEES (SINGAPORE) PTE LTD	11,762,312	0.38
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	10,504,232	0.34
11	MERRILL LYNCH (SINGAPORE) PTE. LTD.	6,961,192	0.22
12	UOB KAY HIAN PRIVATE LIMITED	6,802,062	0.22
13	SOCIETE GENERALE SPORE BRANCH	5,060,190	0.16
14	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	4,245,320	0.14
15	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,003,662	0.13
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,662,217	0.12
17	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,347,791	0.11
18	MAYBANK KIM ENG SECURITIES PTE.LTD	3,202,508	0.10
19	PHILLIP SECURITIES PTE LTD	2,796,722	0.09
20	OCBC SECURITIES PRIVATE LIMITED	2,621,199	0.08
	TOTAL	**2,942,312,818**	**94.57**

STATISTICS OF UNITHOLDINGS

PUBLIC UNITHOLDERS

Pursuant to Listing Rule1207(9)(e) of the SGX-ST Listing Manual, based on the information made available to the Manager as at 27 May 2019, approximately 66.11% of Ascendas Reit's units are held by the public. Therefore, Rule 723 of the SGX-ST Listing Manual has been complied with.

SUBSTANTIAL UNITHOLDERS AS AT 27 MAY 2019

	Direct Interest	Deemed Interest	Percentage[1]
Temasek Holdings (Private) Limited[2]		637,483,107	20.49%
Tembusu Capital Pte. Ltd.[2]	–	589,461,060	18.94%
Bartley Investments Pte. Ltd.[2]	–	589,461,060	18.94%
Mawson Peak Holdings Pte. Ltd.[2]	–	589,461,060	18.94%
Glenville Investments Pte. Ltd.[2]	–	589,461,060	18.94%
TJ Holdings (III) Pte. Ltd.[2]	–	589,461,060	18.94%
Ascendas-Singbridge Pte. Ltd.[2]	–	589,461,060	18.94%
Jurong Town Corporation[2]	–	589,461,060	18.94%
Ascendas Pte Ltd[2]	–	589,461,060	18.94%
Ascendas Land (Singapore) Pte Ltd	517,001,996	–	16.61%
Mondrian Investment Partners Limited[3]	–	168,963,510	5.43%
BlackRock, Inc.[4]	–	247,746,863	7.96%
The PNC Financial Services Group, Inc.[5]	–	247,746,863	7.96%

Notes:

(1) The percentage is based on 3,110,841,823 Units in issue as at 27 May 2019. The figures are rounded down to the nearest 0.01%.

(2) 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., Jurong Town Corporation and Ascendas Pte Ltd are deemed 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.

(3) Mondrian Investment Partners Limited is deemed interested in the Units held by its clients through its role as a non-custodial discretionary investment manager.

(4) BlackRock, Inc. is deemed interested in the Units held by various funds managed by BlackRock investment advisors.

(5) The PNC Financial Services Group, Inc. is deemed interested in the Units held by BlackRock, Inc. through its interest in BlackRock, Inc.

UNITHOLDING OF THE DIRECTORS OF THE MANAGER AS AT 27 MAY 2019

	Direct Interest	Deemed interest
Mr Lim Hock San	–	–
Mr Miguel Ko	–	–
Mr Manohar Khiatani	–	–
Mr William Tay	40,000	–
Mr Chan Pengee, Adrian	–	–
Ms Chong Chiet Ping	–	–
Mr Daniel Cuthbert Ee Hock Huat	20,000	–
Ms Lim Sau Hoong	–	–
Mr Wong Yew Meng	–	–

ADDITIONAL **INFORMATION**

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the financial year falling under the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS (excluding transactions of less than $100,000 each) are as follows:

Name of interested party	Aggregate value of all interested party transactions during the financial period under review (excluding transactions less than $100,000) $'000	Aggregate value of all interested party transactions conducted under unitholders' mandate during the financial period under review (excluding transactions less than $100,000) $'000
Temasek Holdings (Private) Limited and its related companies		
– Acquisition fees	9,305[1]	–
– Carpark income	266	–
– Divestment fees	229[2]	–
– Lease rental, service charge and utilities income	54,851	–
– Base management fees	52,523[3]	–
– Development management fees	840	
– Marketing fees paid during the year	12,388	–
– Property service fees	37,369	–
– Receipts/recovery of expenses paid on behalf and reimbursables	4,327	–
JTC Corporation		
– Land rent	39,732	–
– Land premium	84,163	–
HSBC Institutional Trust Service (Shanghai) Ltd and its related companies		
– Trustee fees	1,993	–
	297,986	–

(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.

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 2019 nor any material contracts entered by Ascendas 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 27 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 Ascendas 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 Ascendas Reit.

ADDITIONAL **INFORMATION**

FEES PAID TO THE MANAGER AND THE PROPERTY MANAGERS

Asset/Fund management fees	FY18/19 $'000	FY17/18 $'000
– Base fee	**52,523**	50,707
Total fees paid to the Manager	**52,523**	50,707
% of Total amount available for distribution (before all fees)	**10.81%**	9.38%
% of Total assets	**0.46%**	0.49%
– Lease management fee	**7,067**	6,623
– Property management fee	**14,067**	12,205
Total fees paid to the Property Managers	**21,134**	18,828
% of Total amount available for distribution (before all fees)	**4.35%**	3.48%
% of Total assets	**0.18%**	0.18%
Trustee's fee	**2,415**	3,123
Total fees paid to the Trustee	**2,415**	3,123
% of Total amount available for distribution (before all fees)	**0.50%**	0.58%
% of Total assets	**0.02%**	0.03%

Major transactional fees	FY18/19 $'000	FY17/18 $'000
– Acquisition fees	**9,305**	2,255
– Divestment fees	**229**	304
– Development management fee	**840**	–
Total transactional fees paid to Manager	**10,374**	2,559
% of Total assets	**0.09%**	0.02%
– Project management fee	**1,771**	1,532
Total transactional fees paid to the Property Managers	**1,771**	1,532
% of Total assets	**0.02%**	0.01%

LISTING OF ASCENDAS REIT NEW UNITS

An aggregate of 182.3 million new Units were issued during the year bringing the total number of Units on issue to 3,110.8 million as at 31 March 2019.

GLOSSARY

3PL	Third-party logistics providers
ACRA	Accounting and Corporate Regulatory Authority
AFM	Ascendas Funds Management (S) Limited
AFMA	Ascendas Funds Management (Australia) Pty Ltd
AGM	Annual General Meeting
AIPL	Ascendas Investment Pte Ltd
AM	Asset Management
ARA	Ascendas REIT Australia
ARC	Audit and Risk Committee
Ascendas Reit	Ascendas Real Estate Investment Trust
Ascendas-Singbridge	Ascendas-Singbridge Pte Ltd
ASPL	Ascendas Services Pte Ltd
ATC	Australian Trade Coast
AUD	Australian Dollars
AUM	Assets Under Management
B2	Business 2 (zone)
Board	Board of Directors of the Manager
CBP	Changi Business Park
CAAS	Civil Aviation Authority of Singapore
CCS	Cross Currency Swaps
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIS	The Code of Collective Investment Schemes issued by the Monetary Authority of Singapore
CMS	Capital Markets Services
CODM	Chief Operating Decision Maker
COI-SCM@RP	Centre of Innovation Supply Chain Management @ Republic Polytechnic
CPF	Central Provident Fund
DPU	Distribution per Unit
EDB	Economic Development Board
ERM	Enterprise Risk Management
EESG	Economic, Environmental, Social and Governance
EY	Ernst & Young LLP
FMCG	Fast Moving Consumer Goods
FRS	Singapore Financial Reporting Standards
GDP	Gross Domestic Product
GFA	Gross Floor Area which includes net lettable area and common areas, such as common corridors
Group	Ascendas Reit and its subsidiaries
GST	Good and Services Tax
GRI	Global Reporting Initiative
HKD	Hong Kong Dollar
HQ	Headquarter
IBP	International Business Park
IC	Investment Committee
IDAR	Integrated Development, Amenities & Retail
IGLS	Industrial Government Land Sales
IIA	Institute of Internal Auditors
IIOT	Industrial Internet-of-Thing
IIRC	International Integrated Reporting Council
Interbank GIRO	General Interbank Recurring Order
IPO	Initial Public Offering
IPT	Interested Person Transactions or Interested Party Transactions
IR	Investor Relations
IRAS	Inland Revenue Authority of Singapore
ISDA	International Swaps and Derivatives Association
ISR	Integrated Sustainability Report
IT	Information Technology
ITM	Industry Transformation Map
JPY	Japanese Yen
JTC	Jurong Town Corporation
KPMG	KPMG Services Pte Ltd

GLOSSARY

Manager	Ascendas Funds Management (S) Limited, as the Manager of Ascendas Reit
MAS	Monetary Authority of Singapore
MILP	Mirvac Industrial Logistics Partnership
MNCs	Multinational corporations
MTI	Ministry of Trade and Industry
MTN	Medium Term Note
NLA/Net Lettable Area	Consists of the total gross floor area less the common areas, such as corridors, amenities' area and management offices
NRC	Nominating and Remuneration Committee
NPI	Net Property Income
NUS	National University of Singapore
ORMC	Operational Risk Management Committee
PCA	Property Council of Australia
PIPS	Pharma Innovation Programme Singapore
Property Manager	Ascendas Services Pte Ltd
R&D	Research and development
RAP	Statement of Recommended Accounting Practice
RBA	Reserve Bank of Australia
REIT	Real Estate Investment Trust
REITAS	REIT Association of Singapore
RPA	Robotic Process Automation
SSEA	Singapore and South East Asia
SFA	Securities and Futures Act, Chapter 289 of Singapore
SGD	Singapore dollar
SGX-ST	Singapore Exchange Securities Trading Ltd
SGX-ST Listing Rules	The Listing Manual of SGX-ST
SME	Small and medium-sized enterprises
SOP	Standard Operating Procedures
SOR	Swap Offer Rate
Sq m	Square metres
S-REIT	Singapore-listed REIT
Temasek	Temasek Holdings Pte Ltd
TeSa	Tech Skills Accelerator
Trust Deed	The Second Amending and Restating Trust Deed dated 10 August 2017 made between the Trustee and the Manager constituting Ascendas Reit
Trustee	HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas Reit
UK	United Kingdom
Unit(s)	An undivided interest in Ascendas 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
USD	United States Dollars
WALE	Weighted Average Lease Expiry
YEA	Yatala Enterprise Area

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	FY 12/13	FY 13/14[1,2]	FY 14/15[1,2]	FY 15/16[1,2]	FY 16/17[1,2]	FY 17/18[1,2]	FY 18/19[1,2]
Gross Revenue (S$ million)	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	830.6	862.1	886.2
Net Property Income (S$ million)	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	611.0	629.4	649.6
Total Amount Available for Distribution (S$ million)	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	446.3	468.0	485.7
Distribution per Unit (cents)	7.630[3]	8.160[7]	9.560[7]	11.680[7]	12.750[7]	14.130[7]	15.180[7]	13.100	13.230[7]	13.560	13.740[7]	14.240	14.600	15.357[7]	15.743[7]	15.988	16.035

As at 31 March	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014[1]	2015[1,2]	2016[1,2]	2017[1,2]	2018[1,2]	2019[1,2]
Number of Properties in Portfolio	8	16	36	64	77	84	89	93	93	102	103	105	107	133	131	131	171
Total Assets (S$ million)	636	1,021	2,112	2,808	3,307	4,205	4,548	4,854	5,420	6,564	6,959	7,357	8,160	9,870	10,171	10,354	11,414
Number of Units in Issue (million units)	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	2,925	2,929	3,111
Net Asset Value per Unit (S$)[4]	0.91	0.98	1.23	1.34	1.49	1.84	1.61	1.57	1.76	1.88	1.942	2.02	2.08	2.06	2.06	2.12	2.13
Total Gross Borrowings (S$ million)[5]	125	264	556	970	1,185	1,562	1,591	1,522	1,900	2,401	1,971	2,208	2,735	3,678	3,442	3,563	4,141
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%	35.5%	37.2%	33.8%	34.4%	36.3%

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 Ascendas Reit has committed to.
(6) Includes total borrowings and deferred payments on acquisition of properties but excludes fair value adjustments of the collateral loan.
(7) Distribution per Unit after performance fees

APPENDIX

DEVELOPMENT PROJECTS

Since Ascendas Reit embarked on its first development project in 2006, it has completed 16 development/redevelopment projects. Two of the development projects, Four Acres Singapore and A-REIT Jiashan Logistics Centre in China, were divested in FY16/17. For the remaining 14 projects, the total cumulative unrealised gains achieved was S$414.5 million (39.3% over cost of development).

	Development	Sector	Development Cost (S$ million)	Revaluation as at 31 March 2019 (S$ million)	Completion
1	Courts Megastore	Integrated Development, Amenities & Retail Properties	46.0	64.0	Nov-06
2	Giant Hypermart	Integrated Development, Amenities & Retail Properties	65.4	84.0	Feb-07
3	Hansapoint@CBP	Business & Science Park Properties	26.1	119.5	Jan-08
4	15 Changi North Way	Logistics & Distribution Centres	36.2	41.7	Jul-08
5	Pioneer Hub	Logistics & Distribution Centres	79.3	122.5	Aug-08
6	1,3 & 5 Changi Business Park Crescent	Business & Science Park Properties	200.9	323.7	Feb-09, Sep-09, Dec-10
7	71 Alps Avenue	Logistics & Distribution Centres	25.6	21.8	Sep-09
8	38A Kim Chuan Road	High-Specifications Industrial Properties and Data Centres	170.0	179.3[1]	Dec-09
9	90 Alps Avenue	Logistics & Distribution Centres	37.9	51.8	Jan-12
10	FoodAxis @ Senoko[2]	Light Industrial Properties and Flatted Factories	57.8	91.1	Feb-12
11	Nexus @one-north	Business & Science Park Properties	181.3	192.0	Sep-13
12	DBS Asia Hub Phase 2	Business & Science Park Properties	21.8	N.A.[3]	Apr-15
13	Schneider Electric Building (50 Kallang Avenue)[4]	High-Specifications Industrial Properties and Data Centres	45.2	91.6	Jun-17
14	20 Tuas Avenue 1[5]	Logistics & Distribution Centres	61.4	86.4	Apr-18
	Total (excluding divested properties)		**1,054.9**	**1,469.4**	

	Development	Sector	Development Cost (S$'m)	Divestment Date	Completion
15	Four Acres Singapore	Business & Science Park Properties	58.7	Apr-16	Apr-13
16	Jiashan Logistics Facility	Logistics & Distribution Centres	22.1	Jun-16	Mar-16
	Total		**80.8**		

Notes:

(1) 38A Kim Chuan Road was valued by independent valuer at S$179.3 million. Ascendas Reit has recorded the property at S$179.3 million comprising S$126.4 million in land and building, and S$52.9 million in M&E equipment.

(2) FoodAxis @ Senoko was first acquired on 15 May 2007. It was subsequently redeveloped to maximise the allowable plot ratio.

(3) Valuation for DBS Asia Hub Phase 2 is not available. The entire property was valued at S$166.9 million.

(4) Schneider Electric Building (formerly 50 Kallang Avenue) was acquired on 27 February 2006. It was subsequently redeveloped and leased to a single-tenant.

(5) 20 Tuas Avenue 1 was first acquired on 19 February 2004 for S$50.0 million and was subsequently redeveloped to maximise the allowable plot ratio.

NOTICE OF
ANNUAL GENERAL MEETING

ASCENDAS REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 October 2002 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Ascendas Real Estate Investment Trust ("**Ascendas Reit**", and the holders of units of Ascendas Reit, "**Unitholders**") will be held at Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Tuesday, 9 July 2019 at 3.00 p.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee of Ascendas Reit issued by HSBC Institutional Trust Services (Singapore) Limited (as trustee of Ascendas Reit) (the "**Trustee**"), the Statement by the Manager issued by Ascendas Funds Management (S) Limited (as manager of Ascendas Reit) (the "**Manager**"), and the Audited Financial Statements of Ascendas Reit for the financial year ended 31 March 2019 and the Auditors' Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint Ernst & Young LLP as Auditors of Ascendas Reit to hold office until the conclusion of the next AGM of Ascendas Reit, and to authorise the Manager to fix their remuneration. **(Ordinary Resolution 2)**

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

3. That authority be and is hereby given to the Manager, to: **(Ordinary Resolution 3)**

   (a) (i) issue units in Ascendas Reit ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units, at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued), provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

    (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

    (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting Ascendas Reit (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Ascendas Reit or (ii) the date by which the next AGM of Ascendas Reit is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Ascendas Reit to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 1)

4. That: **(Ordinary Resolution 4)**

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Ascendas Reit not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(1) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(2) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the Listing Manual of the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(1) the date on which the next AGM of Ascendas Reit is held;

(2) the date by which the next AGM of Ascendas Reit is required by applicable laws and regulations or the Trust Deed to be held; and

(3) the date on which repurchase of Units pursuant to the Unit Buy-Back Mandate is carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 3.0% of the total number of issued Units as at the date of the passing of this Resolution (excluding treasury Units, if any); and

"**Maximum Price**" in relation to the Units to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(1) in the case of a market repurchase of the Units, 105.0% of the Average Closing Price; and

(2) in the case of an off-market repurchase of the Units, 105.0% of the Average Closing Price; and

(d) the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Ascendas Reit to give effect to the transactions contemplated and/or authorised by this Resolution.

(Please see Explanatory Note 2)

BY ORDER OF THE BOARD
ASCENDAS FUNDS MANAGEMENT (S) LIMITED
(Company Registration No. 200201987K)
as Manager of Ascendas Real Estate Investment Trust

Mary Judith de Souza
Company Secretary
Singapore

21 June 2019

NOTICE OF
ANNUAL GENERAL MEETING

NOTES:

1. A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM of Ascendas Reit is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM of Ascendas Reit is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The proxy form must be deposited at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 no later than Saturday, 6 July 2019 at 3.00 p.m., being 72 hours before the time fixed for the AGM of Ascendas Reit.

4. A Unitholder may download the digital version of Ascendas Reit's Annual Report, Integrated Sustainability Report and the Appendix to Notice of AGM for FY18/19 through this website link: ir.ascendas-reit.com/ar.html or through the QR code found on the Request Form. A Unitholder may request for a printed copy of the Annual Report and Integrated Sustainability Report for FY18/19, at no cost. To receive the printed copy of the Annual Report and Integrated Sustainability Report for FY18/19 before the AGM which will be held on 9 July 2019, please return the completed Request Form to Ascendas Funds Management (S) Limited by 28 June 2019.

NOTICE OF
ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. **Ordinary Resolution 3**

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Ascendas Reit or (ii) the date by which the next AGM of Ascendas Reit is required by the applicable regulations to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of which up to 20% may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any). For the avoidance of doubt, the Manager may, if Ordinary Resolution 3 is passed, issue Units up to a number not exceeding 50% on a *pro rata* basis (which includes, without limitation, issuance of Units by way of a renounceable rights issue or an non-renounceable preferential offering).

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

2. **Ordinary Resolution 4**

Ordinary Resolution 4 above, if passed, will empower the Manager from the date of the AGM until the earliest of the following dates (i) the date on which the next AGM of Ascendas Reit is held, (ii) the date by which the next AGM of Ascendas Reit is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchase of Units pursuant to the Unit Buy-Back Mandate is carried out to the full extent mandated, to exercise all the powers to repurchase issued Units for and on behalf of Ascendas Reit not exceeding in aggregate 3.0% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Appendix.

PERSONAL DATA PRIVACY:

By either (1) attending the AGM or (2) submitting an instrument to appoint a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of the Unitholder's attendance at the AGM or the Unitholder's prox(ies) and/or representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PROXY FORM

ANNUAL GENERAL MEETING

ascendas Reit

ASCENDAS REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 October 2002 (as amended))

IMPORTANT:
1. A relevant intermediary may appoint more than one proxy to attend the AGM and vote (please see Note 2 for the definition of "**relevant intermediary**").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 21 June 2019.

I/We, ______________________ (Name), ______________________ (NRIC/Passport/Company Registration Number)

of ____ (Address)

being a unitholder/unitholders of Ascendas Real Estate Investment Trust ("**Ascendas Reit**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Notes 1 & 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Notes 1 & 2)	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the AGM of Ascendas Reit to be held at Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Tuesday, 9 July 2019 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/ they may on any other matter arising at the AGM.

No.	Resolutions	No. of Votes For *	No. of Votes Against *
ORDINARY BUSINESS			
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Ascendas Reit for the financial year ended 31 March 2019 and the Auditors' Report thereon. (Ordinary Resolution)		
2.	To re-appoint Ernst & Young LLP as Auditors of Ascendas Reit to hold office until the conclusion of the next AGM of Ascendas Reit, and to authorise the Manager to fix their remuneration. (Ordinary Resolution)		
SPECIAL BUSINESS			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments. (Ordinary Resolution)		
4.	To approve the renewal of the Unit Buy-Back Mandate. (Ordinary Resolution)		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ______________ 2019

Total Number of Units Held

____
Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

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Affix
Postage
Stamp

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
(as Unit Registrar of Ascendas Real Estate Investment Trust)

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW
NOTES TO PROXY FORM:

1. A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM of Ascendas Reit is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.
   "**Relevant intermediary**" means:
   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore and who holds Units in that capacity; or
   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Ascendas Reit, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders of Ascendas Reit, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, no later than Saturday, 6 July 2019 at 3.00 p.m., being 72 hours before the time fixed for the AGM.
5. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register not less than 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
8. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
9. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the AGM and his/her proxy(ies). A person entitled to more than one vote need not use all his/ her votes or cast them the same way.

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Personal data privacy:

By either (1) attending the AGM or (2) submitting an instrument to appoint a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of the Unitholder's attendance at the AGM or the Unitholder's proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

ASCENDAS REAL ESTATE INVESTMENT TRUST
1 Fusionopolis Place #10-10
Galaxis, Singapore 138522

www.ascendas-reit.com