A Member of CapitaLand

MAKING AN IMPACT

ASCENDAS REIT
ANNUAL REPORT
FY2019

MAKING AN IMPACT

Ascendas Real Estate Investment Trust (Ascendas Reit) continues to stay at the forefront of the real estate investment trust sector as Singapore's first and largest business space and industrial REIT, building on a solid portfolio of 200 quality investments in business and industrial properties in four markets globally.

The radial patterns found in this report are symbolic of our well-diversified portfolio and aim to expand our footprint across selected developed markets.

CORPORATE PROFILE

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 across developed markets.

Ascendas Reit owns and manages a well-diversified portfolio, valued at S$12.8 billion, comprising 200 properties in Singapore, Australia, the United Kingdom (UK) and the United States (US).

Ascendas Funds Management (S) Limited (AFM), the manager of Ascendas Reit (the Manager), is a wholly owned subsidiary of Singapore-listed CapitaLand Limited (CapitaLand), one of Asia's largest diversified real estate groups.

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

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

Accessibility of Reports
As part of its environmental conservation efforts, Ascendas Reit continues to print limited copies of its Annual Report. PDF versions of its Annual Report, Independent Market Study Report and Integrated Sustainability Report are available for download from the corporate website: ir.ascendas-reit.com/ar.html.

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@capitaland.com.

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HIGHLIGHTS OF FY2019

A record S$1.77 billion worth of properties were acquired and a sizeable S$1.31 billion of equity was raised.

CHAIRMAN'S MESSAGE

Total investment properties increased 15% to S$12.8 billion bolstered by the acquisitions of 31 properties across three markets.

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WE HAVE OUR SIGHTS SET ON THE FUTURE

Building on our collective experience and expertise, we aim to seize new growth opportunities and create spaces that meet the evolving needs of businesses.

FM GLOBAL CENTRE, SINGAPORE

This built-to-suit property is the latest addition to Ascendas Reit's strong foothold in the well-established Singapore Science Park precinct. Singapore Science Park is home to modern and high technology businesses involved in R&D and innovation across major fields of technology.

WE ARE ALL ABOUT MAXIMISING RETURNS

We continuously identify buildings to upgrade and redevelop, and invest in enhancement projects to optimise asset value, which in turn maximises stakeholder returns.

1-7 WAYNE GOSS DRIVE, BRISBANE, AUSTRALIA

This modern logistics property is nested in the established industrial precinct of Berrinba. Our Australian properties are well-located in major cities where economic activity is well-supported by the large domestic markets.

UNIT 2 WELLESBOURNE BUSINESS PARK, UNITED KINGDOM

Our UK properties are spread across key regions and attractive hubs such as Wellesbourne Business Park in the West Midlands. These properties support the growing needs of the logistics sector, driven by strong e-commerce activities in the region.

BUILDING DIVERSITY BUILDS RESILIENCE

Beyond a physical number of properties, we achieve diversity by investing in multiple asset classes and extending our reach across key developed markets.

15231, 15253 & 15333 AVENUE OF SCIENCE, SAN DIEGO, UNITED STATES

The business park properties located across San Diego, Raleigh and Portland are well poised to benefit from the burgeoning technology and healthcare sectors in the US. This property, located in the Rancho Bernardo submarket, is in close proximity to major San Diego research universities, which play an integral role in producing a strong talent pipeline for regional industries.

HIGHLIGHTS
OF FY2019

MAKING AN IMPACT IN FY2019

INVESTMENT PROPERTIES
GREW 15% TO
S$12.8 BILLION

ASCENDAS REIT'S WELL-DIVERSIFIED FOOTPRINT

A **DIVERSIFIED** PORTFOLIO ACROSS **4 DEVELOPED MARKETS**
72% SINGAPORE
28% OVERSEAS

SOUND FINANCIAL PROFILE:
A3 CREDIT RATING BY MOODY'S;
HEALTHY GEARING OF **35.1%**

GROWING SUSTAINABLY:
31 BCA GREEN MARK PROPERTIES;
SIAS
SUSTAINABILITY AWARD
(RUNNER UP)

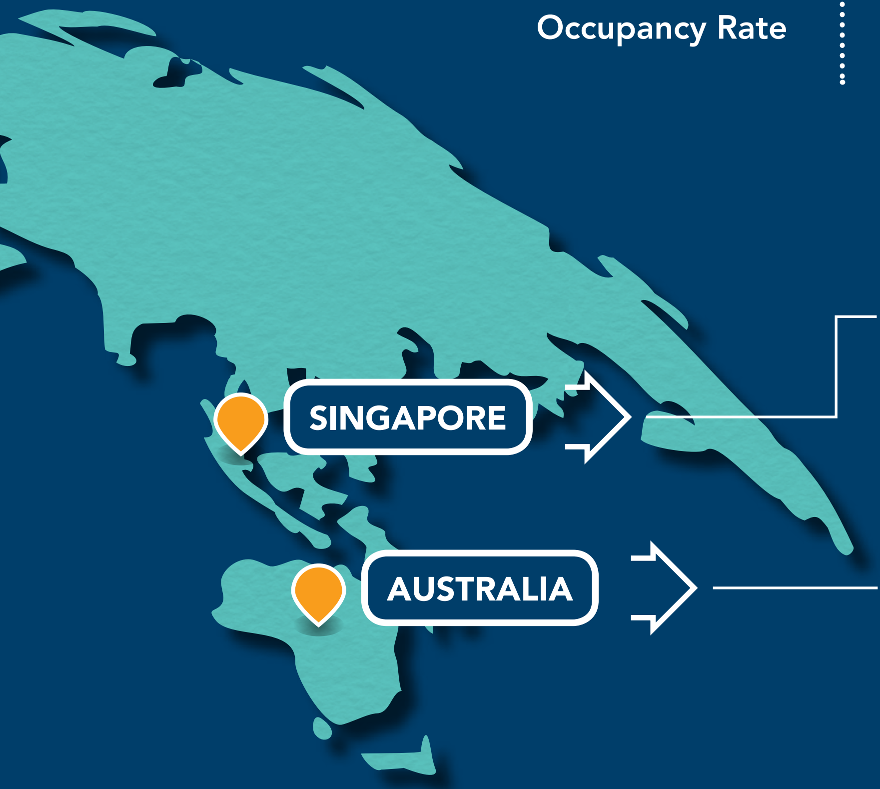
S$12.8 BILLION
Investment Properties

200
Properties

4
Developed Countries

90.9%
Occupancy Rate

29.3%
on Freehold Land
(by asset value)



SINGAPORE

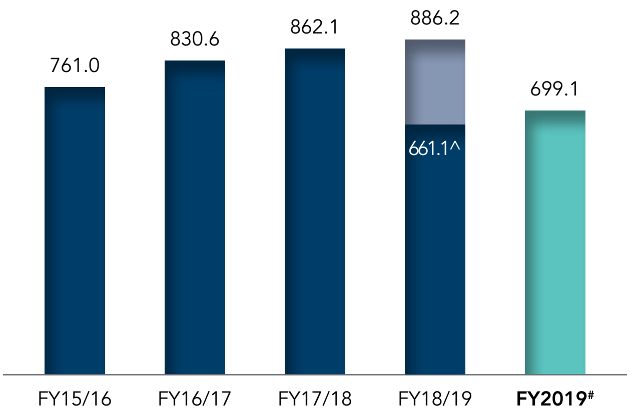
- S$9.1 Billion Investment Properties
- 99 Properties Across the Subsegments of Business & Science Park, High-Specifications, Light Industrial and Logistics & Distribution Centre

AUSTRALIA

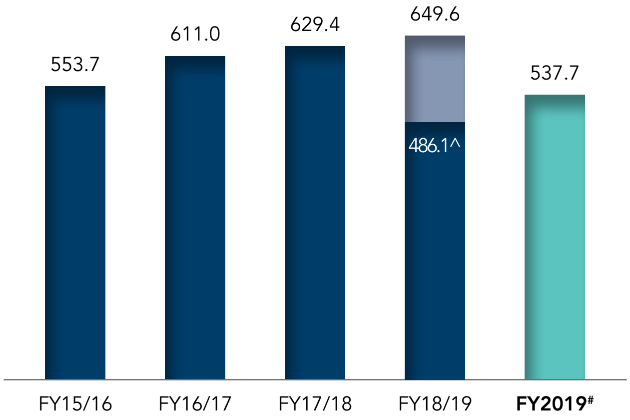
- S$1.6 Billion Investment Properties
- 35 Logistics & Distribution Centres and Suburban Offices

FINANCIAL HIGHLIGHTS

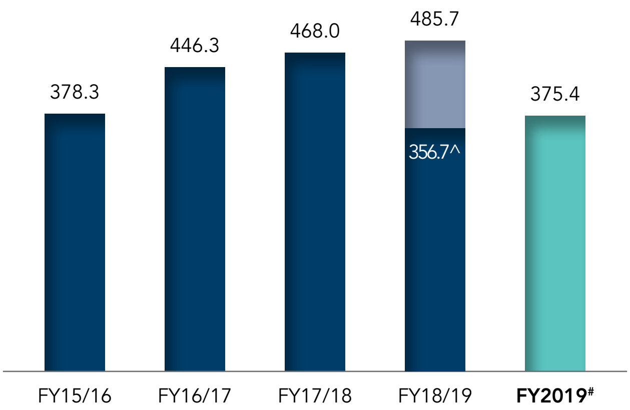
GROSS REVENUE
(S$ million)



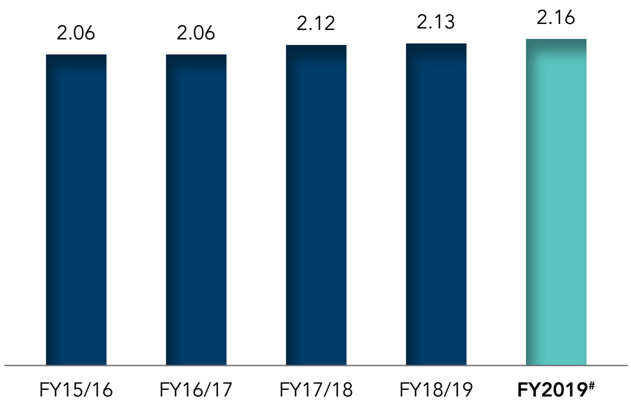
NET PROPERTY INCOME
(S$ million)



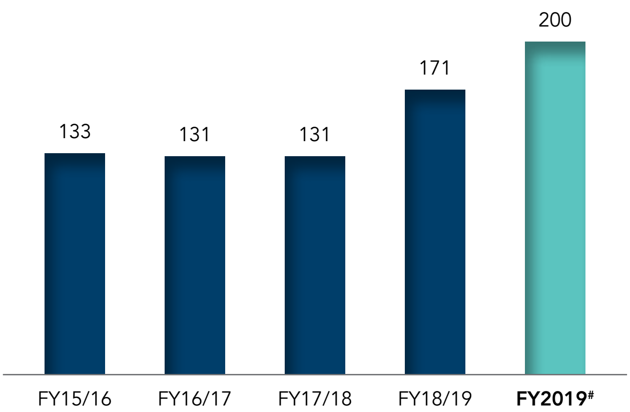
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION
(S$ million)



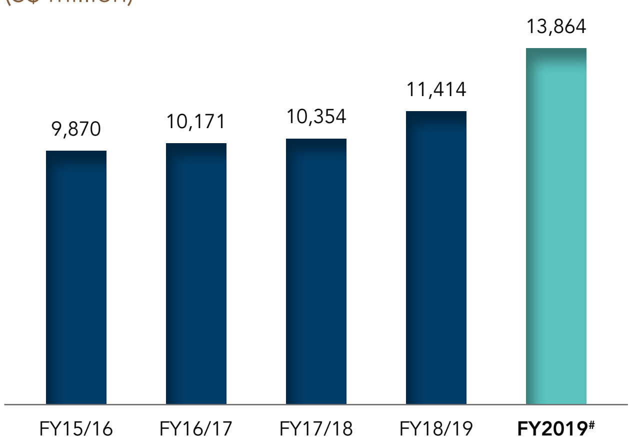
NET ASSET VALUE PER UNIT[1]
(S$)



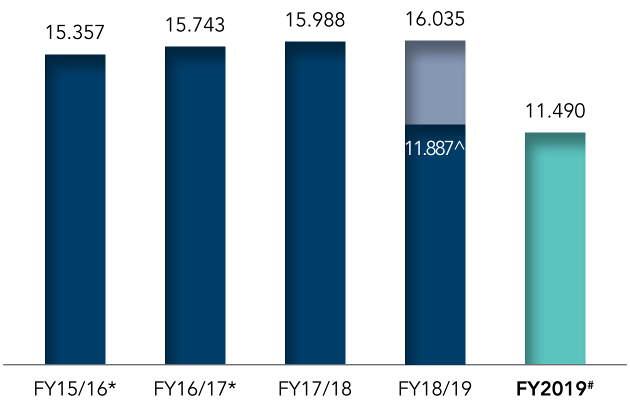
NUMBER OF PROPERTIES IN PORTFOLIO



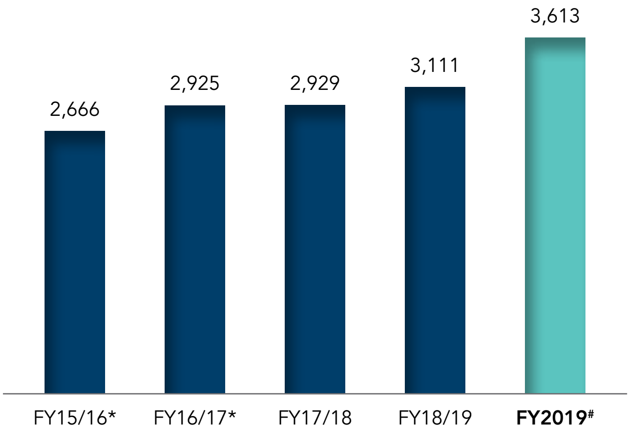
TOTAL ASSETS
(S$ million)



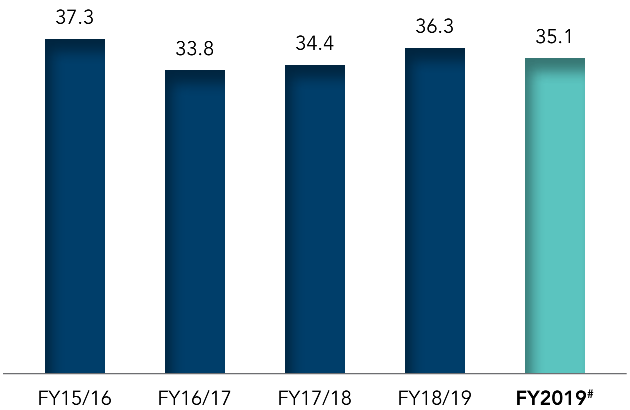
DISTRIBUTION PER UNIT
(Singapore cents)



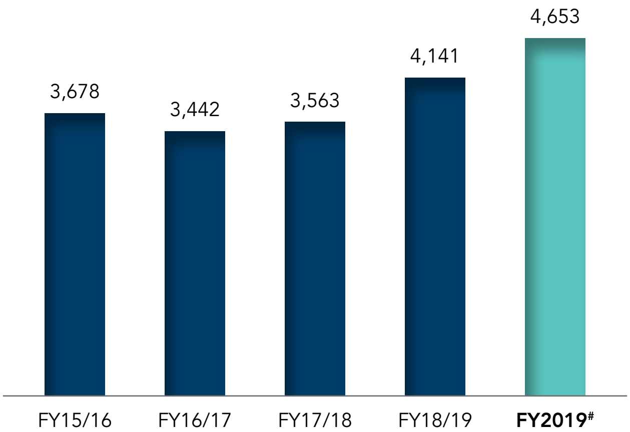
NUMBER OF UNITS IN ISSUE
(million)



AGGREGATE LEVERAGE(2)
(%)



TOTAL GROSS BORROWINGS(3)
(S$ million)



NOTES:
^ For the nine months ended 31 December 2018 (to provide a comparative nine-month period analysis)
* Distribution Per Unit (DPU) after performance fee.
# In July 2019, Ascendas Reit announced that it changed its financial year end from 31 March to 31 December. Therefore, FY2019 is a nine-month period from 1 April 2019 to 31 December 2019.
(1) Prior to distribution of distributable income.
(2) Excludes the effects of the new Singapore Financial Reporting Standard 116 *Leases* (FRS 116). For more details, please refer to pages 186 to 187.
(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

MR LIM HOCK SAN
Chairman, Non-Executive Independent Director

Total investment properties increased 15% to S$12.8 billion bolstered by the acquisitions of 31 properties across three markets.

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 December 2019.

MAKING AN IMPACT

We acquired a record S$1.66 billion worth of properties, the largest in the history of Ascendas Reit from our Sponsor, CapitaLand. This was an invaluable opportunity that was swiftly executed within a period of six months following the integration of CapitaLand and Ascendas-Singbridge on 1 July 2019.

With these acquisitions, we further broadened the portfolio geographically to include the US.

To finance our acquisitions, S$1.31 billion was raised via a Rights Issue in December 2019. Despite the sizeable amount, the rights issue was 1.36 times oversubscribed, an indication of investors' endorsement of our transaction.

DELIVERING A HEALTHY PERFORMANCE

In line with the change in financial year-end to December (from March), Ascendas Reit delivered distribution per Unit (DPU) of 11.490 cents for the nine months ended 31 December 2019. This was 3.3% lower than the comparative period in the previous financial year[1]. This drop in DPU was expected mainly due to the mismatch in timing between the contributions from the newly-acquired business parks in the US and Singapore (i.e. 11 December 2019 to 31 December 2019) and the additional number of Units issued which were entitled to the full distributions for the final quarter of FY2019 (1 October 2019 to 31 December 2019).

Operationally, portfolio occupancy was stable at 90.9% and rent reversion was a positive 6.0% for leases that were renewed during the financial year.

Ascendas Reit ended the year with a very sound capital profile. Aggregate leverage was healthy at 35.1% and Moody's credit rating of A3 was maintained. We have also put in place a high level of natural currency hedge of more than 75% for our overseas investments.

We are proud to say that Ascendas Reit is in a strong financial position to capitalise on opportunities for growth in the coming year.

RESILIENCE THROUGH DIVERSIFICATION

At the end of the financial year, total investment properties (IP) increased 15% to S$12.8 billion bolstered by the acquisitions of 31 properties across three markets: 28 in the US, two in Singapore and one in Australia.

Despite the challenges in some of these markets such as Brexit and trade-related uncertainties, we continue to look beyond them for opportunities. With a focus on properties that benefit from growing trends unique to each market, we believe that we can build a resilient and diversified portfolio.

In the US, the newly acquired 28 business park properties (worth approximately S$1.3 billion) are in the growing tech-cities of San Diego, Raleigh and Portland, and they tap on the increasing demand from companies in the technology and healthcare sectors.

In the UK, the 38 logistics properties (worth approximately S$800 million) are spread across key regions to cater to major population nodes and benefit from the high e-commerce penetration rate.

In Australia, the 32 logistics and three suburban office properties (worth approximately S$1.6 billion) are in key cities where economic activity is well supported by the large domestic markets. To diversify further, we acquired our first suburban office in Melbourne, bringing our total investments in suburban offices to four properties worth about S$400 million.

In Singapore, business park properties make up 45% of Ascendas Reit's portfolio. During the year, we added two high quality business park properties, Nucleos (in one-north), and FM Global Centre (in Singapore Science Park 2). The on-going development of Grab's Headquarters at one-north and the redevelopment of iQuest@IBP at the International Business Park (IBP), will further enhance this segment in the coming years. This puts Ascendas Reit in a good position to ride the new economy growth.

1 Comparative period refers to 1 April 2018 to 31 December 2018.

CHAIRMAN'S MESSAGE

Overall, we have a good mix of business park and suburban office properties (44% of IP), industrial properties (31% of IP) and logistics properties (25% of IP).

We intend to focus and grow our presence in these four developed markets.

A SUSTAINABLE PORTFOLIO

We have stepped up our sustainability efforts to reduce Ascendas Reit's carbon footprint.

In January 2020, the installation of more than 21,000 solar panels was completed on six of our Singapore properties. These panels can collectively generate more than 10,000 megawatt hours of energy annually and this installation is the largest combined rooftop solar facility in Singapore by a Singapore REIT.

Today, the number of BCA Green Mark properties in our portfolio has increased to 35, from 22 properties a year ago. This includes LogisTech (a logistics property in Changi North) which was recently awarded the Super Low Energy award for being a best-in-class energy efficient building. In addition, the on-going redevelopment of iQuest@IBP will incorporate climate responsive design, energy saving and smart building systems that meet the highest BCA Green Mark Platinum standard.

Read more about iQuest@IBP's redevelopment in The Manager's Review of FY2019 on page 41.

OUTLOOK

The outlook of the global economy remains uncertain. Fragile trade relations, geopolitical tensions and the recent outbreak of COVID-19 continue to pose headwinds to global economic activity.

However, we are confident moving forward and plan to optimise our returns despite all these uncertainties.

BOARD CHANGES

We would like to extend a warm welcome to Mr Andrew Lim, who joined our Board as Non-Executive Non-Independent Director on 10 October 2019. Andrew is the Group Chief Financial Officer of CapitaLand and brings with him considerable financial and real estate experience.

We would also like to thank Mr Miguel Ko, who has retired from the Board on 1 August 2019, for his wise counsel and support. We deeply appreciate his invaluable contributions.

A WORD OF THANKS

I would like to recognise the efforts put in by the staff to enable Ascendas Reit to have such a successful year. Special acknowledgment goes to our dedicated property manager teams for their tireless endeavours to put in place health and safety precaution measures at our properties during the COVID-19 outbreak.

To our Unitholders, customers and business partners, thank you for your continued trust and support.

Lim Hock San
Chairman
9 March 2020

INTERVIEW WITH CEO

MR WILLIAM TAY WEE LEONG
CEO & Executive Non-Independent Director

Q What is your acquisition plan for Ascendas Reit in 2020?

Today, Ascendas Reit's investment properties amounts to S$12.8 billion. Singapore remains our biggest market at S$9.1 billion (72%), followed by Australia at S$1.6 billion (12%), the US at S$1.3 billion (10%) and the UK at S$0.8 billion (6%).

Our plan is to remain a Singapore-centric REIT with 60% to 70% of our investments in Singapore.

In Singapore, our Sponsor's pipeline of business park properties worth more than S$1 billion is one source of growth for Ascendas Reit. Their positive attributes of good locations and long remaining land lease tenures will help us maintain our leadership position in Singapore.

Where overseas is concerned, we see further scope for growth in the markets that Ascendas Reit is in. As each of these markets have their own unique demand-supply dynamics, we continue to seek additions that will include business parks and logistics properties in selected locations with favourable market dynamics.

Q What prompted Ascendas Reit to acquire the 28 business park properties in the US?

We are excited to acquire these properties because of their strategic locations and strong customer base which will allow us to capture the growth from information technology, financial, and medical and healthcare sectors.

The US portfolio also comes with a long weighted average lease to expiry (WALE) of 4.1 years and a high proportion of leases have rent escalations of between 2.5% to 4.0% per annum. As all the US properties are sited on freehold land, the enlarged portfolio's proportion of freehold properties (by asset value) is boosted from 22.1%[1] to 29.3%.

Most importantly, the transaction was viable and accretive in terms of DPU and net asset value (NAV) per Unit. All these were achievable because the properties were acquired at an attractive net property income yield of 6.4% and were funded by competitively priced loans and the issuance of equity at about 23% premium to NAV.

We are confident that the US business park properties will contribute positively and augment the sustainability of Ascendas Reit's earnings.

Q Do you think diversification is a good strategy?

Market conditions continue to evolve rapidly. We need to anticipate the changing market environment and take advantage of any opportunity that may arise. We also need to adjust our portfolio mix to meet the ever-changing needs of our existing and potential customers, as well as respond to the rapidly changing industries.

We believe that by being diversified across geographic locations and across asset classes, this approach will help us ride through good and bad times and generate steady returns.

Ascendas Reit has been diversifying into developed markets since 2015. Today, we have enough scale to offer a wide variety of industrial and business space solutions such as business & science park/suburban offices, integrated developments, high-specifications industrial, light industrial and logistics and distribution centres.

1 As at 31 March 2019.

INTERVIEW WITH CEO

With more than 1,490 customers across over 20 industries, this will reduce exposure to any one industry and lower customer concentration risk. When one industry is challenged, another industry may be doing well.

There is also a balance of push and pull factors in the marketplace. Opportunities in the Singapore market is becoming more restricted and competitive due to limited good quality properties and shorter land lease tenure. Comparatively, overseas countries offer deeper markets, scalability, freehold land tenure as well as annual rent escalations.

Our objective is to ensure maximum return to the Unitholders. As such, we have to look for opportunities that support the economic growth in each country.

Q What are some of your redevelopment and asset rejuvenation plans?

In January 2020, we kick-started a new redevelopment project at International Business Park and two asset enhancement initiatives (AEI) at Singapore Science Park 2, at an estimated total cost of S$97 million.

We are taking the opportunity to redevelop and maximise the plot ratio at iQuest@IBP. When completed in 2022, net lettable area (NLA) will double to about 19,700 sq m. At the same time, we hope to take advantage of the better connectivity with the upcoming Jurong Regional Line, which will have the new iQuest@IBP connected to one of its stations (Jurong Town Hall).

The new property is designed with sustainability features and lush greenery to achieve the highest BCA Green Mark standard of Platinum rating. Other facilities include a gym, skydeck and food court as well as end-of-trip facilities to complement the Singapore Government's strategy for a car-lite nation.

The improved connectivity together with the sustainability features will be more attractive to potential customers.

In Singapore Science Park 2, The Galen and The Capricorn will be rejuvenated with new collaborative spaces and enhancements to its entrances and common areas.

Q What is your outlook for Ascendas Reit's markets in 2020?

The uncertain economic growth climate is still with us. The COVID-19 outbreak has just introduced a new element of uncertainty. Broadly speaking, we expect companies to remain conservative with their business and expansion plans.

In Singapore, an additional new supply of 2.2 million sq m (4.4% of total stock) of industrial property space is projected this year. Given that demand is expected to be muted, rents and occupancy are expected to remain under pressure. However, the business park segment may be relatively more resilient on the back of limited new supply. With 45% of our Singapore portfolio in the business & science park segment, we are in a better position to navigate the challenges. The on-going development project such as Grab's Headquarters, and redevelopment projects such as 25 & 27 Ubi Road 4 and iQuest@IBP, will further strengthen our market leadership in Singapore.

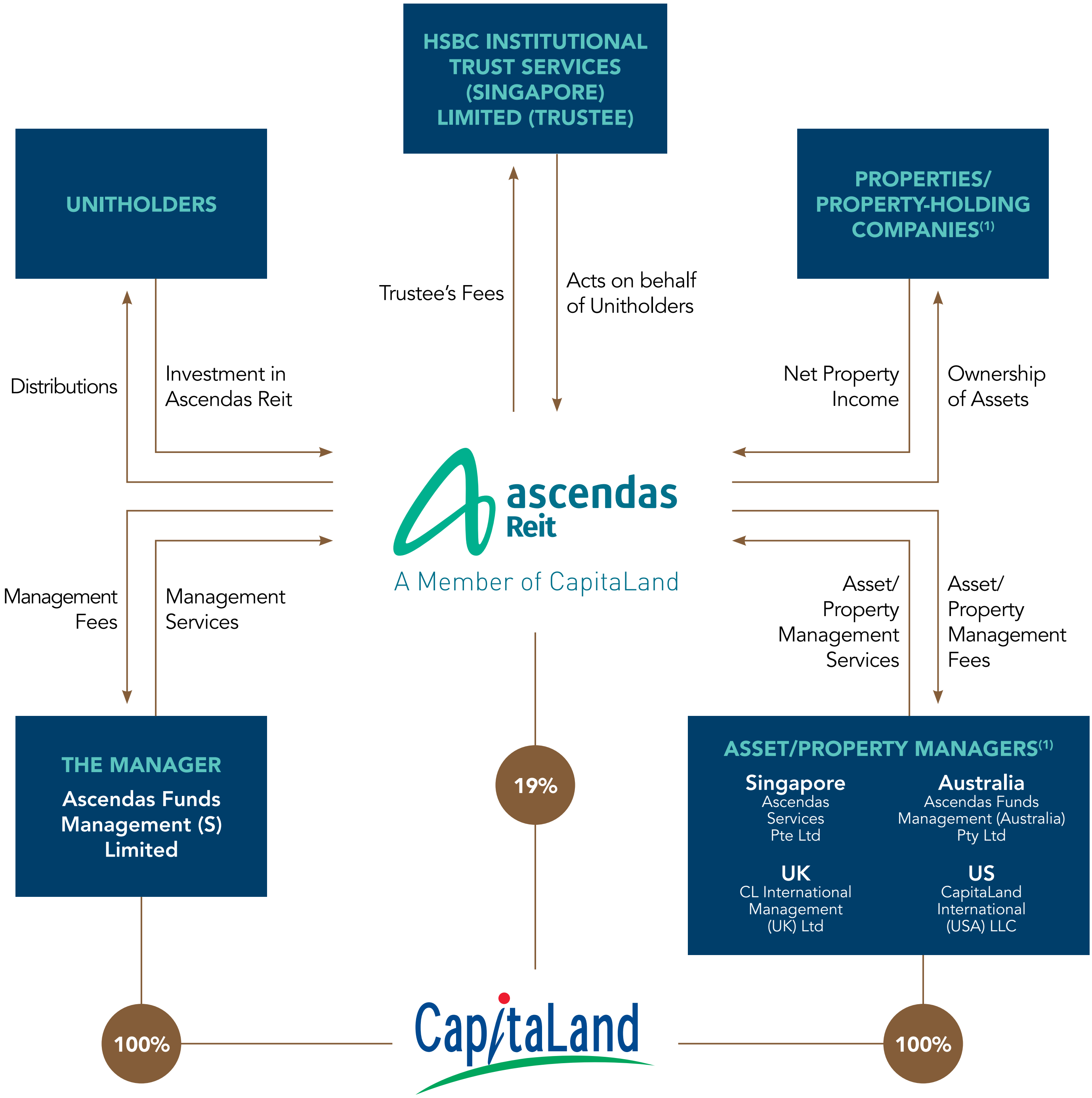
In Australia, the logistics property markets in Sydney and Melbourne are generally enjoying low vacancy rates of below 6% for most precincts. Net face rents have improved and will benefit us as we renew our leases in the coming year. The Australian portfolio is expected to deliver stable performance underpinned by our well-located properties and leases with average rent escalations of approximately 3% per annum.

In the UK, the high e-commerce penetration rate (about 19% of retail sales) is expected to continue to benefit the logistics sector. Our UK portfolio has a long WALE of 8.8 years, which will help to mitigate the on-going uncertainties surrounding the future of the UK post-Brexit.

In the US, our business park properties are well-positioned to benefit from the fast-growing technology and healthcare sectors. Already, we have successfully renewed some leases with key customers such as Nike (in Portland) and CareFusion Manufacturing (in San Diego).

ASCENDAS REIT'S STRUCTURE

As at 9 March 2020



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

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

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

Properties located in the US are held through wholly owned subsidiaries of Ascendas Reit and are managed by CapitaLand International (USA) LLC together with third-party managing agents.

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.

More details can be found in Ascendas Reit's Integrated Sustainability Report FY2019, available for download at ir.ascendas-reit.com/sustainability.html.

RESOURCE INPUTS

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

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

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

HUMAN CAPITAL
Commitment and drive from employees, and asset and property managers contribute towards business growth

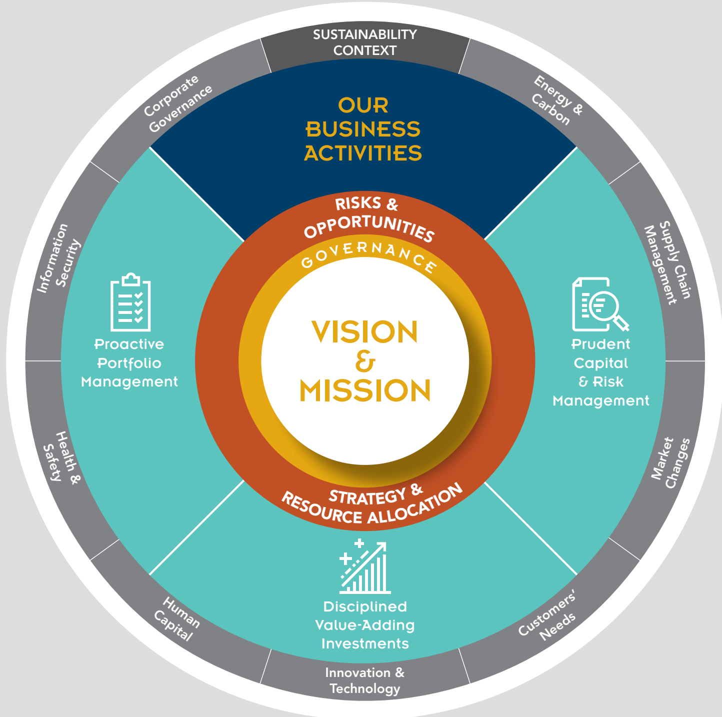
SOCIAL & RELATIONSHIP CAPITAL
Fostering strong relationships with stakeholders to actively understand and manage their expectations and create a shared value in the long term

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

BUSINESS MODEL

Vision: To be a leading global real estate investment trust
Mission: To deliver predictable distributions and achieve long-term capital stability for Unitholders.

Ascendas Reit has a holistic value creation process that integrates the following elements:



1 **Governance:** Supports Ascendas Reit's ability to deliver sustainable value in the short, medium and long term by identifying appropriate risks & opportunities, and adopting a strategic approach for resource allocation.

2 **Business activities:** The Manager employs a three-pronged strategy (Proactive Portfolio Management, Disciplined Value-Adding Investments, Prudent Capital & Risk Management) to drive business activities, i.e. implementation of business strategy & performance monitoring, reviewing outcomes, and managing stakeholders.

3 **Sustainability Context:** The Manager manages material issues in the business activities. For FY2019, nine material issues have been identified.

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

FY2019 OUTPUTS	OUTCOMES
> Total amount available for distribution of S$375.4 million, DPU of 11.490 Singapore cents in FY2019 > Healthy aggregate leverage ratio of 35.1% > Well-spread debt maturity profile > Successfully raised S$1.3 billion via Rights Issue, which was 1.36 times oversubscribed > High level of natural hedges > >75% of borrowings effectively on fixed interest rate	> Delivering predictable distributions > Achieving long term capital stability > Strong credit rating of A3 by Moody's > Sound financial metrics allow good access to various sources of funds at competitive rates > Well-mitigated against foreign exchange risks > Well-managed interest rate risks
> Expansion of flexible workspace, The Workshop at Techplace II, Singapore > Developing and enhancing platforms/applications/Business Intelligence Systems > Fully compliant with regulatory requirements in all the markets that Ascendas Reit operates in > Runner up for Sustainability Award (REITs & Business Trust) at SIAS Investors' Choice Awards 2019 > Silver Award for Best Annual Report (REITs & Business Trust) at Singapore Corporate Awards 2019	> Wider business and industrial space options for customers > Improve operations management using technology > Effective controls and processes > Adaptable to opportunities and uncertainties
> Stable portfolio occupancy (90.9%) and positive rental reversions (+6.0%) > Weighted average lease to expiry (3.9 years) > More freehold land due to acquisitions in the US and Australia > Acquired 28 business park properties in the US, two business park properties in Singapore and one suburban office in Australia > Capital recycling (divested one Singapore property) > Completed one asset enhancement initiative (AEI); eight AEIs/developments/redevelopments are ongoing > >90% of Singapore property management suppliers/contractors attained level 3 BizSafe or higher	> Resilient portfolio > Proactive portfolio management to optimise returns > More geographically diversified > More reputable customers from diverse industries and geographies > All suppliers comply with applicable laws and regulations
> 29.4 hours of training per employee > 100% of employees received regular performance and career development review > Zero cases of validated discrimination > Board Diversity Policy	> Ongoing career development > Core values: Winning Mindset, Integrity, Respect, Enterprising > Gender Diversity (Board and Manager team)
> Met targets for transactional survey and call centre satisfaction score > 15 health & safety related accidents in Singapore and Australia (0 reportable accidents) > Regular customer and supplier engagement activities, multiple employee wellness activities on a regular basis	> Enhancing customer experiences > Continue to promote workplace safety and implement necessary measures to minimise accidents > Ascendas Reit has been ranked Singapore Top 100 Brands since 2012 > Collaborative stakeholder (suppliers, employees, customers) relationships
> Energy intensity of 38.91 kWh/sq m (Singapore portfolio) > Water intensity of 0.49 m^3/sq m (Singapore portfolio) > 35 BCA Green Mark buildings to-date > Solar panels installed at six Singapore properties > 40 electric vehicle charging points across eight properties	> Lower operating costs from lower energy and water intensity > Inclusion in sustainability indices e.g. iEdge SG ESG Leaders Index, iEdge SG ESG Transparency Index > Contribute towards Singapore's 2030 solar target to deploy at least 2 Gigawatt peak of solar energy > Contribute towards Singapore's vision to phase out internal combustion engine vehicles and have vehicles run on cleaner energy by 2040

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 asset and property managers 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 & 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 of high-quality office space located in precincts outside the central business districts. The properties are well-serviced by public transportation and surrounding amenities include F&B and shopping malls.

The US business park properties are located within corporate campus environments. These campuses house a critical mass of established, growth and start-up companies, as well as in proximity to top research universities and institutions, contributing to the vibrant innovation ecosystems.

> 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.

US: Technology, financial, medical, healthcare related companies 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 UK comprises logistics properties located in established industrial areas across various regions including Yorkshire and the Humber, North West England, East and West Midlands, South East England and East of England.

> Typical Customers

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

SIGNIFICANT EVENTS

APRIL 2019

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

JUNE 2019

30 Jun CapitaLand and Ascendas-Singbridge complete transaction to form one of Asia's largest diversified real estate group.

CapitaLand and Ascendas-Singbridge's Integration Celebration

JULY 2019

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

23 Jul Ascendas Reit bagged the Silver Award for Best Annual Report (REITs & Business Trusts) at the Singapore Corporate Awards 2019.

Singapore Corporate Awards 2019

24 Jul Ascendas Reit announced the change in financial year-end from 31 March to 31 December.

29 Jul Announced results for the three months ended 30 June 2019: Net property income grew by 6.3% y-o-y.

AUGUST 2019

1 Aug Mr Miguel Ko retired as Non-executive Director.

SEPTEMBER 2019

17 Sep Ascendas Reit was recognised at the Alpha Southeast Asia Corporate Institutional Investor Awards 2019 for Best CFO in Singapore, Most Consistent Dividend Policy and Best Strategic Corporate Social Responsibility.

18 Sep Completed the divestment of 8 Loyang Way 1 in Singapore for S$27.0 million.

26 Sep Ascendas Reit was the Runner-up for the Sustainability Awards (REITs & Business Trusts), at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2019.

OCTOBER 2019

3 Oct Completed the acquisition of a suburban office building, to be constructed at 254 Wellington Road, in Melbourne, Australia for A$110.9 million (S$104.4 million).

10 Oct Appointment of Mr. Andrew Lim as a Non-Executive Non-Independent Director of the Board, the Nominating and Remuneration Committee* and the Investment Committee.

* The Nominating and Remuneration Committee was dissolved with effect from 1 February 2020.

NOVEMBER 2019

1 Nov Announced results for the three months ended 30 September 2019: Net property income grew by 7.6% y-o-y.

Analysts and Media Briefing

27 Nov Unitholders voted overwhelmingly in support of the proposed acquisitions of 30 business park properties in the US and Singapore, with 93.2% voting for the resolution.

Extraordinary General Meeting

DECEMBER 2019

6 Dec Issued 498,040,904 new Units following Ascendas Reit's S$1,310 million Rights Issue which was 1.36 times oversubscribed.

11 Dec Completed the acquisitions of 30 Business Park Properties in the United States and Singapore for S$1.66 billion.

JANUARY 2020

23 Jan Completed the divestment of Wisma Gulab in Singapore for S$88.0 million.

31 Jan Announced results for the financial year ended 31 December 2019: On a comparative basis (April to December), net property income grew by 10.6% y-o-y. DPU declined by 3.3% y-o-y to 11.490 Singapore cents from 11.887 Singapore cents due to the mismatch in timing between the contributions from the newly acquired business parks in the US and Singapore (i.e. 11 December 2019 to 31 December 2019) and the additional number of Units issued which was entitled to the full distributions for the final quarter of FY2019 (1 October 2019 to 31 December 2019).

FEBRUARY 2020

4 Feb Completed the divestment of 202 Kallang Bahru in Singapore for S$17.0 million.

MARCH 2020

6 Mar Completed the divestment of 25 Changi South Street 1 for S$20.3 million.

BOARD OF DIRECTORS

LIM HOCK SAN
Chairman
Non-Executive Independent Director

WILLIAM TAY WEE LEONG
Chief Executive Officer
Executive Non-Independent Director

CHAN PENGEE, ADRIAN
Non-Executive Lead Independent Director

CHONG CHIET PING
Non-Executive Independent Director

LIM SAU HOONG
Non-Executive Independent Director

WONG YEW MENG
Non-Executive Independent Director

DANIEL CUTHBERT EE HOCK HUAT
Non-Executive Independent Director

MANOHAR KHIATANI
Non-Executive Non-Independent Director

LIM CHO PIN ANDREW GEOFFREY
Non-Executive Non-Independent Director

Independence

A majority of Board members are independent

Diversity

A good combination of gender and experiences

LIM HOCK SAN, 73

Chairman

Non-Executive Independent Director

> 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.)

Date of first appointment as a director:

1 July 2016

Length of service as a director (as at 31 December 2019):

3 years 6 months

Board committees served on

> Nominating and Remuneration Committee* (Chairman)
> Investment Committee (Member)

Present directorships in other listed companies

> United Industrial Corporation Limited
> Gallant Venture Ltd
> Indofood Agri Resources Ltd
> Interra Resources Limited

Present principal commitments

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

Past directorship in other listed company held over the preceding three years

> Nil

Background and working experience

> President & CEO of United Industrial Corporation Limited (From 1992 to present)
> Director-General of Civil Aviation of the Civil Aviation Authority of Singapore (From 1980 to 1992)

* Nominating and Remuneration Committee was dissolved with effect from 1 February 2020.

BOARD OF DIRECTORS

WILLIAM TAY WEE LEONG, 49

Chief Executive Officer
Executive Non-Independent Director

> Bachelor of Science (Estate Management), National University of Singapore

Date of first appointment as a director:
1 February 2018
Length of service as a director (as at 31 December 2019):
1 year 11 months

Board committees served on
- Investment Committee (Member)

Present directorships in other listed companies
- Nil

Present principal commitments
- Ascendas Funds Management (S) Limited (Chief Executive Officer)
- Ascendas Funds Management (Australia) Pty Ltd (Director)

Past directorship in other listed company held over the preceding three years
- Nil

Background and working experience
- Chief Executive Officer, Ascendas Funds Management (S) Limited (From February 2018 to present)
- Deputy Chief Executive Officer (Singapore & South East Asia) and CEO (Korea), Ascendas-Singbridge Pte Ltd (From September 2016 to January 2018)
- Chief Executive Officer (South East Asia), Ascendas Pte Ltd (From October 2012 to August 2016)
- Senior Vice President (South East Asia), Ascendas Pte Ltd (From August 2012 to September 2012)
- ASEAN Fund Manager and Country Head (Philippines), Ascendas Pte Ltd (From May 2010 to July 2012)
- Assistant Vice President – Vice President (Business Development), Ascendas Pte Ltd (From October 2007 to April 2010)

CHAN PENGEE, ADRIAN, 55

Non-Executive Lead Independent Director

> Bachelor of Laws (Honours), National University of Singapore

Date of first appointment as a director:
1 December 2014
Length of service as a director (as at 31 December 2019):
5 years 1 month

Board committees served on
- Audit and Risk Committee (Chairman)

Present directorships in other listed companies
- Yoma Strategic Holdings Ltd
- Hong Fok Corporation Limited
- AEM Holdings Ltd
- Best World International Limited
- Bowsprit Capital Corporation Limited

Present principal commitments
- Lee & Lee (Head of Corporate)
- Shared Services for Charities Limited (Director)
- Azalea Asset Management Pte Ltd (Director)
- Want Want Holdings Ltd (Director)
- Singapore Institute of Directors (Director)
- Association of Small and Medium Enterprises (Honorary Secretary)
- Accounting and Corporate Regulatory Authority (Board Member)
- Legal Service Commission (Member)
- The Law Society of Singapore (Council Member)
- Singapore Management University's Enterprise Board (Member)

Past directorship in other listed company held over the preceding three years
- Nobel Design Holdings Ltd
- Global Investments Limited

Background and working experience
- Senior Partner, Lee & Lee; Head of the Corporate Department (From 1989 to present)
- Vice-Chairman, Singapore Institute of Directors (From 1 December 2018 to present)
- Director of Hogan Lovells Lee & Lee (From 1 March 2001 to present)
- Member of SGX Catalist Advisory Panel (From 1 January 2014 to present)

CHONG CHIET PING, 65

Non-Executive Independent Director

- Diploma in Electronics and Electrical Engineering, Singapore Polytechnic

Date of first appointment as a director:
1 November 2015
Length of service as a director (as at 31 December 2019):
4 years 2 months

Board committees served on
- Audit and Risk Committee (Member)
- Nominating and Remuneration Committee* (Member)

Present directorships in other listed companies
- Nil

Present principal commitments
- GreenMeadows Accelerator Pte Ltd (Managing Partner)
- Small World Accelerator Pte Ltd (Managing Partner)
- National Research Foundation (Technical Advisor)
- Third Wave Power Pte Ltd (Director)
- Nucleus Dynamics Pte Ltd (Director)
- Smart Animal Husbandry Care Pte Ltd (Director)
- Multiwater Holdings Ltd (Director)
- Nextravel Asia Pacific Pte Ltd (Director)
- Moovita Pte Ltd (Director)

Past directorship in other listed company held over the preceding three years
- Nil

Background and working experience
- Managing Partner, GreenMeadows Accelerator Pte Ltd (From April 2016 to Present)
- Managing Partner, Small World Group Incubator Pte Ltd. (From December 2010 to Present)
- Managing Partner, Small World Accelerator Pte Ltd (From January 2018 to Present)
- Consultant, CP Chong Consulting (From February 2007 to March 2010)
- Senior Vice President of Operations, Asia Pacific, Hewlett Packard Pte Ltd (From 1973 to November 2006)

* Nominating and Remuneration Committee was dissolved with effect from 1 February 2020.

LIM SAU HOONG, 59

Non-Executive Independent Director

- Diploma in Education, Institute of Education
- Bachelor of Arts (Honours) in Chinese Studies, National University of Singapore

Date of first appointment as a director:
1 November 2015
Length of service as a director (as at 31 December 2019):
4 years 2 months

Board committees served on
- Nominating and Remuneration Committee* (Member)

Present directorships in other listed companies
- Nil

Present principal commitments
- Hyfluxshop Holdings Ltd. (Director)
- Chinese Development Assistance Council (Chairperson)
- NTUC Fairprice Co-operative Limited (Director)
- Singapore NTUC FairPrice Foundation (Director)
- Singapore50 Culture and Community Committee (Member)
- Singapore Note and Coin Advisory Committee (Member)

Past directorship in other listed company held over the preceding three years
- Nil

Background and working experience
- CEO and Executive Creative Director, 10AM Communications Pte Ltd (From 2000 to 2015)
- Director, Singapore Chinese Orchestra Board (From 2010 to 2015)
- Member, National Parks Board (From 2010 to 2013)
- Chairperson, Public Education Committee of the National Council for Problem Gambling (From 2008 to 2013)
- Chairperson, Speak Mandarin Council (Singapore) (From 2008 to 2011)
- Head, Advisory Panel, Shanghai World Expo 2010 Singapore Pavilion (From 2008 to 2010)
- Visual Advisor, Planning Committee, Beijing Olympics' Opening Ceremony (2008)
- Head, Creative Teams, BBDO Asia (Singapore) & Ogilvy & Mather (Singapore, Beijing & Shanghai) (From 1988 to 2000)

* Nominating and Remuneration Committee was dissolved with effect from 1 February 2020.

BOARD OF DIRECTORS

WONG YEW MENG, 69

Non-Executive Independent Director

- 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

Date of first appointment as a director:
1 November 2015
Length of service as a director (as at 31 December 2019):
4 years 2 months

Board committees served on
- Audit and Risk Committee (Member)

Present directorships in other listed companies
- Venture Corporation Limited

Present principal commitments
- Land Transport Authority of Singapore (Non-Executive Board Member)
- Singapore Deposit Insurance Corporation Limited (Non-Executive Director)
- Nanyang Technological University (Non-Executive Trustee)
- Kidney Dialysis Foundation Limited (Director)

Past directorship in other listed company held over the preceding three years
- Nil

Background and working experience
- Non-Executive Board Member, Competition Commission of Singapore (From January 2011 to December 2016)
- Non-Executive Board Member, People's Association (From January 2010 to December 2018)
- Non-Executive Board Member, Public Utilities Board (From April 2009 to March 2015)
- Non-Executive Chairman, Health Promotion Board (From February 2001 to September 2008)
- Non-Executive Director, Singapore Eye Research Institute (From 1998 to 2013)
- Non-Executive Chairman, Singapore National Eye Centre (From 1996 to 2000)
- Audit Partner, PriceWaterhouseCoopers (From 1985 to June 2008)

DANIEL CUTHBERT EE HOCK HUAT, 67

Non-Executive Independent Director

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

Date of first appointment as a director:
1 October 2018
Length of service as a director (as at 31 December 2019):
1 year 3 months

Board committees served on
- Audit and Risk Committee (Member)
- Investment Committee (Member)

Present directorships in other listed companies
- Keppel Infrastructure Fund Management Pte Ltd (trustee-manager of Keppel Infrastructure Trust)
- Olive Tree Estates Limited

Present principal commitments
- Singapore Mediation Centre (Director)

Past directorship in other listed company held over the preceding three years
- Nil

Background and working experience
- Served as Non-executive Directors over the past 10 years

MANOHAR KHIATANI, 60

Non-Executive Non-Independent Director

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

Date of first appointment as a director:
10 June 2013
Length of service as a director (as at 31 December 2019):
6 years 6 months

Board committees served on

> Investment Committee (Chairman)
> Audit and Risk Committee (Member)
> Nominating and Remuneration Committee* (Member)

Present directorships in other listed companies

> SIA Engineering Company Limited
> Ascendas Property Fund Trustee Pte Ltd (trustee-manager of Ascendas India Trust)

Present principal commitments

> CapitaLand Limited (Senior Executive Director)
> Ascendas Pte Ltd (Director)
> Ascendas Investment Pte Ltd (Director)
> Ascendas Land International Pte Ltd (Director)
> CapitaLand Singapore (BP&C) Pte. Ltd. (Director)
> CapitaLand India Pte. Ltd. (Director)
> Ascendas-Citramas Pte Ltd (Director)
> Jilin Food Zone Pte Ltd (Alternate Director)
> Nusajaya Tech Park Sdn Bhd (Director)
> Singapore Amaravati Investment Holdings Pte Ltd (Director)
> Directorships in other CapitaLand Group companies

Past directorship in other listed company held over the preceding three years

> Ascendas Hospitality Fund Management Pte Ltd (manager of Ascendas Hospitality Real Estate Investment Trust)
> Ascendas Hospitality Trust Management Pte Ltd (trustee-manager of Ascendas Hospitality Business Trust)

Background and working experience

> Senior Executive Director, CapitaLand Limited (From July 2019 to present)
> Deputy Group CEO, Ascendas-Singbridge Pte Ltd (From June 2015 to June 2019)
> President & Chief Executive Officer, Ascendas Pte Ltd (From May 2013 to June 2015)
> Chief Executive Officer, JTC Corporation (From October 2009 to April 2013)
> Deputy/Assistant Managing Director, Economic Development Board (From February 2007 to September 2009)
> Director, Economic Development Group (From March 2003 to February 2007)

* Nominating and Remuneration Committee was dissolved with effect from 1 February 2020.

LIM CHO PIN ANDREW GEOFFREY, 50

Non-Executive Non-Independent Director

> Bachelor of Commerce (Economics), University of Toronto, Canada
> Master in Business Administration, Rotman School of Business, University of Toronto, Canada
> Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a director:
10 October 2019
Length of service as a director (as at 31 December 2019):
2 months

Board committees served on

> Nominating and Remuneration Committee* (Member)
> Investment Committee (Member)

Present directorships in other listed companies

> Ascott Business Trust Management Pte. Ltd. (trustee-manager of Ascott Business Trust)
> Ascott Residence Trust Management Limited (manager of Ascott Real Estate Investment Trust)
> CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust)
> CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)
> CapitaLand Retail China Trust Management Limited (manager of CapitaLand Retail China Trust)

Present principal commitments

> Accounting for Sustainability Circle of Practice (Member)
> Accounting Standards Council (Member)
> CapitaLand Group (Group Chief Financial Officer)
> Institute of Singapore Chartered Accountants' CFO Committee (Member)
> Real Estate Investment Trust Association of Singapore (REITAS) (President)

Past directorship in other listed company held over the preceding three years

> CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust)

Background and working experience

> Group Chief Financial Officer (Designate) of CapitaLand Limited (From 25 November 2016 to 31 December 2016)
> Managing Director and Head of SEA Coverage Advisory of HSBC Global Banking (From January 2016 to December 2016)
> Managing Director and Head of SEA Real Estate of HSBC Global Banking (From January 2015 to December 2015)
> Managing Director, SEA Investment Banking of HSBC Global Banking (From April 2013 to December 2014)
> Director, SEA Investment Banking of HSBC Global Banking (From April 2010 to March 2013)
> Associate Director, Investment Banking of HSBC Global Banking (From April 2007 to March 2010)
> Associate, Investment Banking of HSBC Global Banking (From July 2004 to March 2007)

* Nominating and Remuneration Committee was dissolved with effect from 1 February 2020.

THE ASCENDAS REIT TEAM

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

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 management 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.

THE ASCENDAS REIT TEAM

MS YEOW KIT PENG
Head, Capital Markets & Investor Relations

Kit Peng drives the capital structure, funding and hedging strategy, and treasury management 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 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.

MS SERENA TEO
Head, Portfolio Management

Serena oversees portfolio management for Ascendas Reit's properties in Singapore, Australia, the United Kingdom and the United States. She is responsible for formulating and executing business strategies to maximise income and asset value of the properties and oversees the Property Managers in the delivery of marketing and leasing, property management, lease management, customer care services and asset enhancement initiatives.

Serena has more than 23 years of work experience spanning private and public sectors. Since joining Ascendas Group in 2008, she has held various positions in group strategy, funds management as well as country operations. Prior to Ascendas Group, she was in the Singapore Economic Development Board and EDB Investments, where she spent more than 10 years in the development of the semiconductors and other electronics industries in Singapore, as well as direct equity investments in communications, software and logistics companies. She started her career as an engineer in Chartered Semiconductors.

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.

>25 years

Average experience of Management Team

THE ASSET & PROPERTY MANAGERS

The daily operations of Ascendas Reit's portfolio of properties located in Singapore, Australia, the UK and the US are undertaken by asset and property managers that are wholly owned subsidiaries of CapitaLand, as well as third-party managing agents.

The asset and property managers have over 200 staff members located across Ascendas Reit's markets, providing professional services to customers, and enhancing the market positioning and attractiveness of Ascendas Reit's properties so as to maximise returns to Unitholders.

The asset and property managers have the following key responsibilities:

GROSS REVENUE
+5.7%[1]
FY2019: S$699.1 MILLION

NET PROPERTY INCOME (NPI)
+10.6%[1]
FY2019: S$537.7 MILLION

HIGHLIGHTS OF FY2019

As at 31 December 2019, Ascendas Reit is the largest business space and industrial REIT listed on the SGX-ST[3] with total assets and market capitalisation of S$13.9 billion and S$10.7 billion respectively.

TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION
+5.2%[1]
FY2019: S$375.4 MILLION

DISTRIBUTION PER UNIT (DPU)
-3.3%[1]
FY2019: 11.490 SINGAPORE CENTS

TOTAL ASSETS
+21.5%[2]
FY2019: S$13.9 BILLION

1 Variance against nine months ended 31 December 2018.
2 Variance against 31 March 2019.
3 Singapore Exchange Securities Trading Ltd.

THE MANAGER'S REVIEW OF FY2019

PROACTIVE PORTFOLIO MANAGEMENT

> Overall portfolio occupancy remained high at 90.9%.

> Achieved positive rental reversion of 6.0% for leases renewed in FY2019.

> Completed one asset enhancement initiative (AEI) for S$4.5 million. There are eight on-going development, redevelopment and AEI projects at a combined cost of S$331.9 million.

Portfolio Occupancy	Portfolio Rental Reversion
FY2019: 90.9%	**FY2019: 6.0%**
FY18/19: 91.9%	FY18/19: 3.7%

DISCIPLINED VALUE-ADDING INVESTMENT AND DIVESTMENT

> Maiden entry into the United States (US) through the acquisition of a portfolio of 28 freehold business park properties at an agreed portfolio value of S$1,281.7 million[4].

> Acquired two business park properties, Nucleos and FM Global Centre in Singapore, for a combined purchase consideration of S$380.0 million.

> Acquired its fourth suburban office, 254 Wellington Road (Melbourne) in Australia for a total cost of S$104.4 million, expected to reach practical completion in 3Q 2020.

> Divested 8 Loyang Way, a leasehold property in Singapore, which generated sale proceeds of S$27.0 million.

> Total valuation of 198[5] properties was S$12.84 billion. Capitalisation rate was 6.02% for Singapore, 5.88% for Australia, 5.82%[6] for the United Kingdom (UK) and 6.27% for the US as at 31 December 2019.

Portfolio Capitalisation Rate

FY2019:
Singapore portfolio: 6.02%
Australia portfolio: 5.88%
UK portfolio: 5.82%[6]
US portfolio: 6.27%

FY18/19:
Singapore portfolio: 6.18%
Australia portfolio: 6.08%
UK portfolio: 5.77%[6]

PRUDENT CAPITAL MANAGEMENT

> Maintained A3 credit rating from Moody's.

> Aggregate leverage remained healthy and improved to 35.1%.

> Weighted average all-in borrowing cost improved to 2.9% per annum.

> Weighted average term of debt stable at 4.0 years.

> High level of natural currency hedge for overseas investments: 73.8% for Australia, 100.0% for the UK and 75.8% for the US.

> 75.8% of borrowings are effectively at fixed interest rates for a weighted average duration of 3.3 years.

> Good access to diversified sources of capital:
- Secured S$340.1 million (US$250.0 million) 5-year offshore bank loan
- Secured S$272.1 million (US$200.0 million) 4-year onshore bank loan
- Secured S$381.0 million (US$280.0 million) 5-year onshore bank loan
- Raised S$1,310 million of gross proceeds via a renounceable Rights Issue of 498,040,904 new Units at S$2.63 per Unit (i.e. 15% discount to the theoretical ex-rights price (TERP) of S$3.0955; 23% premium to net asset value (NAV) per Unit of S$2.13).

Aggregate Leverage	Weighted Average Term of Debt	All-in Borrowing Cost (weighted average)
31 December 2019: 35.1%	**31 December 2019: 4.0 years**	**31 December 2019: 2.9%**
31 March 2019: 36.3%	31 March 2019: 4.0 years	31 March 2019: 3.0%

4 S$ amount for portfolio of 28 logistics properties were based on exchange rate of US$1.000: $1.371 as at 30 September 2019.
5 Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which were under-going redevelopment as at 31 December 2019.
6 Refers to equivalent yield, which reflects the current level of return on property investments in the UK.

FINANCIAL PERFORMANCE OF FY2019 (1 APRIL 2019 TO 31 DECEMBER 2019 (NINE MONTHS)) VERSUS FY18/19 (1 APRIL 2018 TO 31 MARCH 2019 (12 MONTHS))

Due to the change in financial year-end which resulted in a shortened nine-month period for FY2019, the figures presented below are not entirely comparable.

	FY2019 (1 April 2019 to 31 December 2019)	FY18/19 (1 April 2018 to 31 March 2019)	Variance
Number of Properties (as at period end)	200	171	+29 properties
Gross Revenue (S$ million)	699.1	886.2	-21.1%
NPI (S$ million)	537.7	649.6	-17.2%
Total Amount Available for Distribution (S$ million)	375.4	485.7	-22.7%
DPU (Singapore cents)	11.490	16.035	-28.3%
Applicable number of Units (million)	3,267	3,029	+7.9%

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

NPI decreased 17.2% y-o-y to S$537.7 million, mainly due to the additional three months in FY18/19 as well as lower property tax expense as a result of the retrospective downward revision in the annual value of certain properties in FY18/19. This was partially offset by the exclusion of land rent expenses arising from the adoption of FRS 116[7] since 1 April 2019.

Total amount available for distribution for FY2019 was S$375.4 million largely due to contributions from new acquisitions in the UK, the US and Singapore. FY2019 DPU was 11.490 Singapore cents taking into account the enlarged number of Units in issue after the Rights Issue[8] in December 2019.

Included in the amount available for distribution was approximately S$6.9 million (DPU of 0.215 cents) of income support in relation to certain properties that was received and paid to Unitholders in FY2019.

FINANCIAL PERFORMANCE FY2019 (1 APRIL 2019 TO 31 DECEMBER 2019) VERSUS NINE MONTHS ENDED 31 DECEMBER 2018 (1 APRIL 2018 TO 31 DECEMBER 2018)

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

	Nine months ended 31 December 2019 (FY2019)	Nine months ended 31 December 2018	Variance
Number of Properties (as at period end)	200	171	+29 properties
Gross Revenue (S$ million)	699.1	661.1	+5.7%
NPI (S$ million)	537.7	486.1	+10.6%
Total Amount Available for Distribution (S$ million)	375.4	356.7	+5.2%
DPU (Singapore cents)	11.490	11.887	-3.3%
Applicable number of Units (million)	3,267	3,000	+8.9%

7 For more information on the new Singapore Financial Reporting Standard 116 *Leases* (FRS 116), please refer to Financial Statements pages 186 to 187.
8 The Rights Units issued on 6 December 2019 rank *pari passu* in all respects with the Units before the Rights Issue, including the right to full distributions for the period from 1 October 2019 to 31 December 2019 as well as all distributions thereafter.

THE MANAGER'S REVIEW OF FY2019

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

NPI increased 10.6% y-o-y to S$537.7 million, in tandem with the increase in gross revenue and the exclusion of land rent expenses arising from the adoption of FRS 116[7] since 1 April 2019.

Total amount available for distribution in FY2019 rose 5.2% y-o-y to S$375.4 million largely due to contributions from the new acquisitions in the UK, the US and Singapore. FY2019 DPU declined 3.3% y-o-y to 11.490 Singapore cents mainly due to the mismatch in timing between the contributions from the newly-acquired business park portfolio in the US and Singapore (i.e. 11 December 2019 to 31 December 2019) and the additional number of Units issued after the Rights Issue[7] which was entitled to the full distributions for the final quarter of FY2019 (1 October 2019 to 31 December 2019).

Included in the amount available for distribution was approximately S$6.9 million (DPU of 0.215 Singapore cents) of income support in relation to certain properties that was received and paid to Unitholders in FY2019.

INVESTMENT HIGHLIGHTS

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

In October 2019, the Manager announced the acquisition of 254 Wellington Road, Melbourne, Australia for S$104.4 million[9] (A$110.9 million). It is a suburban office building that is well-located within Melbourne's desirable south eastern suburb of Mulgrave and within the Monash Technology Precinct.

The property is expected to receive practical completion in 3Q 2020 and has 65.2% of its space pre-committed by Nissan.

In December 2019, Ascendas Reit expanded its footprint into the US with the acquisition of 28 business park properties for S$1,281.7 million[10] (US$935.0 million). The freehold properties are located across the technology cities of San Diego, Raleigh and Portland. The portfolio was 93.7% occupied at acquisition by reputable customers such as CareFusion Manufacturing, Oracle America and Nike, just to name a few.

At the same time, the Manager also acquired two business park properties in Singapore; namely, Nucleos (S$289.0 million), located within the biomedical R&D hub of Biopolis at one-north and FM Global Centre (S$91.0 million), located within Singapore Science Park 2. These properties are occupied by key customers such as Dupont, Takeda and FM Global.

To optimise portfolio returns to Unitholders, the Manager actively identifies assets that are suitable for redevelopment and asset enhancement.

The Manager completed one AEI in FY2019 at ONE@ Changi City in Singapore for S$4.5 million, enhancing its lobby and widening its driveway to smoothen traffic flow. Five more asset enhancement initiatives worth S$31.4 million are in the works and they are expected to complete in 2020.

The redevelopment of 25 & 27 Ubi Road 4 for S$35.0 million and the development of Grab's headquarters for S$181.2 million are in progress and are expected to complete in 2Q 2021 and 4Q 2020 respectively.

The Manager is taking the opportunity to redevelop and maximise the plot ratio at iQuest@IBP. When completed in 2022, net lettable area (NLA) will double to about 19,700 sq m. The redeveloped iQuest@IBP will enjoy better connectivity as it will be connected to one of the stations (Jurong Town Hall) of the upcoming Jurong Regional Line. The new property is designed with sustainability features and lush greenery to achieve the highest BCA[11] Green Mark standard of Platinum rating.

9 S$ amount was based on exchange rate of A$1.000: S$0.941 as at 30 September 2019.
10 Refers to agreed portfolio value at acquisition. S$ amount was based on exchange rate of US$1.000: S$1.371 as at 30 September 2019.
11 Building and Construction Authority.

Acquisitions in FY2019

Property/ Portfolio	Country	Price (S$ million)	Valuation as at Acquisition (S$ million)	Occupancy as at Acquisition (%)	Completion Date
US Portfolio	United States *(San Diego, Raleigh, Portland)*	1,281.7[(1)]	1,291.7[(2)] 1,318.0[(2)]	93.7	11 December 2019
Nucleos	Singapore	289.0	303.0[(3)] 300.0[(3)]	92.9	11 December 2019
FM Global Centre	Singapore	91.0	94.1[(4)] 92.0[(4)]	100	11 December 2019
254 Wellington Road	Australia *(Melbourne)*	104.4	104.4[(5)]	100[(6)]	3 October 2019[(7)]
Total		**1,766.1**	**1,803.8**[(8)]		

(1) Refers to agreed portfolio value at acquisition.
(2) The valuations were carried out by JLL Valuation & Advisory Services, LLC (S$1,291.7 million) and Newmark Knight Frank Valuation & Advisory, LLC (S$1,318.0 million) and were based on the capitalisation approach, discounted cashflow method and direct comparison method.
(3) The valuations were carried out by CBRE Pte Ltd (S$303.0 million) using the capitalisation approach and discounted cashflow method and Colliers International Consultancy & Valuation (Singapore) Pte Ltd (S$300.0 million) using the capitalisation approach, discounted cashflow method and direct comparison method.
(4) The valuations were carried out by CBRE Pte Ltd (S$94.1 million) using the capitalisation approach and discounted cashflow method and Colliers International Consultancy & Valuation (Singapore) Pte Ltd (S$92.0 million) using the capitalisation approach, discounted cashflow method and direct comparison method.
(5) 'As-if Completed' valuation by Urbis Valuations Pty Ltd is based on the capitalisation approach and discounted cashflow method.
(6) Pre-committed occupancy is 65.2%. From practical completion date, the vendor will provide a three-year rental guarantee for any remaining vacant space.
(7) The acquisition was completed on 3 October 2019. The building is expected to reach practical completion in 3Q 2020.
(8) Based on average valuations of the US Portfolio, Nucleos and FM Global Centre.

Completed Asset Enhancement Initiative in FY2019

Property	Country	Cost (S$ million)	Completion Date
Asset Enhancement Initiative			
ONE@Changi City	Singapore	4.5	Oct 2019
Total		**4.5**	

On-going Development, Redevelopment and Asset Enhancement Initiatives

Property	Country	Cost (S$ million)	Estimated Completion Date
Development		**181.2**	
Built-to-suit business park development for Grab	Singapore	181.2[(1)]	4Q 2020
Redevelopments		**119.3**	
25 & 27 Ubi Road 4	Singapore	35.0	2Q 2021
iQuest@IBP	Singapore	84.3	3Q 2022
Asset Enhancement Initiatives		**31.4**	
Plaza 8 (Part of 1, 3 & 5 Changi Business Park Crescent)	Singapore	8.5	March 2020
The Capricorn	Singapore	6.0	February 2020
The Galen	Singapore	7.0	2Q 2020
52 & 53 Serangoon North Avenue 4	Singapore	8.5	2Q 2020
484 – 490 & 494 – 500 Great Western Highway	Australia (Sydney)	1.4	2Q 2020
Total		**331.9**	

(1) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to a development management fee not exceeding 3.0% of the total project costs. For this development, the Manager will be receiving 1.0% of the total project costs.

ACQUISITION

28 Business Park Properties, US

The US Portfolio, comprising 28 business park properties located in the US tech-cities of San Diego, Raleigh and Portland, was acquired from Perpetual (Asia) Limited on 11 December 2019. All three tech-cities house a critical mass of established, growth and start-up companies as well as top research universities and institutions, contributing to the vibrant innovation ecosystems. The freehold properties have a combined net lettable area of 310,085 sq m. Investment grade customers within the portfolio include CareFusion Manufacturing, TD Ameritrade, Oracle and Nike.

Nucleos, Singapore

Nucleos was acquired from Ascendas Venture Pte Ltd on 11 December 2019. The seven-storey twin tower is located in Biopolis at one-north, which hosts a cluster of world class biomedical and research facilities. It is 10-minutes away by foot from one-north Mass Rapid Transit (MRT) station and Buona Vista MRT station, and a few minutes' drive to Ayer Rajah Expressway. The property had a long remaining land lease tenure of 52 years and has a net lettable area of 38,149 sq m.

FM Global Centre, Singapore

FM Global Centre was acquired from Singapore Science Park Ltd on 11 December 2019. The six-storey built-to-suit business park development is strategically located along Pasir Panjang Road and enjoys excellent frontage. It is nested within Singapore Science Park 2. The property is situated three minutes away by foot to Haw Par Villa MRT Station, which serves the Circle Line. Accessibility to other parts of Singapore is also facilitated by its proximity off West Coast Highway and a 15-minute drive to the central business district. The property had a remaining land lease tenure of 72 years and has a net lettable area of 11,613 sq m.

Artist's impression

254 Wellington Road, Melbourne, Australia

254 Wellington Road was acquired from ESR FPA (Wellington Road) Pty Limited and its estimated practical date of completion is in 3Q 2020. It is a new, state-of-the-art suburban office building comprising an 8-level corporate office, workshop, café, end-of-trip facilities and multi-level car parking for 911 vehicles. The property has a net lettable area of 17,507 sq m and sits on freehold land. It is expected to achieve Five Star NABERS Energy Rating and Five Star Green Star Design. The property is well-located in one of Australia's most important innovation precincts, the Monash Technology Precinct, situated within proximity of greater Melbourne and 21 km south east of the Melbourne Central Business District.

COMPLETED ASSET ENHANCEMENT INITIATIVE

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 2006. The property has a new lounge and discussion area at the lobby to create more buzz and enhance experience for customers and visitors. The driveway was widened to improve traffic flow and the drop off area was fitted with a new ceiling design, video feature wall and façade glass. The enhancement works were completed in October 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 nine-storey and four-storey tower blocks connected via a sky bridge. The design will incorporate lush greenery on ground and mid-level sky terraces that are integrated with communal spaces and public pedestrian thoroughfares to promote social interactions and exchange of ideas. Anticipated to achieve BCA Green Mark Gold^{Plus} certification, 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 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 were demolished and will be redeveloped into a single high-specifications building with full glass facade and direct visibility along Ubi Avenue 2. With a total gross floor area of 17,094 sq m, the development will have efficient unit layouts on enlarged floor plates (from 1,700 sq m to 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.

Artist's impression

iQuest@IBP, Singapore

iQuest@IBP is a business park property located in the International Business Park and was acquired from Primefield Co. Pte Ltd in January 2007. The estimated redevelopment cost is $84.3 million. Plot ratio will be maximised, resulting in an additional gross floor area (GFA) of approximately 12,000 sq m (total GFA of 24,641 sq m post redevelopment). The new building, designed to achieve the highest BCA Green Mark Platinum accolade, will include facilities such as a gym, skydeck, food court and end-of-trip facilities to complement the government's strategy for a car-lite nation.

iQuest@IBP will benefit from enhanced accessibility via the future Jurong Regional Line and enjoy greater vibrancy from its proximity to the Jurong Lake District, which is envisioned to be the largest commercial and regional centre outside the Singapore central business district.

Along with the AEI completed at Nordic European Centre in January 2019, this redevelopment is part of the Manager's transformation plan to rejuvenate its portfolio of assets within International Business Park. The redevelopment of iQuest@ IBP is targeted to complete around 3Q 2022.

ASSET ENHANCEMENT INITIATIVES: ON-GOING

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 focused on the podiums, reception, lobby, restrooms, common corridors and perimeter walkways. The existing layout of the driveway was modified and new drop-off bays with new canopies were constructed. Futsal courts and end-of-trip facilities were added to generate vibrancy within the business park community. The works were completed in March 2020.

The Capricorn, Singapore

The Capricorn is a business park property located at the entrance of Singapore Science Park 2 and is within walking distance to Haw Par Villa MRT Station. The property was acquired from Ascendas Land (Singapore) Pte Ltd in November 2002. Asset enhancement works included a new canopy feature at the passenger drop-off point. The main lobby was redesigned with new collaborative spaces, fitted with a new ceiling design and upgraded to be fully air-conditioned. Lift interiors and common corridors will be refurbished to create a holistic look and feel. The works were completed in February 2020.

Artist's impression

The Galen, Singapore

The Galen is a business park property located within Singapore Science Park 2. The property was acquired in March 2013 from Singapore Science Park Ltd. The asset enhancement works include refurbishment to the building entrance, lift lobbies and common corridors to create a premium look and feel. New collaborative spaces and meeting rooms will be created at the main lobby for customers' use. Enhancement work to the common area will also feature a reflection pond. The AEI is expected to complete around 2Q 2020.

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 of about 2,281 sq m with new toilets and corridor. The addition of a passenger lift, installation of air-condition to all lifts, refinement of general building signage and refurbishment of the main lobby are part of the work scope. The AEI is expected to complete around 2Q 2020.

Artist's impression

484 – 490 & 494 – 500 Great Western Highway, Sydney, Australia

484 – 490 & 494 -500 Great Western Highway comprise four highly functional and modern logistic warehouses located within the established industrial park of Arndell Park, 34 km west of Sydney Central Business District. Both properties were acquired in October 2015 from the real estate arm of GIC and Frasers Property Australia Pty Limited through their controlled subsidiaries/affiliates. Asset enhancement works include external redecoration of the warehouses, internal refurbishment and installation of new LED lighting and translucent sheeting. The works are estimated to complete around 2Q 2020.

THE MANAGER'S REVIEW OF FY2019

DIVESTMENT

During the financial year, the Manager completed the divestment of 8 Loyang Way 1, a light industrial building located in Singapore, to Seow Kim Polythelene Co Pte Ltd for a sale price of S$27.0 million. The divestment generated net proceeds of S$26.5 million.

Beyond FY2019, the Manager completed the divestment of three Singapore properties. Wisma Gulab, a high-specifications industrial property, was sold for S$88.0 million to Heap Seng Group Pte Ltd on 23 January 2020, 202 Kallang Bahru, a light industrial property, was sold for S$17.0 million to Work Plus Store (Kallang Bahru) Pte Ltd on 4 February 2020, and 25 Changi South Street 1, a light industrial property, was sold for S$20.3 million to Hao Mart Pte Ltd on 6 March 2020. The net proceeds from the three divestments were S$117.7 million.

The Manager will continue to selectively divest properties with limited scope for future income growth to recycle capital and optimise returns for Unitholders.

Completed Divestment in FY2019

Property	Country	Sales Price (S$ million)	Valuation (S$ million)[1]	Buyer	Completion Date
8 Loyang Way 1	Singapore	27.0	23.6	Seow Kim Polythelene Co Pte Ltd	18 September 2019
Total		27.0	23.6		

(1) The valuation as at 31 March 2019 was based on the capitalisation approach and discounted cash flow analysis.

Completed Divestments in FY2020 (as at 9 March 2020)

Property	Country	Sales Price (S$ million)	Valuation (S$ million)[1]	Buyer	Completion Date
Wisma Gulab	Singapore	88.0	83.4	Heap Seng Group Pte Ltd	23 January 2020
202 Kallang Bahru	Singapore	17.0	15.0	Work Plus Store (Kallang Bahru) Pte Ltd	4 February 2020
25 Changi South Street 1	Singapore	20.3	19.9	Hao Mart Pte Ltd	6 March 2020
Total		125.3	118.3		

(1) The valuations for these properties as at 31 December 2019 were based on the capitalisation approach and discounted cash flow analysis.

CAPITAL MANAGEMENT

Ascendas Reit ended the financial year with a very sound capital profile. Aggregate leverage is healthy at 35.1%. With a debt headroom of about S$1.1 billion before aggregate leverage reaches 40.0%, Ascendas Reit is well-positioned to seize investment opportunities when they arise.

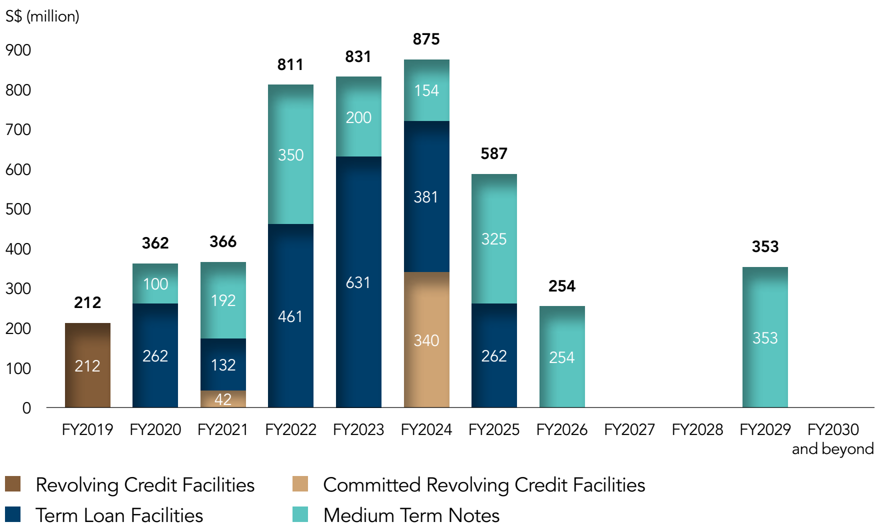
The Manager continues to keep a well spread debt maturity profile to minimise refinancing risks. Weighted average term of debt is 4.0 years. Weighted average all-in borrowing cost improved to 2.9% per annum.

A high level of natural hedge is put in place for all the overseas investments to minimise the effects of adverse exchange rate fluctuations. In Australia, Ascendas Reit has a total investment of A$1.7 billion. About 74% of this is funded by AUD-denominated debt. In the UK, the natural hedge is 100% and in the US, it is about 76%.

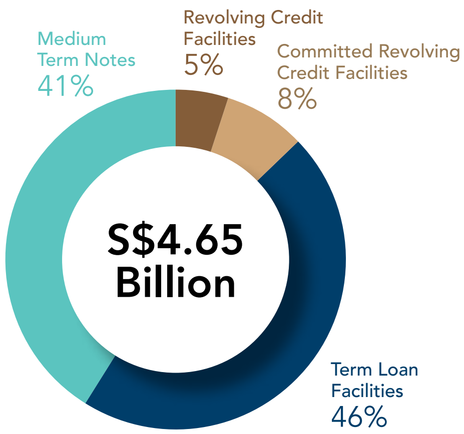
To minimise the impact from the volatility of interest rate movements, approximately 75.8% of Ascendas Reit's borrowing are effectively on fixed rates with a weighted average term of 3.3 years.

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

Debt Maturity Profile (as at 31 December 2019)



Sources of Debt (as at 31 December 2019)



Key Debt Funding Indicators

Indicators	As at 31 December 2019	As at 31 March 2019
Aggregate Leverage	35.1%	36.3%
Total Debt (S$ million) (1)	4,653	4,141
Fixed Debt as a % of Total Debt	75.8%	83.0%
Weighted Average All-in Borrowing Cost	2.9%	3.0%
Weighted Average Term of Debt Outstanding (years)	4.0	4.0
Weighted Average Term of Fixed Debt Outstanding (years)	3.3	3.6
Interest Cover Ratio	5.1x	5.2x
Total Debt / EBITDA	7.5x	7.0x
Unencumbered Properties as % of Total Investment Properties (2)	91.8%	90.8%

(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.

In FY2019, the Manager successfully raised gross proceeds of S$1,310 million via a renounceable Rights Issue of 498,040,904 new Units based on a ratio of 16 Rights Units for every 100 existing Units in Ascendas Reit. The Units were issued at a price of S$2.63, representing a discount of approximately 17% to the closing price of S$3.17 per Unit on the SGX-ST. This is approximately 15% to the TERP of S$3.0955 per Unit on 31 October 2019 and 23% premium to the NAV per Unit as at 30 September 2019. The Units were oversubscribed by 136.4% upon its close on 28 November 2019, and all proceeds have been entirely disbursed to partially finance the acquisitions of the US Portfolio of 28 business park properties, Nucleos and FM Global Centre and other related costs.

In FY2019, balance proceeds of S$18.2 million from the S$452.1 million pre-emptive private placement that took place in September 2018 were fully utilised for the built-to-suit business park development for Grab's Headquarters in Singapore.

The use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the relevant announcement in relation to the fund raising for each of the disclosure on the Rights Issue and the private placement.

THE MANAGER'S REVIEW OF FY2019

The use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the relevant announcement in relation to the fund raising for each of the disclosure on the Rights Issue and the private placement.

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

Intended Use of Proceeds	Announced Use of Proceeds	Actual Use of Proceeds	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 development of Grab's Headquarters in Singapore	109.0	109.0	–
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**	**452.1**	**–**

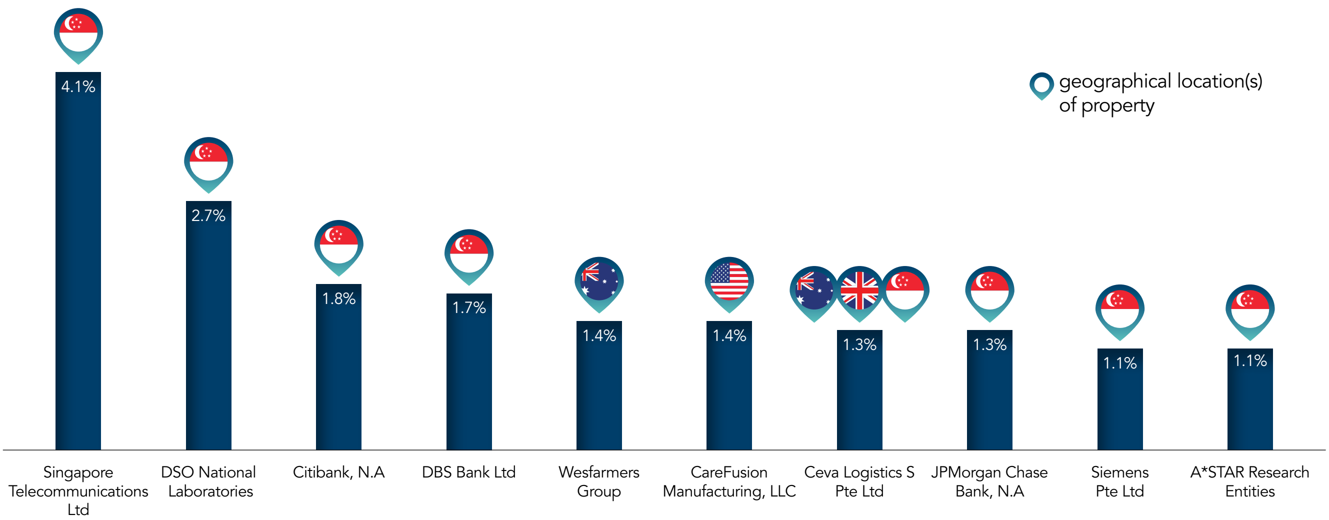
CUSTOMER CREDIT & CONCENTRATION RISK MANAGEMENT

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 4.7 months of rental income.

With a customer base of around 1,490 local and international companies, rigorous and conscientious effort has been put in to manage accounts receivables. About 93.9% of rental receipts are collected via interbank GIRO services. This enables us to react efficiently and appropriately towards any delinquency in payment.

Top ten customers accounted for not more than 17.9% of Ascendas Reit's monthly gross revenue and the majority of these customers are either multinational or listed companies. Furthermore, no single property accounts for more than 4.6% of Ascendas Reit's monthly gross revenue, offering income diversity within the portfolio.

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



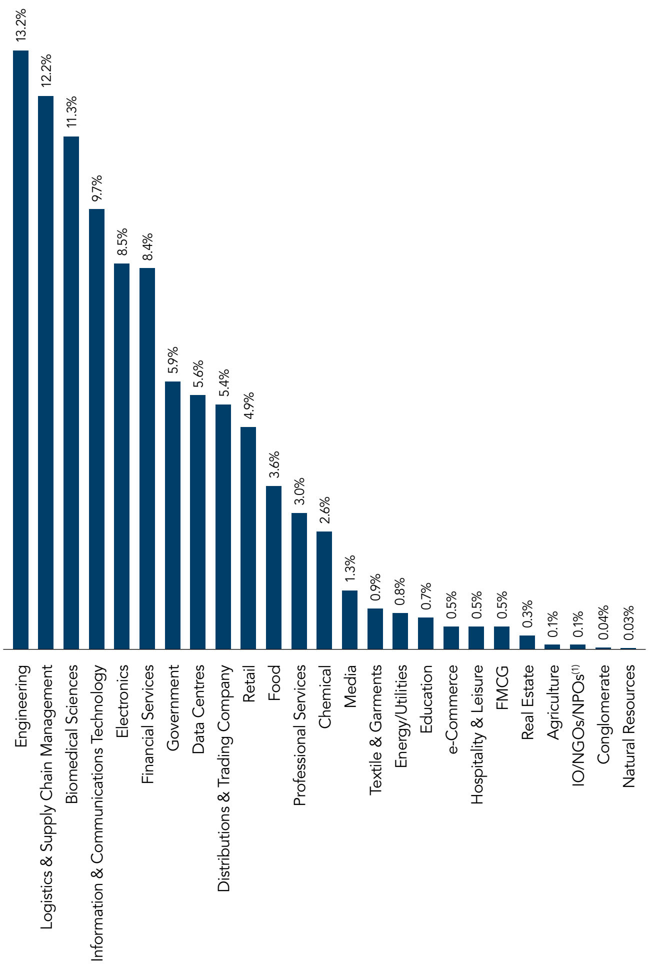
PORTFOLIO MANAGEMENT & PERFORMANCE

Ascendas Reit continues to own a spectrum of business space and industrial properties, comprising business & science park and suburban office properties, integrated development, amenities & retail properties, high-specifications industrial properties & data centres, light industrial properties & flatted factories and logistics & distribution centres.

As at 31 December 2019, Ascendas Reit has 99 properties (72% by asset value) in Singapore, 35 properties (12% by asset value) in Australia, 38 properties (6% by asset value) in the UK and 28 properties (10% by asset value) in the US.

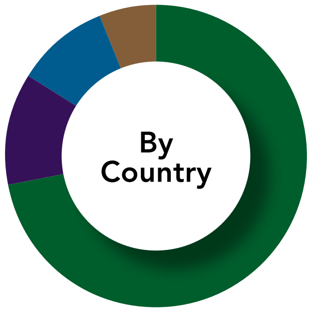
In FY2019, sources of new demand continued to be broad based ranging from conventional space requirements for logistics and storage, electronics, financial ancillary support, to higher value and knowledge intensive industries such as precision engineering and biomedical technology.

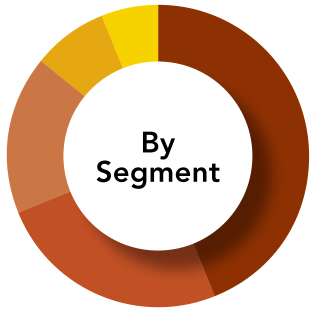
Customer's Industry Diversification by Gross Rental Income



(1) International organisations/non-governmental organisations/non-profit organisations

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

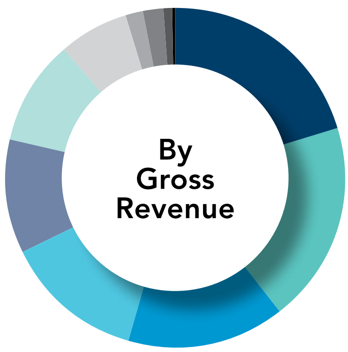




Total Investment Properties S$12.84 Billion

	(%)
Singapore	72
Australia	12
United States	10
United Kingdom	6
Business & Science Parks/Suburban Offices	44
Logistics & Distribution Centres	25
High Specifications Industrial and Data Centres	17
Light Industrial and Flatted Factories	8
Integrated Development, Amenities & Retail	6

Sources of New Demand in FY2019



	(%)
Engineering	20.5
Electronics	19.1
Biomedical and Agri/Aquaculture	14.9
Financial & Professional Services	13.3
Logistics & Supply Chain Management	10.9
IT & Data Centers	10.0
Lifestyle, Retail and Consumer Products	6.6
Distributors & Trading Company	1.9
Energy, Chemicals and Materials	1.7
Education and Media	1.0
Government and IO/NGOs/NPOs	0.1

POSITIVE RENTAL REVERSION

For FY2019, the average rental reversions in Singapore range from +0.7% to +9.2% across the various property segments. In Australia, although the logistics segment registered a negative rent reversion of -9.9% for a small lease, on a whole, it was +1.0%. Overall, for the portfolios in Singapore and Australia, the weighted average rental reversion was +6.0% for all the renewed leases in multi-tenant buildings signed during the year.

Achieved Positive Rental Reversion in FY2019

Multi-tenant Buildings	Percentage Change in Renewal Rates[1]	
	FY2019	FY18/19
Singapore	**6.2%**	**3.7%**
Business & Science Parks	9.2%	4.3%
High-Specifications Industrial and Data Centres	3.3%	2.0%
Light Industrial and Flatted Factories	2.1%	3.5%
Logistics & Distribution Centres	4.2%	2.5%
Integrated Development, Amenities & Retail	0.7%	7.9%
Australia	**1.0%**	–[2]
Suburban Offices	1.9%	–[2]
Logistics & Distribution Centres	-9.9%	–[2]
Total Portfolio[3]:	**6.0%**	**3.7%**

(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.
(3) There were no multi-tenant leases due for renewal during FY2019 in the UK and the US (since acquisition date on 11 December 2019).

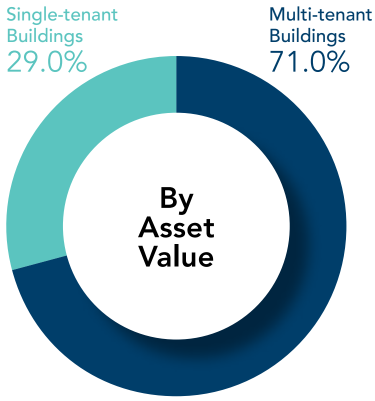
LEASE STRUCTURE AND PROFILE

About 29.0% of Ascendas Reit's portfolio comprises long-term leases in single-tenant properties. These leases provide stability in earnings growth. The remaining 71.0% of Ascendas Reit's portfolio comprises multi-tenant buildings. The rental rates for such leases are marked-to-market upon renewal and provide an opportunity for increase in earnings in an upmarket. Typically for Singapore, leases have three-year tenures without any rental adjustments during their tenure. For Australia, average rent escalation is around 3% per annum and for the US, majority of the leases have annual escalations of between 2.5% to 4% per annum. For leases in the UK, rents are adjusted up to market rates, pegged to index inflation or increased by a pre-determined rate every five years.

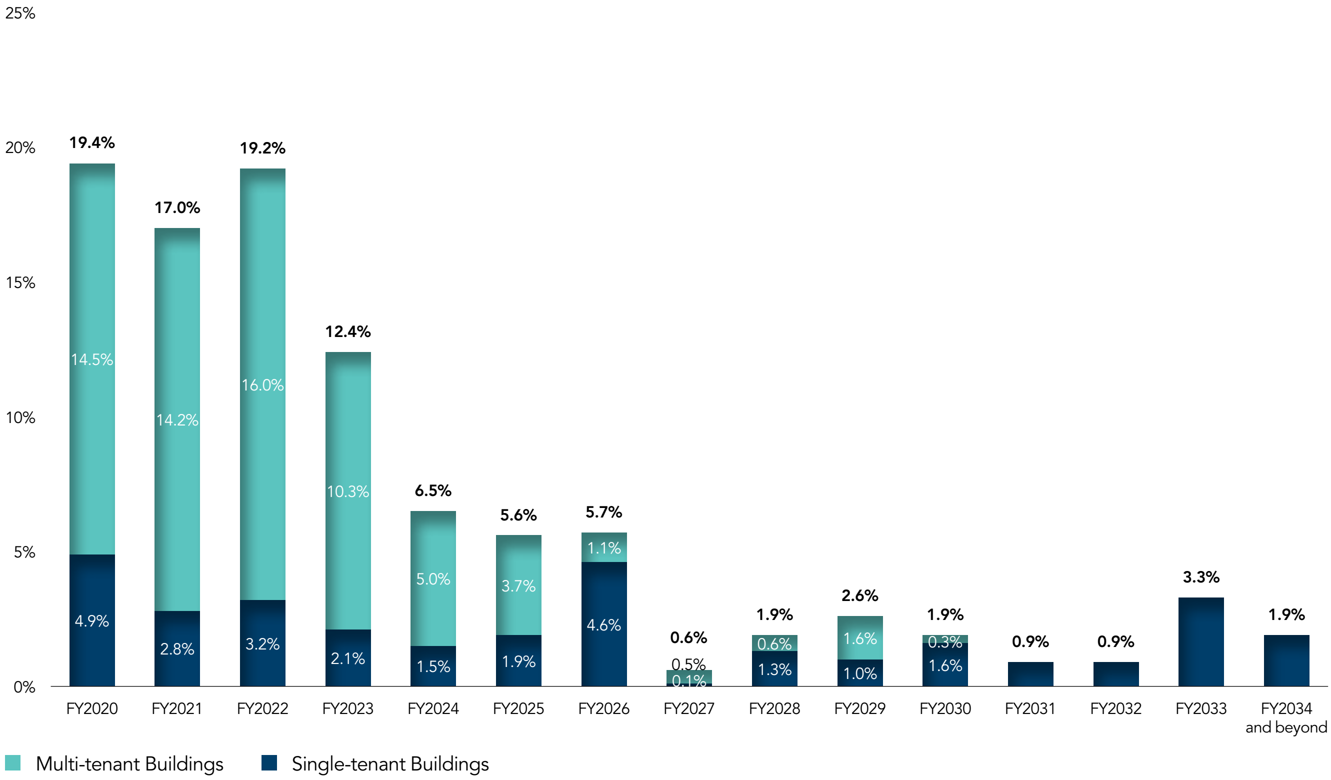
The weighted average lease to expiry (WALE) for the portfolio was 3.9 years as at 31 December 2019. Specifically, the WALE in Singapore was at 3.5 years, Australia was 4.4 years, the UK was 8.8 years and the US was 4.1 years. Weighted average lease term of new leases signed in the nine months ending 31 December 2019 was 3.4 years and they accounted for 2.4% of total gross rental income for FY2019.

About 19.4% of Ascendas Reit's gross rental income is due for renewal in FY2020 of which 4.9% are leases of single-tenant buildings and 14.5% are leases of multi-tenant buildings. The Manager is proactively working on the renewal of these leases.

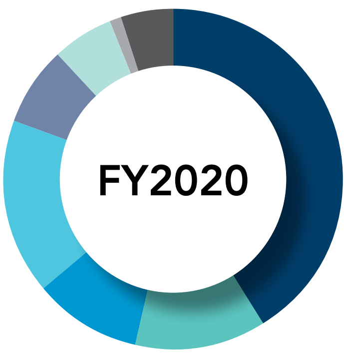
Breakdown of Single-tenant Buildings and Multi-tenant Buildings (as at 31 December 2019)

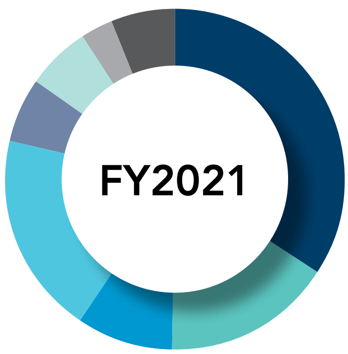


Ascendas Reit's Portfolio Lease Expiry Profile (as 31 December 2019)



Breakdown of Expiring Leases for FY2020 and FY2021 by Gross Rental Income (as at 31 December 2019)





FY2020	(%)
Business & Science Parks	41
High-Specifications Industrial and Data Centres	12
Light Industrial and Flatted Factories	10
Logistics & Distribution Centres (Singapore)	17
Integrated Development, Amenities & Retail	8
Logistics & Suburban Offices (Australia)	6
Logistics & Distribution Centres (UK)	1
Business Parks (US)	5

FY2021	(%)
Business & Science Parks	35
High-Specifications Industrial and Data Centres	16
Light Industrial and Flatted Factories	9
Logistics & Distribution Centres (Singapore)	19
Integrated Development, Amenities & Retail	6
Logistics & Suburban Offices (Australia)	6
Logistics & Distribution Centres (UK)	3
Business Parks (US)	6

OCCUPANCY

As at 31 December 2019, the occupancy rate for Ascendas Reit's overall portfolio stood at 90.9% (from 91.9% as at 31 March 2019).

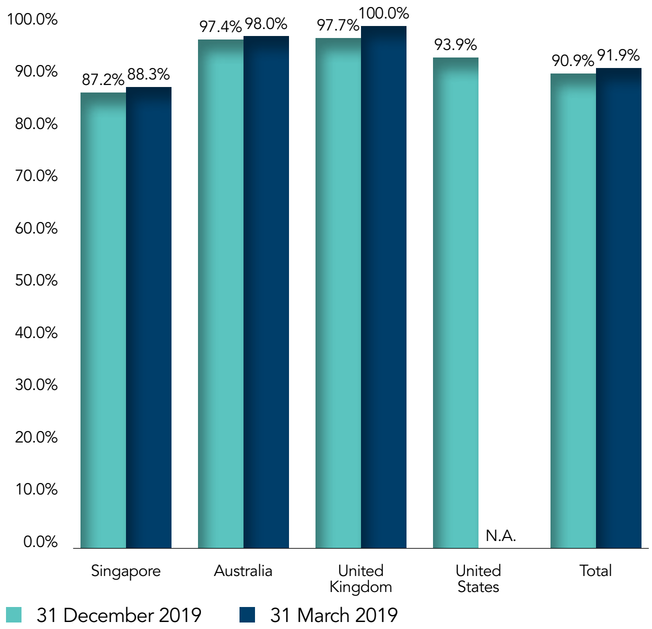
The occupancy of the Singapore portfolio fell to 87.2%[12] from 88.3% (as at 31 March 2019) mainly attributable to Wisma Gulab (31 December 2019: 0% versus 31 March 2019: 100%). In the subsequent quarter (1Q 2020), the divestments of Wisma Gulab (0%[12]), 202 Kallang Bahru (0%[12]) and 25 Changi South Street 1 (16.5%[12]) were completed[13]. iQuest@IBP (29.9%[12]) was also decommissioned for redevelopment during 1Q 2020[14].

The occupancy rate for Australia dipped to 97.4%[12] (from 98.0% as at 31 March 2019) due mainly to 100 Wickham Street, Brisbane, which had an occupancy of 73.4% (from 84.7% as at 31 March 2019).

The occupancy rate for the UK also fell to 97.7%[12] (from 100% as at 31 March 2019) due to vacancy at Unit 5 and Unit 13 Wellesbourne Distribution Park.

The US portfolio had an occupancy of 93.9%[12].

Overview of Portfolio Occupancy



Singapore Portfolio Occupancy

	As at 31 December 2019	As at 31 March 2019	Change
Total Singapore Portfolio GFA (sq m)	3,061,210[(1)(2)]	3,034,122	+0.9%
Singapore Portfolio Occupancy (Same Store)[(3)]	87.1%	88.4%	-1.3%
Singapore Multi-tenant Building Occupancy (Same Store)[(4)]	83.7%	85.0%	-1.3%
Overall Singapore Portfolio Occupancy	**87.2%**	**88.3%**	-1.1%
Singapore Multi-tenant Building Occupancy	**83.4%**	**85.5%**	-2.1%

(1) Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which were decommissioned for redevelopment since June 2019.
(2) Excludes 8 Loyang Way 1 which was divested on 18 September 2019.
(3) Same store portfolio occupancy rate for 31 March 2019 is computed with the same list of properties as at 31 December 2019, excluding new investments completed in the last nine months and divestments.
(4) Same store MTB occupancy rate for 31 March 2019 is computed with the same list of properties as at 31 December 2019, excluding new investments completed in the last nine months, divestments and changes in classification of certain buildings from single-tenant to multi-tenant buildings or vice-versa.

Australia Portfolio Occupancy

	As at 31 December 2019	As at 31 March 2019	Change
Total Australian Portfolio GFA (sq m)	792,039[(1)]	810,772	-2.3%
Australian Portfolio Occupancy (Same Store)[(2)]	97.3%	97.9%	-0.6%
Overall Australian Portfolio Occupancy	**97.4%**	**98.0%**	-0.6%

(1) The decrease in GFA was due to partial decommissioned space at 484-490 and 494-500 Great Western Highway to facilitate AEI works.
(2) Same store portfolio occupancy rate for 31 March 2019 is computed with the same list of properties as at 31 December 2019, excluding 484-490 and 494-500 Great Western Highway where partial space has been decommissioned for AEI works.

12 As at 31 December 2019.
13 Refer to page 44 for details on the divested properties.
14 Assuming Wisma Gulab, 22 Kallang Bahru and 25 Changi South Street 1 were divested and iQuest@IBP was decommissioned for redevelopment on 31 December 2019, the occupancy of the Singapore portfolio would have been 88.8%.

United Kingdom Portfolio Occupancy

	As at 31 December 2019	As at 31 March 2019	Change
Total UK Portfolio GFA (sq m)	509,907	509,032	0.2%
UK Portfolio Occupancy (Same Store)[1]	97.7%	100.0%	-2.3%
Overall UK Portfolio Occupancy	**97.7%**	**100.0%**	-2.3%

(1) Same store portfolio occupancy rate for 31 March 2019 is computed with the same list of properties as at 31 December 2019.

United States Portfolio Occupancy

	As at 31 December 2019	As at 31 March 2019	Change
Total US Portfolio GFA (sq m)	313,059	N.A.	N.A.
Overall US Portfolio Occupancy	**93.9%**	**N.A.**	N.A.

ANNUAL REVALUATION

It is a mandatory requirement to revalue the portfolio once a year. The total valuation of Ascendas Reit's 198 properties was S$12,842 million as at 31 December 2019. This comprised S$9,159 million (72%) of investment properties in Singapore, S$1,575 million (12%) in Australia, S$798 million (6%) in UK and S$1,310 million (10%) in the US. As at 31 December 2019, certain investment properties recorded a depreciation in revaluation against their corresponding values as at 31 March 2019 due to changing market conditions and other reasons. For more details on the movement in valuation of the investment properties, please refer to pages 63 to 99.

Weighted average land lease to expiry for the portfolio of properties (excluding freehold properties) was 44.5 years.

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

Land Lease Expiry Profile (by Country / Asset Value)

Land Tenure Expiry (31 December 2019)	Singapore	Australia	United Kingdom	United States	Total	Total
			(S$ million)			(%)
≤30 years left	607	–	–	–	607	4.7%
≤ 60 years left	7,287	–	–	–	7,287	56.8%
>60 years left	1,182	–	–	–	1,182	9.2%
Freehold[1]	83	1,575	798	1,310	3,766	29.3%
Total	**9,159[2]**	**1,575**	**798**	**1,310**	**12,842**	**100.0%**

Land Lease Expiry Profile (by Property Type)

Land Tenure Expiry as at 31 December 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	–	–	—	–	7	191	3	271	2	145	12	607
≤40 years left	6	539	11	1,021	16	681	14	765	–	–	47	3,006
≤50 years left	14	2,172	7	562	1	43	3	83	–	–	25	2,860
≤60 years left	4	780	–	—	–	–	1	57	1	584	6	1,421
>60 years left	3	638	3	544	–	–	–	–	–	–	6	1,182
Freehold[1]	31	1,630	1	83	–	–	70	2,053	–	–	102	3,766
Total	**58**	**5,759**	**22**	**2,210**	**24[2]**	**915[2]**	**91**	**3,229**	**3**	**729**	**198**	**12,842**

(1) In the UK, one property on 999-year leasehold land and one property on 965-year leasehold land are classified under freehold properties.
(2) Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which were under-going redevelopment as at 31 December 2019. If 25 Ubi Road 4 and 27 Ubi Road 4 were included, the average land lease expiry for the portfolio of properties (excluding freehold properties) will remain at 44.5 years and 95.3% of Ascendas Reit's portfolio will have a remaining land lease of more than 30 years.

THE MANAGER'S REVIEW OF FY2019

SUSTAINABILITY

Ascendas Reit is committed to sustainability and incorporates the key principles of environment, social and governance issues in setting out its business strategies and operations.

Ascendas Reit's Integrated Sustainability Report FY2019 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 (SDGs) of the United Nations.

In FY2019, the Board has incorporated Economic, Environmental, Social and Governance (EESG) issues in its strategic formulation, having reviewed the nine material issues identified in the previous year and determined their continued relevance to Ascendas Reit. The Board continues to manage and monitor all EESG issues, taking into consideration the business environment and strategy.

On 1 July 2019, Ascendas-Singbridge was officially integrated with CapitaLand. To create better efficiencies within the enlarged CapitaLand Group, some functions within the Manager were consolidated under CapitaLand, resulting in a drop in the number of employees within the Manager in FY2019. Multiple integration workshops were conducted to ensure a smooth transition for the employees of the two entities. Various workstreams came together to collaborate, harmonise and transition into new processes and systems. A celebration event and annual dinner was also held in October 2019, attended by over 2,300 CapitaLand employees.

Apart from orientation programmes to help onboard the Manager's employees, CapitaLand has committed S$5 million towards its 'Building Capability Framework' to improve the digital skills of its employees over the next two years to prepare them for the future economy. The framework was launched in Singapore in August 2019 with the target for all employees to attend at least one digital training course by 2020.

In FY2019, Ascendas Reit was recognised for its sustainability reporting efforts, clinching the runner-up Award for Sustainability (REITs and Business Trusts category) by SIAS at the Investors' Choice Awards 2019.

Efforts to reduce Ascendas Reit's environmental footprint were stepped up. On a like-for-like basis for its Singapore portfolio, energy intensity improved for the reporting period by 4.3% while water intensity increased by 2.2% over the same comparable time period in the previous financial year. To increase Ascendas Reit's commitment towards sustainability, more than 21,000 rooftop solar panels have been installed atop six Ascendas Reit properties in Singapore. These panels can generate more than 10,000 megawatt hours of energy annually, which is equivalent to powering about 2,300 four-room Housing & Development (HDB) flats in Singapore each year. The Manager is exploring opportunities to generate and deploy more clean energy from the properties.

In August 2019, the employees of the Manager, together with its Chief Executive Officer, visited the Foundation of Slum orphanage (FSCC) in Bangkok, Thailand, which provides care and education for children aged from four months to five years old. In the spirit of giving back to the community, the Manager donated groceries and spent time interacting with the children in the orphanage.

More details on policies, practices, targets and performance relating to Ascendas Reit's material EESG issues can be found in the Integrated Sustainability Report FY2019, available for download at ir.ascendas-reit.com/sustainability.html

Solar panels on the roof of 40 Penjuru Lane, Singapore

OUTLOOK

In 2019, global growth was dampened by trade tensions and weak business sentiments. In 2020, downside risks from trade and economic policy uncertainties remain. The recent outbreak of the novel coronavirus, which has been declared as a Public Health Emergency of International Concern by the World Health Organisation, has created a new element of uncertainty.

Singapore

In 2019, the Singapore economy grew 0.7% y-o-y. The Singapore government forecasts economic growth to be between -0.5% to 1.5% in 2020 (source: Ministry of Trade and Industry).

Another 2.2 million sq m of new industrial space, representing 4.4% of the total stock of 49.6 million sq m, is expected to complete in 2020. This is higher than the average annual supply of around 1.1 million sq m in the past three years. According to JTC, the higher supply will help to provide replacement space for businesses affected by JTC's Industrial Redevelopment Programme to rejuvenate older industrial estates (source: JTC).

Companies are expected to remain conservative with their business and expansion plans in view of the lingering economic uncertainties. Coupled with the relatively high amount of new completions in 2020, rental growth and demand for industrial space may remain subdued.

Australia

Consensus GDP growth forecast for Australia in 2020 is 2.0% y-o-y (source: Bloomberg), lower than the 2.2% y-o-y growth in 2019.

The bushfires have impacted some rural areas in Australia. Ascendas Reit's properties are unaffected as they are located in the capital cities and metropolitan areas (i.e. Sydney, Melbourne, Brisbane).

The Australian portfolio continues to deliver stable performance due to their good locations, long WALE of 4.4 years and average rent escalations of approximately 3% per annum.

United Kingdom

In the UK, consensus GDP growth forecast for 2020 is 1.0% y-o-y (source: Bloomberg), lower than the estimated 1.4% y-o-y growth in 2019.

The high e-commerce penetration rate (about 19% of retail sales) (source: Office for National Statistics) in the UK is expected to continue to benefit the logistics sector. Ascendas Reit's UK portfolio has a long WALE of 8.8 years, which will help to mitigate the on-going uncertainties surrounding the future of the UK post Brexit.

United States

The US economy is in its 11th consecutive year of growth. Consensus GDP growth forecast for 2020 is 1.8% y-o-y (source: Bloomberg), lower than the estimated 2.3% y-o-y growth in 2019.

Ascendas Reit's US properties are well-positioned to benefit from the fast-growing technology and healthcare sectors. The strength of the US portfolio is also underpinned by its WALE of 4.1 years, and the high proportion of leases with rent escalations of between 2.5% to 4.0% per annum.

Conclusion

The stability of Ascendas Reit's performance is underpinned by its large and diversified portfolio with a strong customer base. The Manager will continue to strengthen Ascendas Reit's presence across its four developed markets to optimise portfolio returns.

Read more about the economic outlook of Ascendas Reit's markets and the industrial property market trends in the Independent Market Study Report FY2019, which is available for download at: ir.ascendas-reit.com/ar.html

INVESTOR RELATIONS

Analysts and Media Briefing

PROACTIVELY ENGAGE UNITHOLDERS

Ascendas Reit is committed to regular, timely and effective communication to Unitholders and 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 results briefings, local and overseas conferences, one-on-one meetings, luncheons, teleconferences, print publications and online platforms.

During the financial year, the Manager met with more than 300 investors and analysts.

The senior management of the Manager conducts regular financial results presentations and discussions, to explain our strategy and business performance and to gather inputs from the investment community.

Several property visits were organised for investors to better understand Ascendas Reit's business operations and property portfolio.

At the 2019 Annual General Meeting (AGM), Ascendas Reit's financial and operational performance, business outlook and plans were presented to the Unitholders. In addition, a corporate video showcasing Ascendas Reit's properties in Singapore and overseas markets was screened to provide a clearer understanding of the business. Unitholders also had the opportunity to interact and share their views with senior management and the Board members. The minutes of the AGM is available on Ascendas Reit's website.

An Extraordinary General Meeting (EGM) was held in November 2019 to seek Unitholders' approval to acquire 30 business park properties in the US and Singapore. The resolution was passed with overwhelming approval by Unitholders.

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) in May 2019. Lunch presentations were conducted for DBS's private wealth team and UOB Kay Hian's remisiers in November 2019.

TIMELY AND ACCURATE DISCLOSURE

All material information about Ascendas Reit are made available on a timely basis via announcements, press releases, presentations and webcasts, and published on SGX-ST website and on Ascendas Reit's website. The information is also accessible on mobile devices. Unitholders and the investment community can subscribe for email alerts to keep themselves abreast of the latest announcements and events.

Ascendas Reit was awarded the Silver Award for Best Annual Report (REITs and Business Trusts category) at the Singapore Corporate Awards 2019.

UNITHOLDERS' ENQUIRIES

To find out more about Ascendas Reit, please speak to your financial advisor or contact us at:

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#10-10 Galaxis
Singapore 138522
Phone : (65) 6774 1033 Fax : (65) 6775 2813
Email : a-reit@capitaland.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: ir.ascendas-reit.com/research-info.html.

INVESTOR & MEDIA RELATIONS ACTIVITIES FY2019

1ST QUARTER

- Media & Analysts' Results Briefing for Full Year FY18/19 Financial Results
- FY18/19 Full Year Results Investors' Lunch at The Workshop (Techplace II, Singapore) co-hosted by J.P. Morgan
- Maybank and ICBC Invest Asia Conference (Singapore)
- REITs Symposium 2019 (Singapore)
- dbAccess Asia Conference (Singapore)
- Citi ASEAN Investor Conference 2019 (Singapore)

2ND QUARTER

- CapitaLand Group Corporate Day (Bangkok, Thailand)
- Citi-REITAS-SGX C-Suite Singapore REITS and Sponsors Forum 2019 (Singapore)
- Bank of America Merrill Lynch 2019 Global Real Estate Conference (New York, US)

3RD QUARTER

- Media & Analysts' Results Briefing for 2Q FY2019 Financial Results and US/ Singapore Acquisitions
- 2Q FY2019 Financial Results Investors' Lunch hosted by J.P.Morgan
- Luncheon presentation with UOB Kay Hian's Remisiers
- Morgan Stanley 18th Annual Asia Pacific Summit (Singapore)
- CapitaLand Investor Day (Singapore)

FINANCIAL CALENDAR

FY2019	
Annual General Meeting	9 July 2019
1st quarter results announcement	29 July 2019
2nd quarter and half-year results announcement	1 November 2019
Extraordinary General Meeting	27 November 2019
Distribution payment (1 April 2019 to 30 September 2019)	3 December 2019
Full year results announcement	31 January 2020
Distribution payment (1 October 2019 to 31 December 2019)	4 March 2020
Annual General Meeting	16 April 2020

INVESTOR RELATIONS

FINANCIAL CALENDAR (CONT'D)

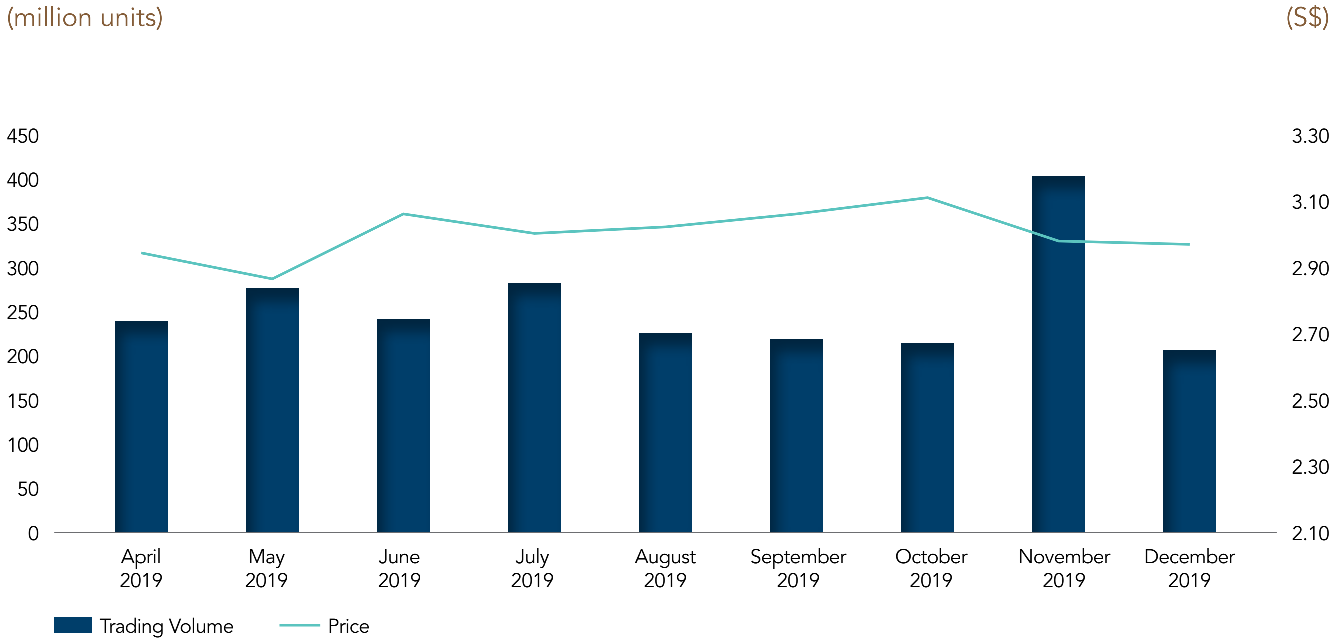
Upcoming (subject to changes)	
Half year results announcement (six months ended 30 June 2020)	July 2020
Distribution payment (1 January 2020 to 30 June 2020)	August 2020
Full year results announcement (12 months ended 31 December 2020)	January 2021
Distribution payment (1 July 2020 to 31 December 2020)	February 2021
Annual General Meeting	April 2021

ASCENDAS REIT UNIT PRICE PERFORMANCE

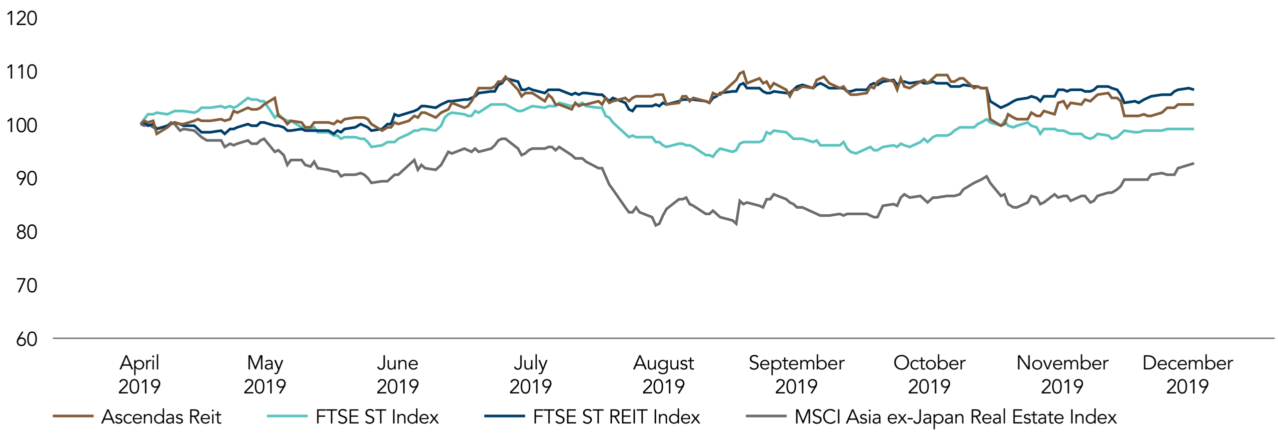
	FY15/16	FY16/17	FY17/18	FY18/19	FY2019
Opening price (S$)	2.60	2.38	2.53	2.65	2.87
Closing price (S$)	2.39	2.52	2.63	2.91	2.97
High (S$)	2.68	2.56	2.84	2.92	3.21
Low (S$)	2.13	2.20	2.52	2.48	2.86
Trading volume (million units)	2,544	2,730	2,273	2,502	2,424(1)
% of S-REIT trading volume	12.3%	12.8%	8.5%	9.1%	8.1%(1)
Net asset value per Unit (S$)(2)	2.06	2.06	2.12	2.13	2.16
Market capitalisation (S$ million)(3)	6,371	7,370	7,702	9,053	10,730

Notes:
(1) Based on nine months (1 April 2019 to 31 December 2019) trading volume.
(2) Prior to distribution distributable income.
(3) Based on last trading date of the respective financial year.

ASCENDAS REIT MONTHLY TRADING PERFORMANCE IN FY2019



ASCENDAS REIT UNIT PRICE PERFORMANCE IN FY2019 VS MAJOR INDICES

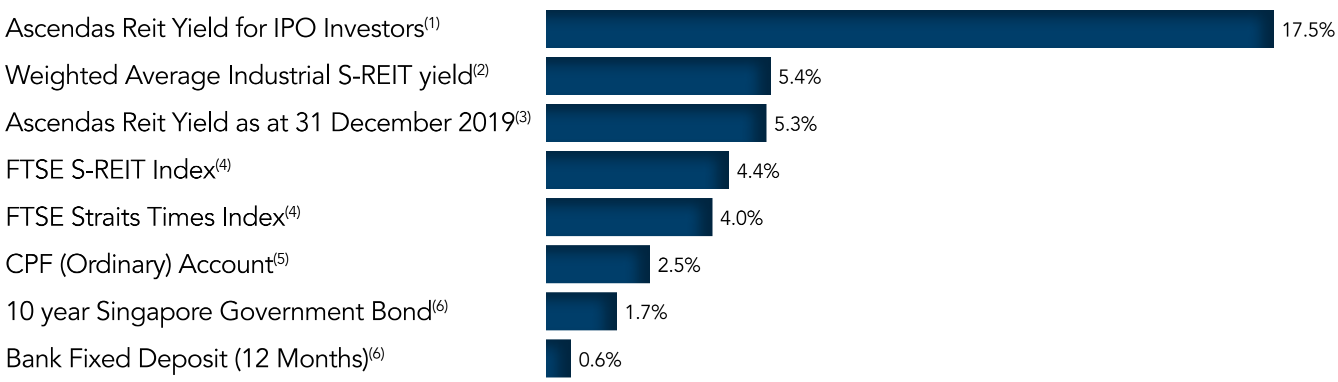


TOTAL UNITHOLDER RETURN

	1-year (from 1 January 2019 to 31 December 2019)	5-year (from 1 January 2015 to 31 December 2019)	Since listing (from 19 November 2002 to 31 December 2019)
Adjusted closing Unit price on the last trading day prior to the commencement of the period / Adjusted IPO Unit issue price	S$2.52	S$2.33	S$0.8961
Capital appreciation	17.9%	27.3%	231.4%
Distribution yield	6.2%	33.4%	258.1%
Total return as at 31 December 2019	**24.1%**	**60.7%**	**489.6%**

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

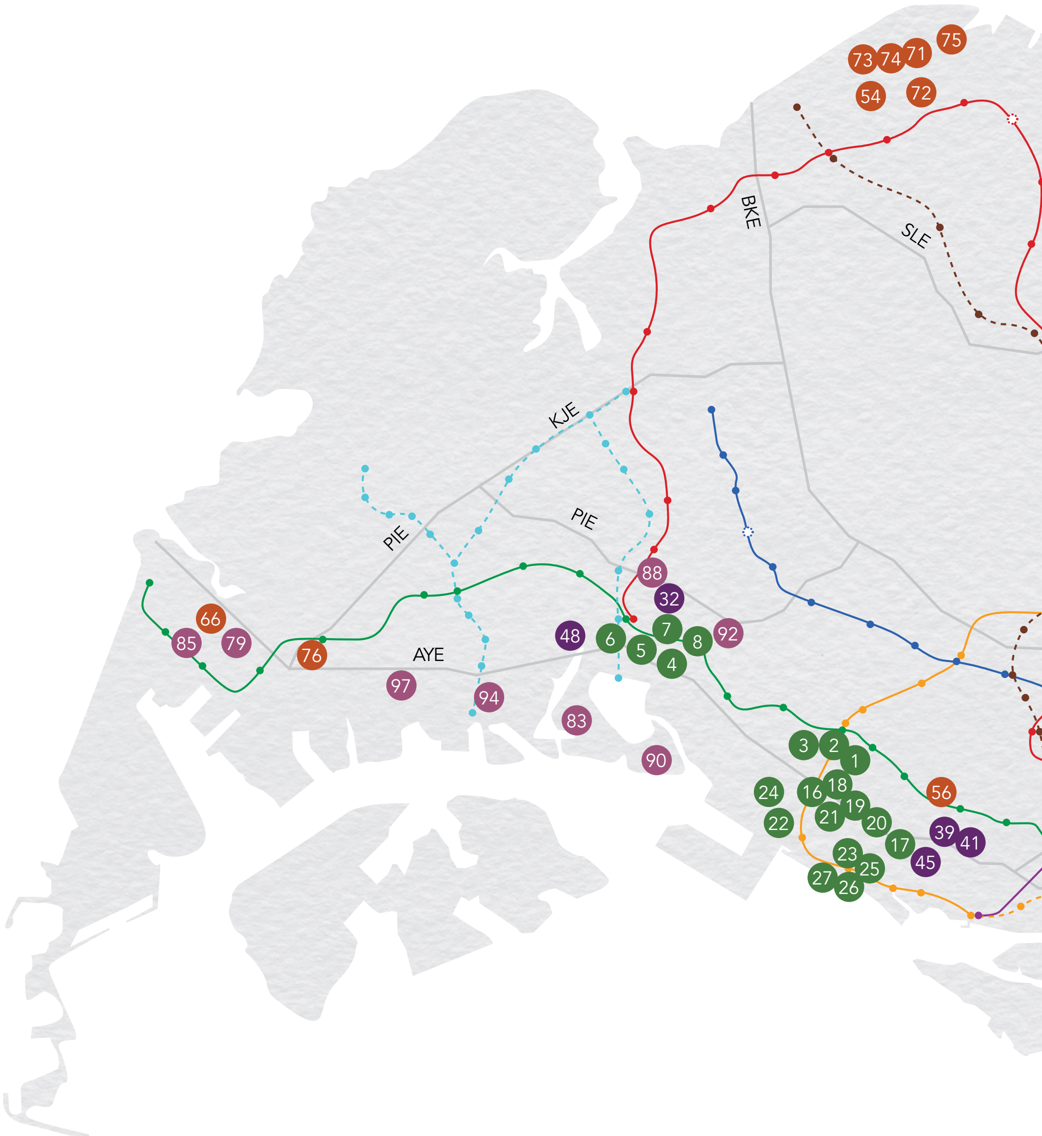
COMPETITIVE YIELD RETURNS



Notes:
(1) Based on Ascendas Reit's adjusted IPO price of S$0.8961 per unit and DPU of 15.638 cents for the period from 1 January 2019 to 31 December 2019.
(2) Based on Ascendas Reit's internal research and Bloomberg.
(3) Based on Ascendas Reit's closing price of S$2.97per unit as at 31 December 2019 and DPU of 15.638 cents for the period from 1 January 2019 to 31 December 2019.
(4) Based on dividend yield computed by Bloomberg as at 31 December 2019.
(5) Based on interest paid on Central Provident Fund (CPF) ordinary account as at 31 December 2019. Source: CPF Website
(6) Based on bond yields and rates published on the Monetary Authority of Singapore (MAS) website as at 31 December 2019. Source: MAS Website

ASCENDAS REIT'S PORTFOLIO

As at 31 December 2019



BUSINESS & SCIENCE PARK PROPERTIES

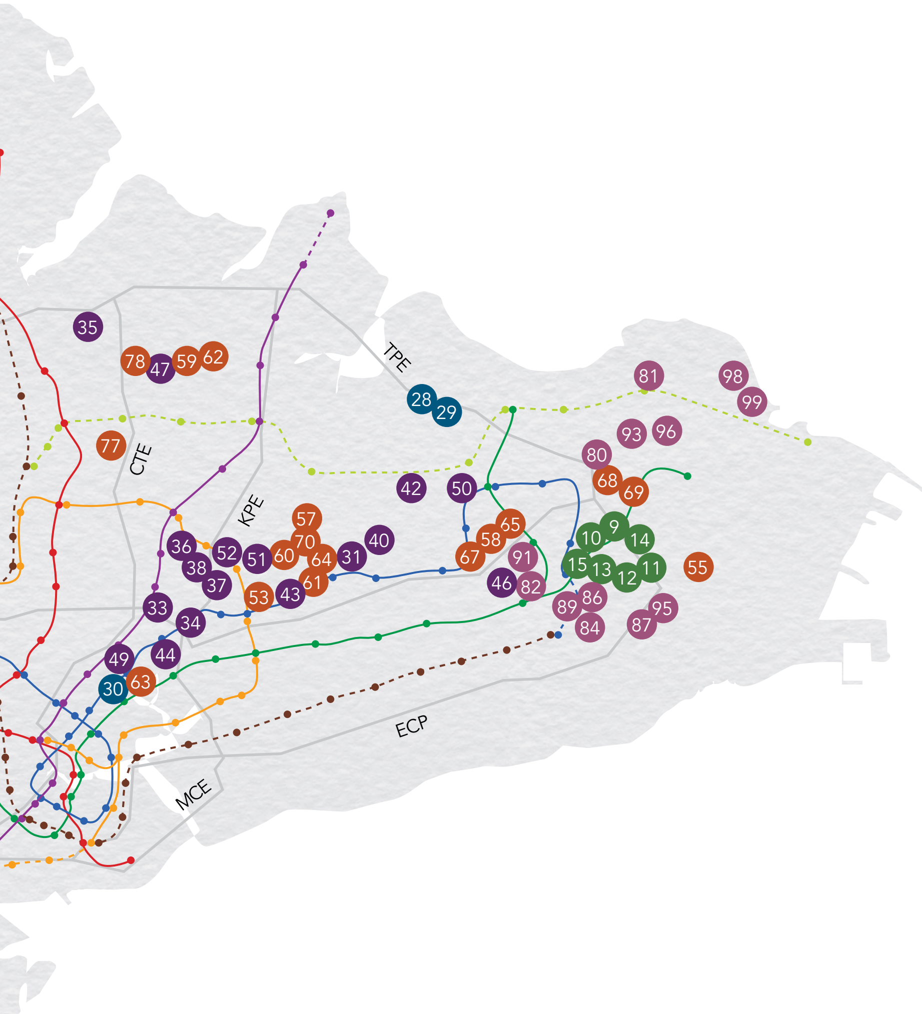
1. Neuros & Immunos
2. Nexus @one-north
3. Nucleos
4. Techquest
5. iQuest@IBP
6. Acer Building
7. 31 International Business Park
8. Nordic European Centre
9. Honeywell Building
10. 1 Changi Business Park Avenue 1
11. Hansapoint@CBP
12. 1,3 & 5 Changi Business Park Crescent
13. DBS Asia Hub
14. AkzoNobel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

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

28. Courts Megastore
29. Giant Hypermart
30. Aperia

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES AND DATA CENTRES

31. Techlink
32. 10 Toh Guan Road
33. Siemens Centre
34. Infineon Building
35. Techpoint
36. Wisma Gulab *(divested on 23 January 2020)*
37. KA Centre
38. KA Place
39. Pacific Tech Centre
40. Techview
41. 1 Jalan Kilang
42. 30 Tampines Industrial Avenue 3
43. 31 Ubi Road 1
44. Schneider Electric Building
45. 138 Depot Road
46. 2 Changi South Lane
47. CGG Veritas Hub
48. Corporation Place
49. 80 Bendemeer Road
50. Telepark
51. Kim Chuan Telecommunications Complex
52. 38A Kim Chuan Road



LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

53. Osim Headquarters
54. 12 Woodlands Loop
55. 25 Changi South Street 1
    (divested on 6 March 2020)
56. 247 Alexandra Road
57. 5 Tai Seng Drive
58. 35 Tampines Street 92
59. 53 Serangoon North Avenue 4
60. 3 Tai Seng Drive
61. 27 Ubi Road 4
62. 52 Serangoon North Avenue 4
63. 202 Kallang Bahru
    (divested on 4 February 2020)
64. 25 Ubi Road 4
65. Tampines Biz-Hub
66. Hoya Building
67. 37A Tampines Street 92
68. Hamilton Sundstrand Building
69. Thales Building (I & II)
70. Ubi Biz-Hub
71. 2 Senoko South Road
72. 18 Woodlands Loop
73. 9 Woodlands Terrace
74. 11 Woodlands Terrace
75. FoodAxis @ Senoko
76. 31 Joo Koon Circle
77. Techplace I
78. Techplace II

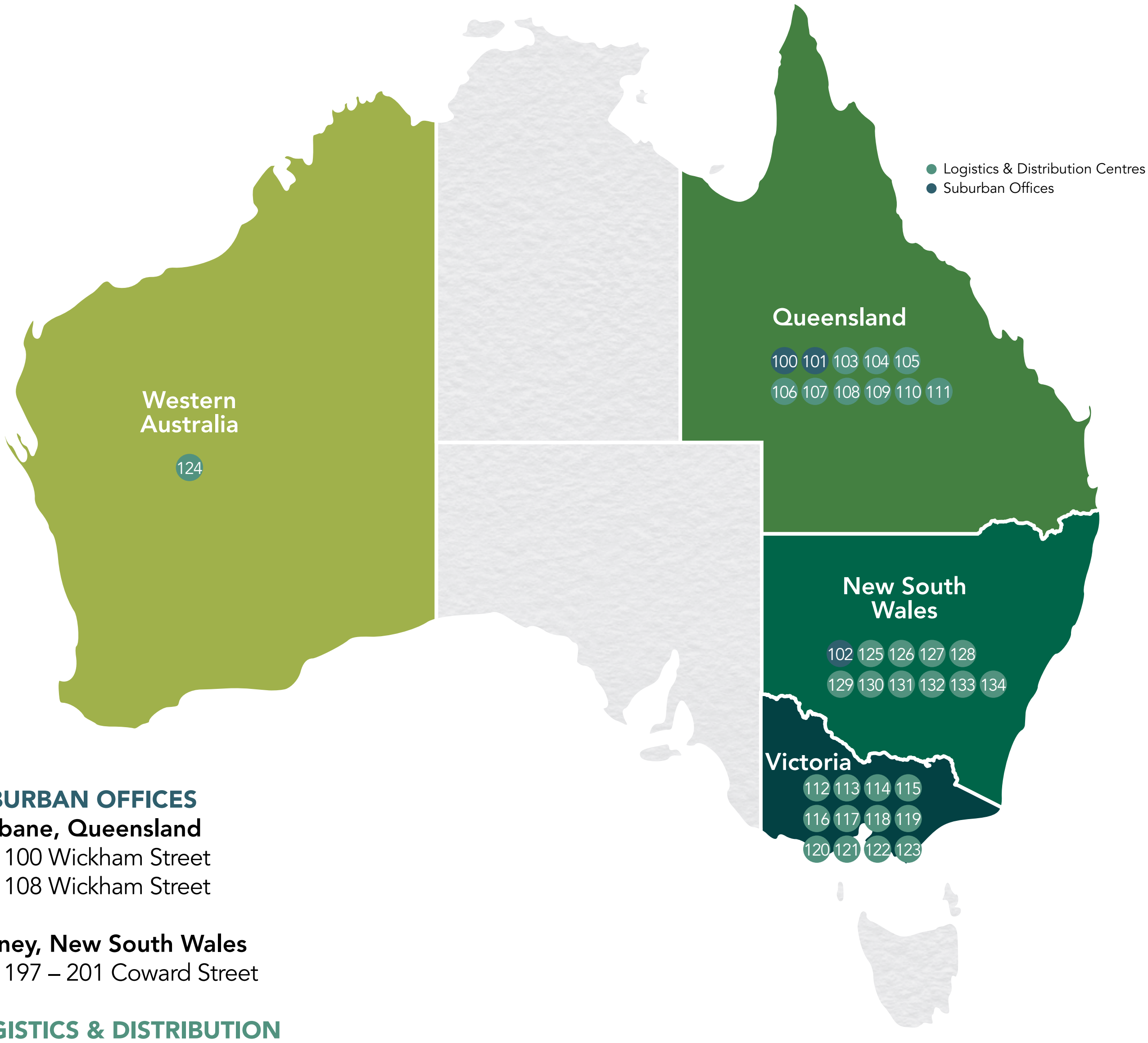
LOGISTICS & DISTRIBUTION CENTRES

79. 20 Tuas Avenue 1
80. LogisTech
81. Changi Logistics Centre
82. 4 Changi South Lane
83. 40 Penjuru Lane
84. Xilin Districentre Building A&B
85. 20 Tuas Avenue 6
86. Xilin Districentre Building D
87. 9 Changi South Street 3
88. 5 Toh Guan Road East
89. Xilin Districentre Building C
90. 19 & 21 Pandan Avenue
91. 1 Changi South Lane
92. Logis Hub @ Clementi
93. 11 Changi North Way
94. 21 Jalan Buroh
95. 21 Changi South Avenue 2
96. 15 Changi North Way
97. Pioneer Hub
98. 71 Alps Avenue
99. 90 Alps Avenue

AUSTRALIA

ASCENDAS REIT'S PORTFOLIO

As at 31 December 2019



SUBURBAN OFFICES

Brisbane, Queensland

100. 100 Wickham Street
101. 108 Wickham Street

Sydney, New South Wales

102. 197 – 201 Coward Street

LOGISTICS & DISTRIBUTION CENTRES

Brisbane, Queensland

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

Melbourne, Victoria

112. 676 – 698 Kororoit Creek Road
113. 700 – 718 Kororoit Creek Road
114. 2 – 16 Aylesbury Drive
115. 9 Andretti Court
116. 14 – 28 Ordish Road
117. 31 Permas Way
118. 35 – 61 South Park Drive
119. 81 – 89 Drake Boulevard
120. 162 Australis Drive
121. 52 Fox Drive
122. 169 – 177 Australis Drive
123. 1314 Ferntree Gully Drive

Perth, Western Australia

124. 35 Baile Road

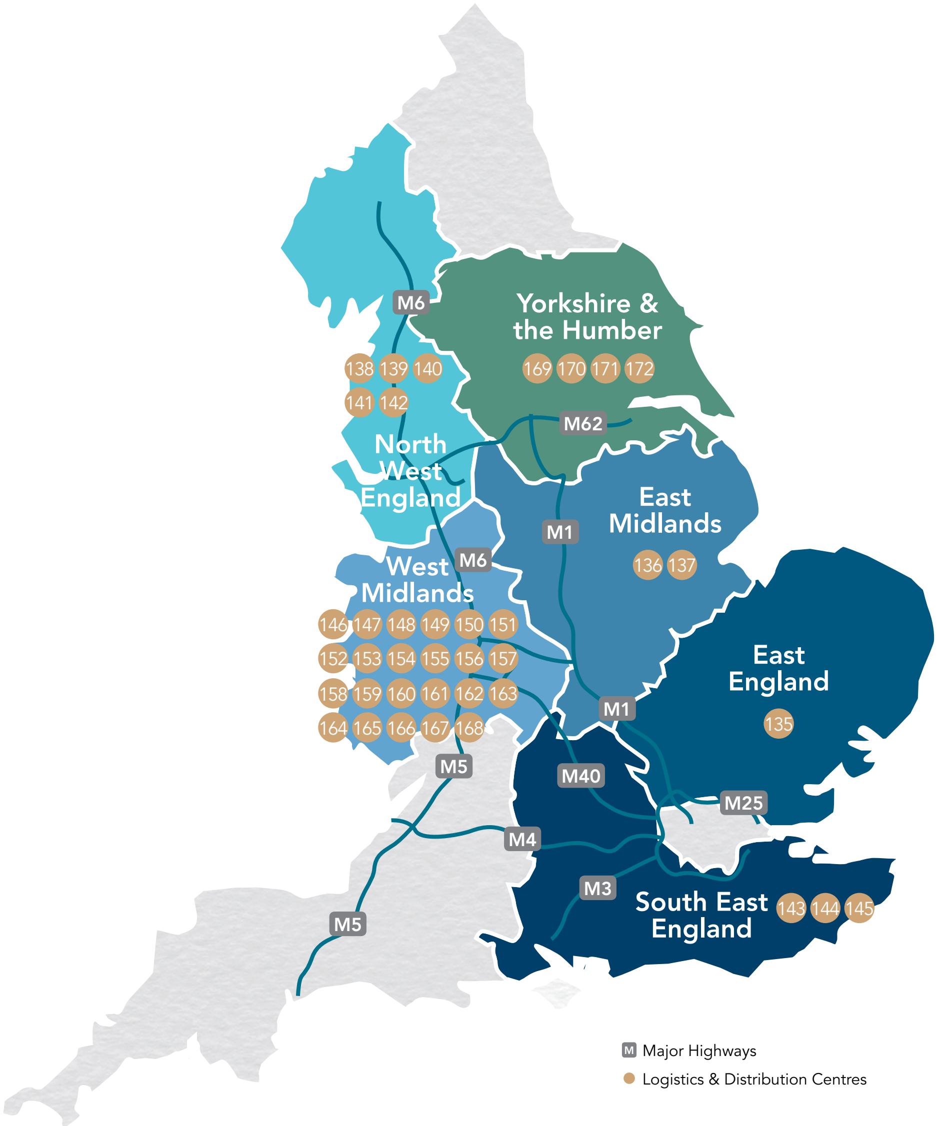
Sydney, New South Wales

125. 484 – 490 Great Western Highway
126. 494 – 500 Great Western Highway
127. 1 Distribution Place
128. 1 – 15 Kellet Close
129. 1A & 1B Raffles Glade
130. 5 Eucalyptus Place
131. 7 Grevillea Street
132. 16 Kangaroo Avenue
133. 94 Lenore Drive
134. 6 – 20 Clunies Ross Road

UNITED KINGDOM

ASCENDAS REIT'S PORTFOLIO

As at 31 December 2019



LOGISTICS & DISTRIBUTION CENTRES

East England

135. Market Garden Road

East Midlands

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

North West England

138. Astmoor Road
139. Transpennine 200
140. Leacroft Road
141. Hawleys Lane
142. 8 Leacroft Road

South East England

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

West Midlands

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

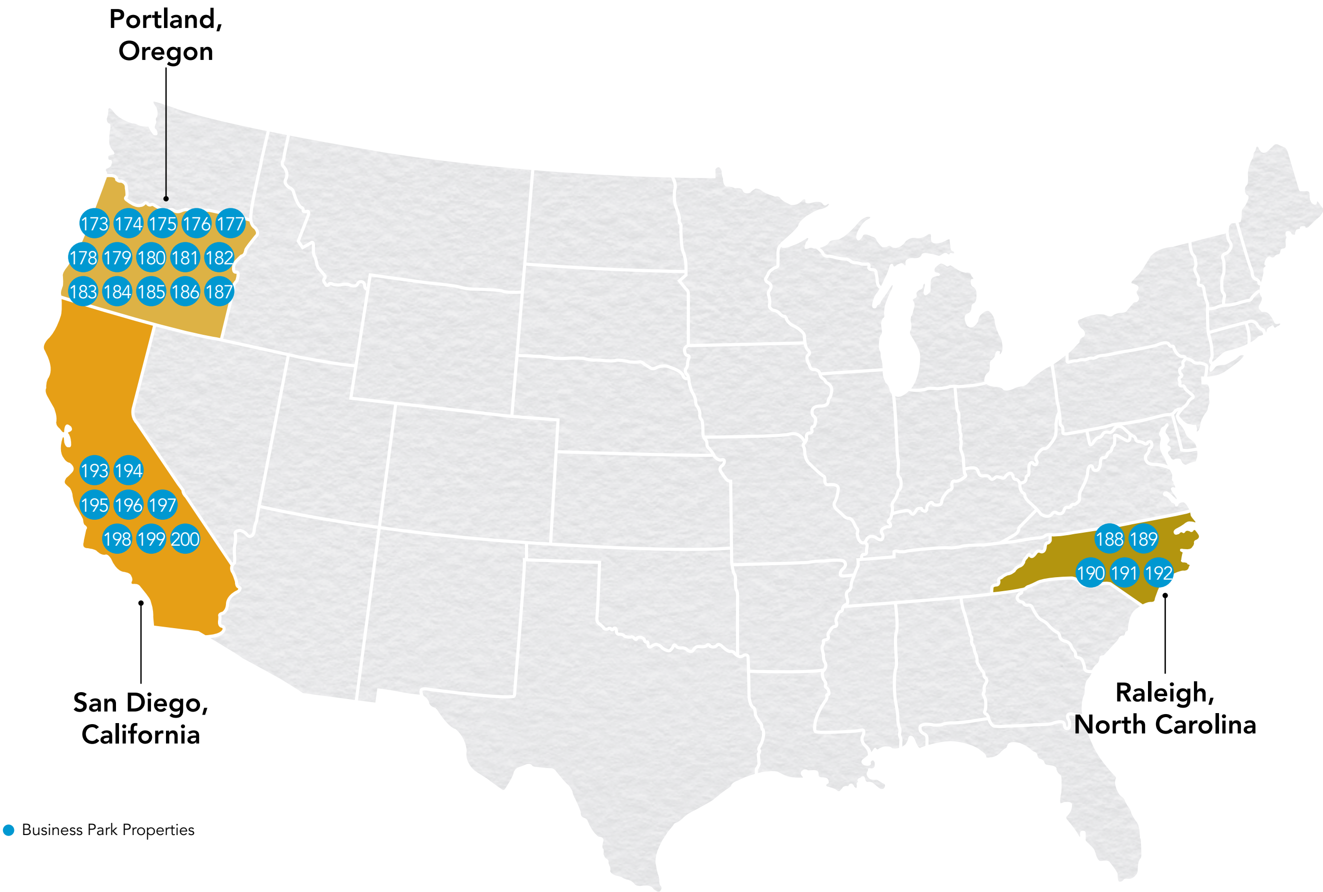
Yorkshire and the Humber

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

UNITED STATES

ASCENDAS REIT'S PORTFOLIO

As at 31 December 2019



BUSINESS PARK PROPERTIES

Portland, Oregon

173. 8300 Creekside
174. 8305 Creekside
175. 8405 Nimbus
176. 8500 Creekside
177. 8700 - 8770 Nimbus
178. 9205 Gemini
179. 9405 Gemini
180. Creekside 5
181. Creekside 6
182. Greenbrier Court
183. Parkside
184. Ridgeview
185. The Atrium
186. The Commons
187. Waterside

Raleigh, North Carolina

188. 5200 East & West Paramount Parkway
189. Perimeter One
190. Perimeter Two
191. Perimeter Three
192. Perimeter Four

San Diego, California

193. 10020 Pacific Mesa Boulevard
194. 15051 Avenue of Science
195. 15073 Avenue of Science
196. 15231, 15253 & 15333 Avenue of Science
197. 15378 Avenue of Science
198. 15435 & 15445 Innovation Drive
199. 5005 & 5010 Wateridge
200. 6055 Lusk Boulevard

SINGAPORE

BUSINESS & SCIENCE PARK PROPERTIES

1 Neuros & Immunos

2 Nexus @one-north

3 Nucleos

4 Techquest

5 iQuest @IBP

6 Acer Building

7 31 International Business Park

8 Nordic European Centre

9 Honeywell Building

10 1 Changi Business Park Avenue 1

11 Hansapoint @CBP

12 1, 3, & 5 Changi Business Park Crescent

SINGAPORE

BUSINESS & SCIENCE PARK PROPERTIES

13 DBS Asia Hub

14 AkzoNobel House

15 ONE @Changi City

16 TÜV SÜD PSB Building

17 The Rutherford & Oasis

18 Cintech I

19 Cintech II

20 Cintech III & IV

21 12, 14 & 16 Science Park Drive

22 The Alpha

23 The Aries, Sparkle & Gemini

24 The Capricorn

25 The Galen

26 The Kendall

27 FM Global Centre

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Financial Services	22.4%
Biomedical Sciences	15.0%
Government	14.9%
Engineering	10.0%
Information & Communications Technology	10.1%
Chemical	6.8%
Professional Services	5.6%
Electronics	4.9%
Food	3.6%
Media	2.0%
Retail	1.6%
Education	1.2%
Logistics & Supply Chain Management	0.8%
Energy/Utilities	0.5%
Distributors & Trading Company	0.2%
e-Commerce	0.1%
Real Estate	0.1%
Agriculture	0.1%
Hospitality & Leisure	0.1%

Business & Science Park Properties (Singapore)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	24	3	27
No. of Customers	401	3	404
GFA (sq m)	781,356	89,483	870,839
Gross Revenue[1] (S$ million)	205.3	13.5	218.8
Book Value/Valuation as at 31 December 2019 (S$ million)	3,752.4	376.7	4,129.1
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		5.8%	
Weighted Average Lease to Expiry (in Years)		3.6	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019), except for Nucleos and FM Global Centre which were acquired on 11 December 2019.

SINGAPORE

BUSINESS & SCIENCE PARK PROPERTIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019 (S$ million)
	one-north Properties			
1	Neuros & Immunos#	31 Mar 11	125.6	141.0
2	Nexus @one-north	04 Sep 13	181.3	194.0
3	Nucleos#	11 Dec 19	289.0	303.0
	Total (one-north Properties)		**595.9**	**638.0**
	International Business Park Properties			
4	Techquest** #	05 Oct 05	7.5	22.0
5	iQuest@IBP	12 Jan 07	18.6	26.6
6	Acer Building**	19 Mar 08	75.0	92.4
7	31 International Business Park**	26 Jun 08	246.8	206.6
8	Nordic European Centre	08 Jul 11	121.6	119.5
	Total (International Business Park Properties)		**469.5**	**467.1**
	Changi Business Park Properties			
9	Honeywell Building#	19 Nov 02	32.8	71.6
10	1 Changi Business Park Avenue 1	30 Oct 03	18.0	57.0
11	Hansapoint@CBP	22 Jan 08	26.1	119.9
12	1, 3 & 5 Changi Business Park Crescent	16 Feb 09 25 Sep 09 31 Dec 10	200.9	337.3
13	DBS Asia Hub# ^	31 Mar 10 15 Apr 15	137.8	191.0
14	AkzoNobel House	08 Dec 11	80.0	70.8
15	ONE@Changi City#	01 Mar 16	420.0	502.0
	Total (Changi Business Park Properties)		**915.6**	**1,349.6**
	Singapore Science Park I Properties			
16	TÜV SÜD PSB Building	18 Nov 05	35.0	90.0
17	The Rutherford & Oasis#	26 Mar 08	51.5	100.0
18	Cintech I#	29 Mar 12	47.1	57.5
19	Cintech II** #	29 Mar 12	35.3	46.0
20	Cintech III & IV** #	29 Mar 12	100.7	128.0
21	12, 14 & 16 Science Park Drive#	16 Feb 17	420.0	452.7
	Total (Singapore Science Park I Properties)		**689.6**	**874.2**
	Singapore Science Park II Properties			
22	The Alpha#	19 Nov 02	52.3	102.0
23	The Aries, Sparkle & Gemini**	19 Nov 02	129.2	200.5
24	The Capricorn#	19 Nov 02	71.8	119.0
25	The Galen#	25 Mar 13	126.0	147.0
26	The Kendall#	30 Mar 15	112.0	136.0
27	FM Global Centre#	11 Dec 19	91.0	95.7
	Total (Singapore Science Park II Properties)		**582.3**	**800.2**
	Total (Business & Science Parks Properties)		**3,252.9**	**4,129.1**

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.
- \+ Refers to the period from 1 April 2019 to 31 December 2019.
- ** As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2019 due to changing market conditions.
- \# Acquired from the Sponsor.
- ^ DBS Asia Hub Phase 2, an extension of DBS Asis Hub was completed on 15 April 2015.
- ++ Refers to the period from 11 December 2019 to 31 December 2019.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019[+] (S$ million)	Occupancy Rate as at 31 December 2019
36,931	26,035	8/8A Biomedical Grove	15.8	100.0%
25,511	20,669	1 & 3 Fusionopolis Link	12.3	100.0%
46,174	38,149	21 Biopolis Road	1.7[++]	91.8%
108,616	**84,853**		**29.8**	**96.3%**
9,079	6,738	7 International Business Park	1.3	56.2%
12,143	9,154	27 International Business Park	1.1	29.9%
29,185	22,553	29 International Business Park	5.3	66.0%
61,720	48,943	31 International Business Park	9.6	47.7%
28,378	21,466	3 International Business Park	6.8	72.5%
140,505	**108,854**		**24.1**	**55.4%**
18,123	14,399	17 Changi Business Park Central 1	4.3	76.2%
11,556	9,150	1 Changi Business Park Avenue 1	4.2	94.0%
19,448	16,395	10 Changi Business Park Central 2	6.8	99.5%
74,660	62,950	1, 3 & 5 Changi Business Park Crescent	21.1	92.6%
45,857	38,296	2 & 2A Changi Business Park Crescent	10.0	100.0%
19,225	15,072	3 Changi Business Park Vista	5.7	97.0%
71,158	61,297	1 Changi Business Park Central 1	25.4	92.7%
260,027	**217,559**		**77.5**	**93.7%**
32,013	21,343	1 Science Park Drive	3.2	100.0%
27,217	18,815	87/89 Science Park Drive	4.7	65.5%
14,943	10,529	73 Science Park Drive	3.2	76.0%
13,552	7,915	75 Science Park Drive	3.0	64.2%
25,622	18,565	77 & 79 Science Park Drive	9.0	87.9%
78,871	78,871	12, 14 & 16 Science Park Drive	23.3	100.0%
192,218	**156,038**		**46.4**	**91.0%**
28,533	21,373	10 Science Park Road	5.5	60.7%
49,851	36,405	41, 45 & 51 Science Park Road	11.1	75.3%
28,602	20,543	1 Science Park Road	6.6	66.8%
30,685	21,792	61 Science Park Road	7.1	64.2%
20,190	16,985	50 Science Park Road	10.4	93.7%
11,613	11,613	288 Pasir Panjang Road	0.3[++]	100.0%
169,474	**128,711**		**41.0**	**71.7%**
870,840	**696,015**		**218.8**	**83.8%**

SINGAPORE

INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

28 Courts Megastore

29 Giant Hypermart

30 Aperia

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Retail	30.9%
Information & Communications Technology	21.4%
Biomedical Sciences	11.2%
Engineering	10.3%
Food	6.5%
Financial Services	3.8%
Distributors & Trading Company	2.9%
Professional Services	2.9%
e-Commerce	2.5%
Logistics & Supply Chain Management	2.4%
Education	2.1%
Fast Moving Consumer Goods	0.8%
Hospitality & Leisure	0.7%
Media	0.6%
Electronics	0.5%
Real Estate	0.4%
Natural Resources	0.2%

Integrated Development, Amenities & Retail Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	1	2	3
No. of Customers	112	2	114
GFA (sq m)	86,696	70,604	157,300
Gross Revenue[1] (S$ million)	35.2	11.9	47.1
Book Value/Valuation as at 31 December 2019 (S$ million)	584.0	145.5	729.5
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**5.9%**	
Weighted Average Lease to Expiry (in Years)		**4.8**	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019 (S$ million)	GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
28	Courts Megastore	30 Nov 06	46.0	64.0	28,410	28,410	50 Tampines North Drive 2	5.5	100.0%
29	Giant Hypermart**	06 Feb 07	65.4	81.5	42,194	42,178	21 Tampines North Drive 2	6.4	100.0%
30	Aperia	08 Aug 14	458.0	584.0	86,696	70,832	8, 10 & 12 Kallang Avenue	35.2	96.4%
	Total (Integrated Development, Amenities & Retail Properties)		**569.4**	**729.5**	**157,300**	**141,420**		**47.1**	**98.2%**

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.
\+ Refers to the period from 1 April 2019 to 31 December 2019.
** As at 31 December 2020, the property recorded a depreciation on revaluation against its corresponding value as at 31 March 2019 due to changing market conditions.

SINGAPORE

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES AND DATA CENTRES

31 10 Toh Guan Road

32 Techlink

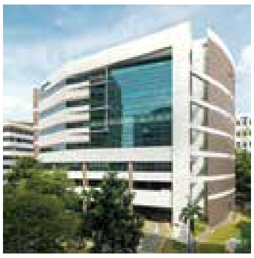
33 Siemens Centre

34 Infineon Building

35 Techpoint

36 Wisma Gulab *(divested on 23 January 2020)*

37 KA Centre



38 KA Place

39 Pacific Tech Centre

40 Techview

41 1 Jalan Kilang

42 30 Tampines Industrial Avenue 3

43 31 Ubi Road 1

44 Schneider Electric Building

45 138 Depot Road

46 2 Changi South Lane

47 CGG Veritas Hub

48 Corporation Place

49 80 Bendemeer Road (formerly Hyflux Innovation Centre)

50 Telepark

51 Kim Chuan Telecommunications Complex

52 38A Kim Chuan Road

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Electronics	26.5%
Data centres	24.2%
Engineering	15.7%
Biomedical Sciences	8.5%
Information & Communications Technology	6.6%
Retail	3.0%
Financial Services	2.7%
Distributors & Trading Company	2.2%
Fast Moving Consumer Goods	1.8%
Energy/Utilities	1.8%
Logistics & Supply Chain Management	1.7%
Professional Services	1.2%
Food	1.2%
Hospitality & Leisure	1.0%
Education	0.9%
Media	0.5%
IO/NGOs/NPOs	0.3%
Textile & Garments	0.2%

High-Specifications Industrial Properties & Data Centres	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	15	7	22
No. of Customers	292	6	298
GFA (sq m)	531,349	161,124	692,473
Gross Revenue[1] (S$ million)	113.6	35.8	149.4
Book Value/Valuation as at 31 December 2019 (S$ million)	1,663.8	546.1	2,209.9
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**6.3%**	
Weighted Average Lease to Expiry (in Years)		**4.3**	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

SINGAPORE

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES AND DATA CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019 (S$ million)
	High-Specifications Industrial Properties			
31	Techlink#	19 Nov 02	69.8	124.9
32	10 Toh Guan Road	05 Mar 04	92.0	129.0
33	Siemens Centre	12 Mar 04	65.8	108.7
34	Infineon Building#	01 Dec 04	50.9	90.7
35	Techpoint#	01 Dec 04	75.0	155.2
36	Wisma Gulab *(divested on 23 January 2020)*	01 Dec 04	55.7	83.4
37	KA Centre	02 Mar 05	19.2	54.9
38	KA Place	02 Mar 05	11.1	22.1
39	Pacific Tech Centre	01 Jul 05	62.0	91.2
40	Techview#	05 Oct 05	76.0	161.2
41	1 Jalan Kilang	27 Oct 05	18.7	25.0
42	30 Tampines Industrial Avenue 3	15 Nov 05	22.0	37.8
43	31 Ubi Road 1**	21 Feb 06	23.0	29.3
44	Schneider Electric Building^	27 Feb 06 21 Jun 17	45.2	91.8
45	138 Depot Road#	15 Mar 06	42.3	70.3
46	2 Changi South Lane	01 Feb 07	30.0	38.3
47	CGG Veritas Hub** #	25 Mar 08	18.3	16.3
48	Corporation Place	08 Dec 11	99.0	123.9
49	80 Bendemeer Road *(formerly Hyflux Innovation Centre)*	30 Jun 14	191.2	212.3
	Total (High-Specifications Industrial Properties)		**1,067.2**	**1,666.3**
	Data Centres			
50	Telepark	02 Mar 05	186.0	272.4
51	Kim Chuan Telecommunications Complex	02 Mar 05	100.0	144.8
52	38A Kim Chuan Road##	11 Dec 09	98.4	126.4
	Total (Data Centres)		**384.4**	**543.6**
	Total (High-Specifications Industrial Properties and Data Centres)		**1,451.6**	**2,209.9**

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.
\+ Refers to the period from 1 April 2019 to 31 December 2019.
** As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2019 due to changing market conditions.
\# Acquired from the Sponsor.
\## 38A Kim Chuan Road was valued by independent valuer at S$176.7 million. Ascendas Reit has recorded the property at S$176.7 million comprising S$126.4 million in land and building, and S$50.3 million in M&E equipment.
^ Schneider Electric Building was first acquired on 27 February 2006 for S$28.6 million and was subsequently redeveloped into a single-tenant building for a multinational corporation. The redevelopment was completed on 21 June 2017.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
49,837	36,222	31 Kaki Bukit Road 3	10.3	81.5%
52,147	40,025	10 Toh Guan Road	8.2	70.5%
36,529	28,000	60 MacPherson Road	9.6	95.1%
27,278	27,278	8 Kallang Sector	7.0	100.0%
56,107	40,934	10 Ang Mo Kio Street 65	11.9	89.4%
15,557	11,821	190 MacPherson Road	3.7	0.0%
19,638	13,557	150 Kampong Ampat	4.1	95.4%
10,163	6,652	159 Kampong Ampat	1.4	79.4%
25,718	19,573	1 Jalan Kilang Timor	5.0	83.4%
50,985	37,477	1 Kaki Bukit View	11.3	78.6%
7,158	6,071	1 Jalan Kilang	1.4	92.2%
9,593	9,593	30 Tampines Industrial Ave 3	2.7	100.0%
17,709	13,007	31 Ubi Road 1	2.7	72.5%
18,970	18,970	50 Kallang Avenue	4.9	100.0%
29,626	26,695	138 Depot Road	5.7	84.8%
26,300	20,939	2 Changi South Lane	2.0	100.0%
9,782	8,671	9 Serangoon North Avenue 5	2.1	100.0%
76,185	55,713	2 Corporation Road	10.7	73.1%
43,435	34,633	80 Bendemeer Road	12.6	87.4%
582,717	**455,831**		**117.3**	**83.2%**
40,555	24,596	5 Tampines Central 6	15.0	100.0%
35,456	25,129	38 Kim Chuan Road	8.5	100.0%
33,745	32,885	38A Kim Chuan Road	8.6	100.0%
109,756	**82,610**		**32.1**	**100.0%**
692,473	**538,441**		**149.4**	**85.7%**

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

53 Osim Headquarters

54 12 Woodlands Loop

55 25 Changi South Street 1

56 247 Alexandra Road

57 5 Tai Seng Drive

58 35 Tampines Street 92

59 53 Serangoon North Avenue 4

60 3 Tai Seng Drive

61 27 Ubi Road 4 *(decommissioned for redevelopment)*

62 52 Serangoon North Avenue 4

63 202 Kallang Bahru *(divested on 4 February 2020)*

64 25 Ubi Road 4 *(decommissioned for redevelopment)*

65 Tampines Biz-Hub

66 Hoya Building

67 37A Tampines Street 92

68 Hamilton Sundstrand Building

69 Thales Building (I & II)

70 Ubi Biz-Hub

71 2 Senoko South Road

72 18 Woodlands Loop

73 9 Woodlands Terrace

74 11 Woodlands Terrace

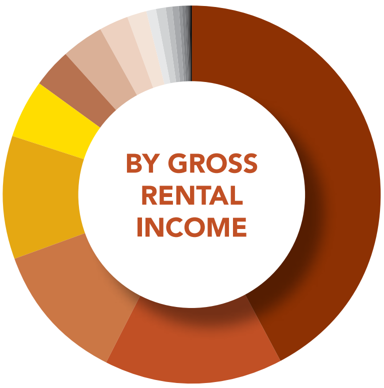
75 FoodAxis @Senoko

76 31 Joo Koon Circle

77 Techplace I

78 Techplace II

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019



Engineering	42.4%
Electronics	15.2%
Food	12.1%
Retail	10.5%
Distributors & Trading Company	4.9%
Biomedical Sciences	3.5%
Logistics & Supply Chain Management	3.4%
Information & Communications Technology	2.5%
Media	1.7%
Professional Services	1.0%
Fast Moving Consumer Goods	0.7%
Textile & Garments	0.6%
Government	0.5%
Real Estate	0.4%
IO/NGOs/NPOs	0.2%
Education	0.2%
e-Commerce	0.1%
Agriculture	0.1%

Light Industrial Properties and Flatted Factories	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	17	9	26
No. of Customers	365	9	374
GFA (sq m)	422,068[1]	106,614	528,682
Gross Revenue[2] (S$ million)	51.4	14.8	66.2
Book Value/Valuation as at 31 December 2019 (S$ million)	673.2[1]	242.2	915.4
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**6.3%**	
Weighted Average Lease to Expiry (in Years)		**2.9**	

1 Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which were decommissioned for redevelopment during the quarter ended 30 June 2019.
2 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019 (S$ million)
	Light Industrial Properties			
53	Osim Headquarters	20 Jun 03	35.0	39.7
54	12 Woodlands Loop	29 Jul 04	24.8	28.2
55	25 Changi South Street 1	26 Nov 04	17.8	19.9
56	247 Alexandra Road	01 Dec 04	44.8	70.0
57	5 Tai Seng Drive**	01 Dec 04	15.3	21.8
58	35 Tampines Street 92	01 Dec 04	9.4	12.6
59	53 Serangoon North Avenue 4##	27 Dec 04	14.0	16.8
60	3 Tai Seng Drive**	01 Apr 05	19.5	19.5
61	27 Ubi Road 4^	01 Apr 05	12.6	–
62	52 Serangoon North Avenue 4	04 Apr 05	14.0	21.8
63	202 Kallang Bahru** *(divested on 4 February 2020)*	04 Apr 05	19.0	15.0
64	25 Ubi Road 4^	16 May 05	9.0	–
65	Tampines Biz-Hub**	05 Oct 05	16.8	20.8
66	Hoya Building#**	05 Oct 05	5.3	8.6
67	37A Tampines Street 92	01 Dec 05	12.3	18.7
68	Hamilton Sundstrand Building#	09 Dec 05	31.0	42.6
69	Thales Building (I & II)#	03 Jan 06 20 Mar 08	5.8	12.9
70	Ubi Biz-Hub	27 Mar 06	13.2	18.7
71	2 Senoko South Road	08 Jan 07	33.5	40.1
72	18 Woodlands Loop	01 Feb 07	17.2	34.4
73	9 Woodlands Terrace	01 Feb 07	1.9	3.6
74	11 Woodlands Terrace	01 Feb 07	1.9	4.6
75	FoodAxis @ Senoko^^	15 May 07 16 Feb 12	57.8	92.7
76	31 Joo Koon Circle**	30 Mar 10	15.0	17.0
	Total (Light Industrial Properties)		**446.9**	**580.0**
	Flatted Factories			
77	TechPlace I# **	19 Nov 02	105.3	144.0
78	TechPlace II#	19 Nov 02	128.9	191.4
	Total (Flatted Factories)		**234.2**	**335.4**
	Total (Light Industrial Properties and Flatted Factories)		**681.1**	**915.4**

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.

\+ Refers to the period from 1 April 2019 to 31 December 2019.

** As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2019 due to changing market conditions.

\# Acquired from the Sponsor.

^ 25 Ubi Road 4 and 27 Ubi Road 4 are decommissioned for redevelopment into a single high-specifications property.

^^ 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.

\## The valuation of 53 Serangoon North Avenue 4 was based on proposed GFA and NLA after asset enhancement works.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
17,683	15,068	65 Ubi Avenue 1	2.4	100.0%
19,887	16,077	12 Woodlands Loop	2.0	100.0%
13,998	11,709	25 Changi South Street 1	0.4	16.5%
13,699	12,803	247 Alexandra Road	3.8	100.0%
12,930	11,296	5 Tai Seng Drive	1.7	100.0%
8,931	7,948	35 Tampines Street 92	0.5	26.1%
10,589	8,372	53 Serangoon North Avenue 4	1.4	91.3%
14,929	11,761	3 Tai Seng Drive	1.2	63.2%
		27 Ubi Road 4	0.5	–
14,767	11,044	52 Serangoon North Avenue 4	2.3	100.0%
20,465	16,980	202 Kallang Bahru	0.0	0.0%
		25 Ubi Road 4	0.2	–
18,086	14,100	11 Tampines Street 92	1.8	63.8%
6,505	6,282	455A Jalan Ahmad Ibrahim	1.0	100.0%
12,011	9,753	37A Tampines Street 92	1.9	83.4%
17,737	16,744	11 Changi North Rise	2.8	100.0%
7,772	7,772	21 Changi North Rise	1.1	100.0%
12,978	10,688	150 Ubi Avenue 4	1.9	96.3%
23,457	17,632	2 Senoko South Road	3.9	99.1%
18,422	16,056	18 Woodlands Loop	3.6	100.0%
2,774	2,341	9 Woodlands Terrace	0.4	100.0%
2,919	2,919	11 Woodlands Terrace	0.2	100.0%
43,362	44,439	1 Senoko Avenue	8.0	100.0%
17,638	15,421	31 Joo Koon Circle	1.1	100.0%
331,539	**287,205**		**44.1**	**84.3%**
81,981	59,524	Blk 4008 – 4012 Ang Mo Kio Avenue 10	9.5	89.2%
115,162	83,200	Blk 5000 – 5004, 5008-5014 Ang Mo Kio Avenue 5	12.6	87.3%
197,143	**142,724**		**22.1**	**88.1%**
528,682	**429,929**		**66.2**	**85.6%**

SINGAPORE

LOGISTICS & DISTRIBUTION CENTRES


79 20 Tuas Avenue 1


80 LogisTech


81 Changi Logistics Centre


82 4 Changi South Lane


83 40 Penjuru Lane


84 Xilin Districentre Building A&B


85 20 Tuas Avenue 6


86 Xilin Districentre Building D


87 9 Changi South Street 3


88 5 Toh Guan Road East


89 Xilin Districentre Building C


90 19 & 21 Pandan Avenue


91 1 Changi South Lane


92 Logis Hub @Clementi


93 11 Changi North Way


94 21 Jalan Buroh


95 21 Changi South Avenue 2


96 15 Changi North Way


97 Pioneer Hub


98 71 Alps Avenue

99 90 Alps Avenue

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Logistics & Supply Chain Management	55.7%
Data centres	8.9%
Engineering	8.5%
Distributors & Trading Company	6.0%
Chemical	5.1%
Biomedical Sciences	5.0%
Electronics	3.7%
Media	1.7%
e-Commerce	1.7%
Government	1.6%
Retail	1.4%
Professional Services	0.4%
Fast Moving Consumer Goods	0.1%
Food	0.1%

Logistics & Distribution Centres (Singapore)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	15	6	21
No. of Customers	94	7	101
GFA (sq m)	602,502	209,411	811,913
Gross Revenue[1] (S$ million)	67.9	19.4	87.3
Book Value/Valuation as at 31 December 2019 (S$ million)	851.9	324.2	1,176.1
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**6.1%**	
Weighted Average Lease to Expiry (in Years)		**2.0**	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

SINGAPORE

LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019 (S$ million)
	Logistics & Distribution Centres			
79	20 Tuas Avenue 1^	19 Feb 04 02 Apr 18	61.4	87.3
80	LogisTech	04 Mar 04	32.0	55.0
81	Changi Logistics Centre**	09 Mar 04	45.6	67.8
82	4 Changi South Lane	31 May 04	23.3	26.8
83	40 Penjuru Lane**	21 Jul 04	225.0	234.0
84	Xilin Districentre Building A&B	02 Dec 04	31.1	35.6
85	20 Tuas Avenue 6**	02 Dec 04	5.5	7.6
86	Xilin Districentre Building D	09 Dec 04	33.5	24.8
87	9 Changi South Street 3	28 Dec 04	32.0	43.9
88	5 Toh Guan Road East	28 Dec 04	36.4	28.0
89	Xilin Districentre Building C	05 May 05	30.6	29.0
90	19 & 21 Pandan Avenue	23 Sep 05 01 Feb 08	105.2	126.8
91	1 Changi South Lane**	05 Oct 05	34.8	39.0
92	Logis Hub @ Clementi** #	05 Oct 05	18.1	23.0
93	11 Changi North Way**	18 Nov 05	11.0	15.0
94	21 Jalan Buroh**	14 Jun 06	58.4	73.0
95	21 Changi South Avenue 2**	19 Mar 08	31.9	18.0
96	15 Changi North Way	29 Jul 08	36.2	44.8
97	Pioneer Hub**	12 Aug 08	79.3	116.0
98	71 Alps Avenue	02 Sep 09	25.6	23.7
99	90 Alps Avenue	20 Jan 12	37.9	57.0
	Total (Logistics & Distribution Centres)		**994.8**	**1,176.1**

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.
- + Refers to the period from 1 April 2019 to 31 December 2019.
- ^ 20 Tuas Avenue 1 was first acquired on 19 February 2004 for S$50.0 million and was subsequently redeveloped to maximise the allowable plot ratio. The redevelopment was completed on 2 April 2018.
- ** As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding values as at 31 March 2019 due to changing market conditions.
- # Acquired from the Sponsor.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
44,449	41,134	20 Tuas Avenue 1	4.5	100.0%
37,554	30,177	3 Changi North Street 2	5.4	97.3%
51,742	39,460	19 Loyang Way	5.1	62.9%
18,794	15,550	4 Changi South Lane	1.7	93.2%
160,938	151,619	40 Penjuru Lane	12.5	80.6%
24,113	20,699	3 Changi South Street 2	3.4	91.3%
5,085	5,085	20 Tuas Avenue 6	0.4	100.0%
18,619	15,753	6 Changi South Street 2	2.6	96.1%
28,648	23,762	9 Changi South Street 3	3.7	92.5%
29,740	23,607	5 Toh Guan Road East	2.7	99.6%
18,708	13,035	7 Changi South Street 2	2.5	96.7%
87,842	71,749	19 & 21 Pandan Avenue	5.6	100.0%
25,768	23,528	1 Changi South Lane	3.9	96.8%
26,505	23,107	2 Clementi Loop	2.5	71.0%
10,107	9,494	11 Changi North Way	0.6	100.0%
48,139	48,167	21 Jalan Buroh	5.2	100.0%
13,120	11,440	21 Changi South Avenue 2	0.7	36.1%
31,961	28,974	15 Changi North Way	3.2	100.0%
91,048	80,338	15 Pioneer Walk	15.0	95.4%
12,756	11,046	71 Alps Avenue	1.7	100.0%
26,277	26,277	90 Alps Avenue	4.4	100.0%
811,913	**714,001**		**87.3**	**90.3%**

AUSTRALIA

SUBURBAN OFFICES

BRISBANE

100 100 Wickham Street

101 108 Wickham Street

SYDNEY

102 197 – 201 Coward Street

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Government	31.2%
Distributors & Trading Company	19.7%
Professional Services	15.6%
Logistics & Supply Chain Management	14.7%
Hospitality & Leisure	7.9%
Information & Communications Technology	7.5%
Engineering	1.6%
Food	1.2%
Textile & Garments	0.6%

Suburban Offices (Australia)	Multi-tenant Buildings	Total
No. of Properties	3	3
No. of Customers	23	23
GFA (sq m)	47,477	47,477
Gross Revenue[1] (S$ million)	19.6	19.6
Book Value/Valuation as at 31 December 2019 (S$ million)	319.7	319.7
Weighted Average Capitalisation Rate as at 31 December 2019 (%)	**6.2%**	
Weighted Average Lease to Expiry (in Years)	**4.0**	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019^^ # (S$ million)	GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
	Brisbane, Queensland								
100	100 Wickham Street	25 Sep 17	90.3	67.1	13,030	13,030	100 Wickham Street, Fortitude Valley	4.9	73.4%
101	108 Wickham Street^	22 Dec 17	109.0	88.1	11,913	11,913	108 Wickham Street, Fortitude Valley	5.3	96.0%
	Total (Suburban Offices, Brisbane)		**199.3**	**155.2**	**24,943**	**24,943**		**10.2**	**84.2%**
	Sydney, New South Wales								
102	197 – 201 Coward Street	9 Sep 16	145.6	164.5	22,534	22,534	197 – 201 Coward Street, Mascot	9.4	100.0%
	Total (Suburban Offices, Sydney)		**145.6**	**164.5**	**22,534**	**22,534**		**9.4**	**100.0%**
	Total (Suburban Offices, Australia)		**344.9**	**319.7**	**47,477**	**47,477**		**19.6**	**91.7%**

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.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
# Based on exchange rate of A$1.0000: S$0.9279 as at 31 December 2019.
+ Refers to the period from 1 April 2019 to 31 December 2019.
^ Purchase Price includes outstanding incentives reimbursed by the vendor.

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

BRISBANE


103 62 Sandstone Place


104 62 Stradbroke Street


105 82 Noosa Street


106 92 Sandstone Place


107 95 Gilmore Road


108 77 Logistics Place


109 99 Radius Drive


110 1 – 7 Wayne Goss Drive


111 Cargo Business Park

MELBOURNE


112 676 – 698 Kororoit Creek Road


113 700 – 718 Kororoit Creek Road


114 2 – 16 Aylesbury Drive


115 9 Andretti Court


116 14 – 28 Ordish Road


117 31 Permas Way


118 35 – 61 South Park Drive


119 81 – 89 Drake Boulevard


120 162 Australis Drive


121 52 Fox Drive

PERTH


122 169 – 177 Australis Drive


123 1314 Ferntree Gully Drive

124 35 Baile Road

SYDNEY


125 484 – 490 Great Western Highway


126 494 – 500 Great Western Highway


127 1 Distribution Place


128 1 – 15 Kellet Close

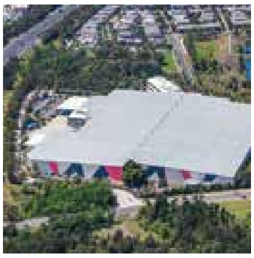

129 1A & 1B Raffles Glade


130 5 Eucalyptus Place


131 7 Grevillea Street


132 16 Kangaroo Avenue


133 94 Lenore Drive


134 6 – 20 Clunies Ross Road

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Logistics & Supply Chain Management	33.9%
Distributors & Trading Company	29.5%
Food	8.9%
Biomedical Sciences (Biotech/Pharma)	8.4%
Retail	6.0%
Textile & Garments	5.7%
Electronics (Comp/Consumer/Comm equipment)	4.9%
Government	1.3%
Agriculture	1.0%
Information & Communications Technology	0.4%

	Property	Acquisition/ Completion Date	Purchase Price*^/ Development Cost (S$ million)	Valuation as at 31 December 2019^^ # (S$ million)
	Brisbane, Queensland			
103	62 Sandstone Place##	23 Oct 15	22.8	19.5
104	62 Stradbroke Street	23 Oct 15	35.9	34.3
105	82 Noosa Street##	23 Oct 15	66.0	48.0
106	92 Sandstone Place##	23 Oct 15	28.6	20.3
107	95 Gilmore Road	23 Oct 15	76.8	79.8
108	77 Logistics Place	18 Nov 15	28.4	24.4
109	99 Radius Drive	18 Nov 15	29.0	24.0
110	1 – 7 Wayne Goss Drive**	07 Sep 18	30.8	29.4
111	Cargo Business Park** ##	17 Sep 18	33.9	30.6
	Total (Logistics & Distribution Centres, Brisbane)		**352.2**	**310.3**

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, 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$1.0000: S$0.9279 as at 31 December 2019.
+ Refers to the period from 1 April 2019 to 31 December 2019.
** Purchase Price includes rental guarantee provided by the vendor.
As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding A$ values as at 31 March 2019 due to changing market conditions.

Logistics & Distribution Centres (Australia)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	11	21	32
No. of Customers	39	22	61
GFA (sq m)	224,797	519,765	744,562
Gross Revenue[1] (S$ million)	23.5	45.8	69.3
Book Value/Valuation as at 31 December 2019 (S$ million)	397.4	857.6	1,255.0
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**5.8%**	
Weighted Average Lease to Expiry (in Years)		**4.5**	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
9,260	9,260	62 Sandstone Place, Parkinson	1.4	100.0%
24,555	24,555	62 Stradbroke Street, Heathwood	0.9	100.0%
38,000	38,000	82 Noosa Street, Heathwood	2.8	100.0%
13,738	13,738	92 Sandstone Place, Parkinson	1.8	100.0%
41,318	41,318	95 Gilmore Road, Berrinba	4.7	100.0%
14,296	14,296	77 Logistics Place, Larapinta	1.6	100.0%
14,592	14,592	99 Radius Drive, Larapinta	1.2	100.0%
17,907	17,907	1 – 7 Wayne Goss Drive, Berrinba	1.4	100.0%
8,216	8,216	56 Lavarack Avenue, Eagle Farm	2.0	93.4%
181,882	**181,882**		**17.8**	**99.7%**

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*^/ Development Cost (S$ million)	Valuation as at 31 December 2019^^ # (S$ million)
	Melbourne, Victoria			
112	676 – 698 Kororoit Creek Road	23 Oct 15	52.3	64.3
113	700 – 718 Kororoit Creek Road	23 Oct 15	34.8	35.3
114	2 – 16 Aylesbury Drive	18 Nov 15	21.3	21.8
115	9 Andretti Court	18 Nov 15	26.6	29.5
116	14 – 28 Ordish Road	18 Nov 15	53.2	40.8
117	31 Permas Way	18 Nov 15	48.2	60.3
118	35 – 61 South Park Drive	18 Nov 15	39.1	43.0
119	81 – 89 Drake Boulevard	18 Nov 15	17.1	15.3
120	162 Australis Drive	18 Nov 15	25.0	26.0
121	52 Fox Drive**	03 Apr 17	26.5	27.6
122	169 – 177 Australis Drive	04 Jun 18	34.5	33.6
123	1314 Ferntree Gully Drive**	26 Jun 18	16.4	15.2
	Total (Logistics & Distribution Centres, Melbourne)		**395.0**	**412.7**
	Perth, Western Australia			
124	35 Baile Road	23 Oct 15	36.6	37.6
	Total (Logistics & Distribution Centres, Perth)		**36.6**	**37.6**
	Sydney, New South Wales			
125	484 – 490 Great Western Highway	23 Oct 15	19.9	19.5
126	494 – 500 Great Western Highway	23 Oct 15	33.4	38.7
127	1 Distribution Place	18 Nov 15	28.6	26.2
128	1 – 15 Kellet Close	18 Nov 15	44.7	49.4
129	1A & 1B Raffles Glade	18 Nov 15	42.9	42.7
130	5 Eucalyptus Place	18 Nov 15	21.8	29.5
131	7 Grevillea Street	18 Nov 15	104.8	123.4
132	16 Kangaroo Avenue	18 Nov 15	33.1	41.1
133	94 Lenore Drive	18 Nov 15	42.0	44.1
134	6 – 20 Clunies Ross Road	22 Feb 16	76.6	79.8
	Total (Logistics & Distribution Centres, Sydney)		**447.8**	**494.4**
	Total (Logistics & Distribution Centres, Australia)		**1,231.6**	**1,255.0**

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, 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$1.0000: S$0.9279 as at 31 December 2019.
+ Refers to the period from 1 April 2019 to 31 December 2019.
++ Excludes partial space decommissioned for asset enhancement works as at 31 December 2019.
** Purchase Price includes rental guarantee provided by the vendor.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
44,036	44,036	676 – 698 Kororoit Creek Road, Altona North	3.2	100.0%
28,020	28,020	700 – 718 Kororoit Creek Road, Altona North	1.8	100.0%
17,513	17,513	2 – 16 Aylesbury Drive, Altona	1.0	100.0%
24,140	24,140	9 Andretti Court, Truganina	1.5	100.0%
28,189	28,189	14 – 28 Ordish Road, Dandenong South	3.0	100.0%
44,540	44,540	31 Permas Way, Truganina	2.4	100.0%
32,167	32,167	35 – 61 South Park Drive, Dandenong South	1.9	100.0%
14,099	14,099	81 – 89 Drake Boulevard, Altona	1.1	100.0%
23,263	23,263	162 Australis Drive, Derrimut	1.5	100.0%
18,041	18,041	52 Fox Drive, Dandenong South	1.5	100.0%
31,048	31,048	169 – 177 Australis Drive, Derrimut	1.8	100.0%
16,134	16,134	1314 Ferntree Gully Drive, Scoresby	0.0	0.0%
321,190	**321,190**		**20.7**	**95.0%**
20,895	20,895	35 Baile Road, Canning Vale	2.5	100.0%
20,895	**20,895**		**2.5**	**100.0%**
7,287++	7,287++	484 – 490 Great Western Highway, Arndell Park	0.6	100.0%
12,775++	12,775++	494 – 500 Great Western Highway, Arndell Park	1.6	100.0%
13,554	13,554	1 Distribution Place, Seven Hills	1.7	100.0%
23,205	23,205	1 – 15 Kellet Close, Erskine Park	2.4	100.0%
21,694	21,694	1A & 1B Raffles Glade, Eastern Creek	2.3	100.0%
10,732	10,732	5 Eucalyptus Place, Eastern Creek	1.5	100.0%
51,708	51,708	7 Grevillea Street, Eastern Creek	5.9	100.0%
19,918	19,918	16 Kangaroo Avenue, Eastern Creek	2.0	100.0%
21,143	21,143	94 Lenore Drive, Erskine Park	1.4	100.0%
38,579	38,579	6 – 20 Clunies Ross Street, Pemulway	8.9	100.0%
220,595	**220,595**		**28.3**	**100.0%**
744,562	**744,562**		**69.3**	**97.8%**

UNITED KINGDOM

LOGISTICS & DISTRIBUTION CENTRES

EAST ENGLAND

135 Market Garden Road

EAST MIDLANDS

136 Common Road

137 Units 1 – 5, Export Drive

NORTH WEST ENGLAND

138 Astmoor Road

139 Transpennine 200

140 Leacroft Road

141 Hawleys Lane

142 8 Leacroft Road

SOUTH EAST ENGLAND

143 Howard House

144 Units 1 – 2, Tower Lane

145 Lodge Road

WEST MIDLANDS

146 Eastern Avenue

147 Vernon Road

148 1 Sun Street

149 The Triangle

150 Unit 103, Stonebridge Cross Business Park

151 Unit 302, Stonebridge Cross Business Park

152 Unit 401, Stonebridge Cross Business Park

153 Unit 402, Stonebridge Cross Business Park

154 Unit 404, Stonebridge Cross Business Park

155 Unit 1, Wellesbourne Distribution Park

156 Unit 2, Wellesbourne Distribution Park

157 Unit 3, Wellesbourne Distribution Park

158 Unit 4, Wellesbourne Distribution Park

159 Unit 5, Wellesbourne Distribution Park

160 Unit 8, Wellesbourne Distribution Park

161 Unit 13, Wellesbourne Distribution Park

162 Unit 14, Wellesbourne Distribution Park

163 Unit 16, Wellesbourne Distribution Park

164 Unit 17, Wellesbourne Distribution Park

165 Unit 18, Wellesbourne Distribution Park

166 Unit 19, Wellesbourne Distribution Park

167 Unit 20, Wellesbourne Distribution Park

168 Unit 21, Wellesbourne Distribution Park

YORKSHIRE AND THE HUMBER

169 12 Park Farm Road

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

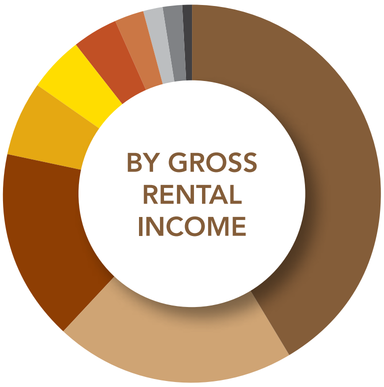
171 Unit 3, Brookfields Way

172 Lowfields Way

UNITED KINGDOM

LOGISTICS & DISTRIBUTION CENTRES

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019



Logistics & Supply Chain Management	41.6%
Engineering	20.6%
Distributors & Trading Company	16.4%
Retail	6.3%
Electronics	4.6%
e-Commerce	4.0%
Government	2.5%
Food	1.7%
Biomedical Sciences	1.6%
IO/NGOs/NPOs	0.7%

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019^^ # (S$ million)
	East England			
135	Market Garden Road	16 Aug 18	37.5	36.8
	Total (Logistics & Distribution Centres, East England)		**37.5**	**36.8**
	East Midlands			
136	Common Road##	16 Aug 18	54.4	35.1
137	Units 1 – 5, Export Drive	16 Aug 18	3.0	3.0
	Total (Logistics & Distribution Centres, East Midlands)		**57.4**	**38.1**
	North West England			
138	Astmoor Road	16 Aug 18	52.4	51.3
139	Transpennine 200##	16 Aug 18	15.3	14.1
140	Leacroft Road	04 Oct 18	12.5	12.4
141	Hawleys Lane	04 Oct 18	43.5	42.8
142	8 Leacroft Road	04 Oct 18	9.5	9.4
	Total (Logistics & Distribution Centres, North West England)		**133.2**	**130.0**
	South East England			
143	Howard House##	16 Aug 18	56.7	53.1
144	Units 1 – 2, Tower Lane##	16 Aug 18	20.0	20.1
145	Lodge Road^	04 Oct 18	21.0	22.8
	Total (Logistics & Distribution Centres, South East England)		**97.7**	**96.0**

Notes:
The valuation for these properties were based on Capitalisation Approach.
* Purchase Price excludes transaction cost associated with the purchase of the property.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
# Based on exchange rate of £1.0000: S$1.7547 as at 31 December 2019.
+ Refers to the period from 1 April 2019 to 31 December 2019.
As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding £ values as at 31 March 2019 due to changing market conditions and/or shorter unexpired lease term.
^ Purchase Price includes outstanding incentives reimbursed by the vendor.

Logistics & Distribution Centres (United Kingdom)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	3	35	38
No. of Customers	2	34	36
GFA (sq m)	19,567	490,340	509,907
Gross Revenue[1] (S$ million)	0.9	31.8	32.7
Book Value/Valuation as at 31 December 2019 (S$ million)	40.8	756.9	797.7
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**5.8%**	
Weighted Average Lease to Expiry (in Years)		**8.8**	

1 Refers to gross revenue for FY2019 (1 April 2019 to 31 December 2019).

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019[+] (S$ million)	Occupancy Rate as at 31 December 2019
13,016	13,016	Market Garden Road, Stratton Business Park, Biggleswade	1.2	100.0%
13,016	**13,016**		**1.2**	**100.0%**
47,298	47,298	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	2.1	100.0%
2,785	2,785	Units 1 – 5, Export Drive, Huthwaite, Sutton-in-Ashfield	0.1	100.0%
50,083	**50,083**		**2.2**	**100.0%**
45,043	45,043	Astmoor Road, Astmoor Industrial Estate, Runcorn	2.2	100.0%
8,522	8,522	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	0.9	100.0%
8,388	8,388	Leacroft Road, Birchwood, Warrington	0.5	100.0%
35,104	35,104	Hawleys Lane, Warrington	2.5	100.0%
8,432	8,432	8 Leacroft Road, Birchwood, Warrington	0.4	100.0%
105,489	**105,489**		**6.5**	**100.0%**
20,611	20,611	Howard House, Howard Way, Interchange Park, Newport Pagnell	1.7	100.0%
7,803	7,572	Units 1 – 2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	0.9	100.0%
12,025	12,025	Lodge Road, Staplehurst, Kent	0.7	100.0%
40,439	**40,208**		**3.3**	**100.0%**

UNITED KINGDOM

LOGISTICS & DISTRIBUTION CENTRES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019^^ # (S$ million)
	West Midlands			
146	Eastern Avenue	16 Aug 18	26.4	25.8
147	Vernon Road	16 Aug 18	31.0	30.2
148	1 Sun Street^	04 Oct 18	39.1	43.6
149	The Triangle##	04 Oct 18	48.1	44.3
150	Unit 103, Stonebridge Cross Business Park##	04 Oct 18	2.2	2.2
151	Unit 302, Stonebridge Cross Business Park	04 Oct 18	35.7	36.3
152	Unit 401, Stonebridge Cross Business Park##	04 Oct 18	11.0	10.3
153	Unit 402, Stonebridge Cross Business Park	04 Oct 18	8.0	8.2
154	Unit 404, Stonebridge Cross Business Park	04 Oct 18	8.4	8.2
155	Unit 1, Wellesbourne Distribution Park	04 Oct 18	43.8	43.2
156	Unit 2, Wellesbourne Distribution Park##	04 Oct 18	29.1	28.6
157	Unit 3, Wellesbourne Distribution Park	04 Oct 18	41.9	43.2
158	Unit 4, Wellesbourne Distribution Park	04 Oct 18	10.7	10.6
159	Unit 5, Wellesbourne Distribution Park**	04 Oct 18	13.1	12.2
160	Unit 8, Wellesbourne Distribution Park** ##	04 Oct 18	21.4	20.5
161	Unit 13, Wellesbourne Distribution Park** ##	04 Oct 18	9.5	8.5
162	Unit 14, Wellesbourne Distribution Park	04 Oct 18	14.3	14.2
163	Unit 16, Wellesbourne Distribution Park	04 Oct 18	3.0	3.2
164	Unit 17, Wellesbourne Distribution Park##	04 Oct 18	2.2	2.0
165	Unit 18, Wellesbourne Distribution Park**	04 Oct 18	1.8	1.7
166	Unit 19, Wellesbourne Distribution Park	04 Oct 18	2.1	2.1
167	Unit 20, Wellesbourne Distribution Park##	04 Oct 18	4.2	4.2
168	Unit 21, Wellesbourne Distribution Park	04 Oct 18	5.3	5.5
	Total (Logistics & Distribution Centres, West Midlands)		**412.3**	**408.8**
	Yorkshire and the Humber			
169	12 Park Farm Road##	16 Aug 18	19.8	18.6
170	Units 1a, 1b, 2 & 3, Upwell Street##	16 Aug 18	34.2	29.6
171	Unit 3, Brookfields Way**	16 Aug 18	22.5	21.9
172	Lowfields Way	04 Oct 18	17.8	17.9
	Total (Logistics & Distribution Centres, Yorkshire and the Humber)		**94.3**	**88.0**
	Total (Logistics & Distribution Centres, United Kingdom)		**832.4**	**797.7**

Notes:
The valuation for these properties were based on Capitalisation Approach.
* Purchase Price excludes transaction cost associated with the purchase of the property.
^^ Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.
\# Based on exchange rate of £1.0000: S$1.7547 as at 31 December 2019.
\+ Refers to the period from 1 April 2019 to 31 December 2019.
^ Purchase Price includes outstanding incentives reimbursed by the vendor.
\## As at 31 December 2019, these properties recorded a depreciation on revaluation against their corresponding £ values as at 31 March 2019 due to changing market conditions and/or shorter unexpired lease term.
** Purchase Price includes rental guarantee provided by the vendor.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
15,994	15,994	Eastern Avenue, Derby Road, Burton-on-Trent	1.0	100.0%
25,701	25,701	Vernon Road, Stoke-on-Trent	1.3	100.0%
24,929	24,929	1 Sun Street, Wolverhampton	1.8	100.0%
28,917	28,917	The Triangle, North View, Walsgrave, Coventry	2.2	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	1.4	100.0%
6,265	6,265	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.5	100.0%
5,037	5,037	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.4	100.0%
5,045	5,045	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.4	100.0%
21,243	21,243	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	1.6	100.0%
12,282	12,282	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	1.1	100.0%
19,551	19,551	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	1.7	100.0%
4,774	4,774	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.4	100.0%
6,146	6,146	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.0	0.0%
8,759	8,759	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.8	100.0%
5,618	5,618	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.2	0.0%
9,887	9,887	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.7	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%
875	875	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.0	100.0%
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	0.2	100.0%
233,471	**233,471**		**16.2**	**95.0%**
23,454	23,454	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	1.0	100.0%
14,065	14,065	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	1.3	100.0%
18,341	18,341	Unit 3, Brookfields Way, Rotherham	0.2	100.0%
11,549	11,549	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	0.8	100.0%
67,409	**67,409**		**3.3**	**100.0%**
509,907	**509,676**		**32.7**	**97.7%**

UNITED STATES

BUSINESS PARK PROPERTIES

PORTLAND, OREGON

173 8300 Creekside

174 8305 Creekside

175 8405 Nimbus

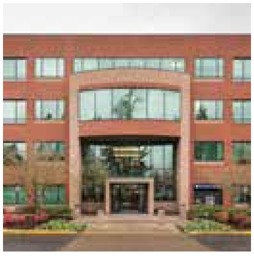
176 8500 Creekside

177 8700 – 8770 Nimbus

178 9205 Gemini

179 9405 Gemini

180 Creekside 5



181 Creekside 6

182 Greenbrier Court

183 Parkside

184 Ridgeview

185 The Atrium

186 The Commons

187 Waterside

RALEIGH, NORTH CAROLINA

188 5200 East & West Paramount Parkway

189 Perimeter One

190 Perimeter Two

191 Perimeter Three

192 Perimeter Four

SAN DIEGO, CALIFORNIA

193 10020 Pacific Mesa Boulevard

194 15051 Avenue of Science

195 15073 Avenue of Science

196 15231, 15253 & 15333 Avenue of Science

197 15378 Avenue of Science

198 15435 & 15445 Innovation Drive

199 5005 & 5010 Wateridge

200 6055 Lusk Boulevard

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2019

Information & Communications Technology	35.5%
Biomedical Sciences	28.6%
Financial Services	10.0%
Engineering	7.1%
Textile & Garments	3.5%
Energy/Utilities	3.5%
Professional Services	3.4%
Real Estate	2.7%
Media	2.2%
Government	1.5%
Electronics	0.5%
Distributors & Trading Company	0.5%
Education	0.4%
Chemical	0.3%
Natural Resources	0.2%
Fast Moving Consumer Goods	0.1%

Business Park Properties (United States)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	20	8	28
No. of Customers	120	8	128
GFA (sq m)	242,393	70,666	313,059
Gross Revenue (S$ million)[1]	4.9	1.6	6.5
Book Value/Valuation as at 31 December 2019 (S$ million)	939.3	370.5	1,309.8
Weighted Average Capitalisation Rate as at 31 December 2019 (%)		**6.3%**	
Weighted Average Lease to Expiry (in Years)		**4.1**	

1 Refers to gross revenue for the period of 11 December 2019 (acquisition date) to 31 December 2019.

UNITED STATES

BUSINESS PARK PROPERTIES

	Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S$ million)	Valuation as at 31 December 2019# (S$ million)
	Portland, Oregon			
173	8300 Creekside	11 Dec 19	14.3	14.7
174	8305 Creekside	11 Dec 19	5.0	4.9
175	8405 Nimbus	11 Dec 19	18.0	20.3
176	8500 Creekside	11 Dec 19	20.9	22.7
177	8700 - 8770 Nimbus	11 Dec 19	7.8	8.0
178	9205 Gemini	11 Dec 19	10.2	10.5
179	9405 Gemini	11 Dec 19	15.7	18.1
180	Creekside 5	11 Dec 19	13.2	14.1
181	Creekside 6	11 Dec 19	22.5	25.0
182	Greenbrier Court	11 Dec 19	21.2	22.9
183	Parkside	11 Dec 19	32.2	27.6
184	Ridgeview	11 Dec 19	20.2	21.5
185	The Atrium	11 Dec 19	41.3	44.6
186	The Commons	11 Dec 19	16.4	17.3
187	Waterside	11 Dec 19	29.5	31.2
	Total (Business Park Properties, Portland)		**288.4**	**303.4**
	Raleigh, North Carolina			
188	5200 East & West Paramount Parkway	11 Dec 19	105.8	101.3
189	Perimeter One	11 Dec 19	76.8	75.0
190	Perimeter Two	11 Dec 19	76.0	75.4
191	Perimeter Three	11 Dec 19	82.8	76.6
192	Perimeter Four	11 Dec 19	70.3	71.0
	Total (Business Park Properties, Raleigh)		**411.7**	**399.3**
	San Diego, California			
193	10020 Pacific Mesa Boulevard	11 Dec 19	169.2	173.6
194	15051 Avenue of Science	11 Dec 19	35.5	37.6
195	15073 Avenue of Science	11 Dec 19	26.3	27.5
196	15231, 15253 & 15333 Avenue of Science	11 Dec 19	92.0	100.4
197	15378 Avenue of Science	11 Dec 19	35.1	41.5
198	15435 & 15445 Innovation Drive	11 Dec 19	57.2	60.8
199	5005 & 5010 Wateridge	11 Dec 19	119.0	117.8
200	6055 Lusk Boulevard	11 Dec 19	47.3	47.9
	Total (Business Park Properties, San Diego)		**581.6**	**607.1**
	Total (Business Park Properties, United States)		**1,281.7**	**1,309.8**

Notes:
The valuation for these properties were based on Capitalisation Approach, Discounted Cash Flow Analysis and Direct Comparison Method.
* Purchase Price excludes transaction cost associated with the purchase of the property.
+ Refers to the period from 11 December 2019 (acquisition date) to 31 December 2019.
# Based on exchange rate of US$1.0000: S$1.3606 as at 31 December 2019.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue for FY2019+ (S$ million)	Occupancy Rate as at 31 December 2019
5,011	5,030	8300 SW Creekside Place, Beaverton	0.1	75.3%
2,443	1,837	8305 SW Creekside Place, Beaverton	0.0	88.6%
5,084	4,997	8405 SW Nimbus Avenue, Beaverton	0.1	100.0%
5,923	6,085	8500 SW Creekside Place, Beaverton	0.1	100.0%
3,430	3,317	8700 - 8770 SW Nimbus Avenue, Beaverton	0.0	78.4%
3,784	3,800	9205 SW Gemini Drive, Beaverton	0.1	100.0%
4,201	4,382	9405 SW Gemini Drive, Beaverton	0.1	100.0%
4,557	4,463	8705 SW Nimbus Avenue, Beaverton	0.1	95.4%
7,262	6,927	8905 SW Nimbus Avenue, Beaverton	0.1	93.7%
6,529	6,938	14600 - 14700 NW Greenbrier Parkway, Beaverton	0.1	100.0%
15,231	14,739	15350 - 15400 NW Greenbrier Parkway, Beaverton	0.2	100.0%
8,747	8,767	15201 NW Greenbrier Parkway, Beaverton	0.1	61.5%
16,473	15,899	15220 NW Greenbrier Parkway, Beaverton	0.3	84.6%
6,570	6,352	15455 NW Greenbrier Parkway, Beaverton	0.1	71.1%
11,261	11,752	14908, 14924, 15247 and 15272 NW Greenbrier Parkway, Beaverton	0.2	88.1%
106,506	**105,285**		**1.7**	**88.7%**
29,500	29,320	5200 East & West Paramount Parkway, Morrisville	0.4	88.7%
19,599	18,865	3005 Carrington Mill Boulevard, Morrisville	0.4	100.0%
19,484	19,220	3020 Carrington Mill Boulevard, Morrisville	0.4	97.1%
23,179	22,794	3015 Carrington Mill Boulevard, Morrisville	0.4	96.1%
18,331	16,918	3025 Carrington Mill Boulevard, Morrisville	0.6	100.0%
110,093	**107,117**		**2.2**	**95.6%**
29,225	29,543	10020 Pacific Mesa Boulevard, San Diego	0.7	100.0%
6,426	6,500	15051 Avenue of Science, San Diego	0.2	100.0%
4,455	4,497	15073 Avenue of Science, San Diego	0.1	100.0%
16,127	16,553	15231, 15253 & 15333 Avenue of Science, San Diego	0.4	89.8%
6,409	6,391	15378 Avenue of Science, San Diego	0.2	100.0%
8,986	9,508	15435 & 15445 Innovation Drive, San Diego	0.3	93.1%
16,009	16,051	5005 & 5010 Wateridge Vista Drive, San Diego	0.5	100.0%
8,823	8,640	6055 Lusk Boulevard, San Diego	0.2	100.0%
96,460	**97,683**		**2.6**	**97.6%**
313,059	**310,085**		**6.5**	**93.9%**

CORPORATE DIRECTORY

TRUSTEE

Registered Address
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower #48-01
Singapore 018983

Office Address
HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#03-01 HSBC Building
Singapore 049320
Phone: (65) 6658 6667

With effect from 6 April 2020:
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #45-01
Singapore 018983

AUDITOR

Ernst & Young LLP
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)

UNIT REGISTRAR

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

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@capitaland.com
Website: www.ascendas-reit.com

BOARD OF DIRECTORS

Mr Lim Hock San
Chairman and Non-Executive Independent Director

Mr William Tay Wee Leong
Executive Non-Independent Director & CEO

Mr Chan Pengee, Adrian
Non-Executive Lead Independent Director

Ms Chong Chiet Ping
Non-Executive Independent Director

Ms Lim Sau Hoong
Non-Executive Independent Director

Mr Wong Yew Meng
Non-Executive Independent Director

Mr Daniel Cuthbert Ee Hock Huat
Non-Executive Independent Director

Mr Manohar Khiatani
Non-Executive Non-Independent Director

Mr Lim Cho Pin Andrew Geoffrey
Non-Executive Non-Independent Director

AUDIT AND RISK COMMITTEE

Mr Chan Pengee, Adrian
Chairman

Ms Chong Chiet Ping

Mr Wong Yew Meng

Mr Daniel Cuthbert Ee Hock Huat

Mr Manohar Khiatani

INVESTMENT COMMITTEE

Mr Manohar Khiatani
Chairman

Mr Lim Hock San

Mr William Tay Wee Leong

Mr Daniel Cuthbert Ee Hock Huat

Mr Lim Cho Pin Andrew Geoffrey

COMPANY SECRETARIES

Ms Mary Judith de Souza

Mr Hon Wei Seng

SGX CODE

Ascendasreit

STOCK SYMBOL

A17U.SG

FINANCIAL STATEMENTS

CORPORATE GOVERNANCE

Manager's Role

The manager of Ascendas Real Estate Investment Trust (Manager) sets the strategic direction of Ascendas Real Estate Investment Trust (Ascendas Reit) and its subsidiaries (Ascendas Reit Group) and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit (Trustee), on any investment or divestment opportunities for Ascendas Reit and the enhancement of the assets of Ascendas Reit in accordance with the stated investment strategy for Ascendas Reit. The research, evaluation and analysis required for this purpose are coordinated and carried out by the Manager.

The Manager has general powers of management over the assets of Ascendas Reit. Its primary responsibility is to manage the assets and liabilities of Ascendas Reit for the benefit of the unitholders of Ascendas Reit (Unitholders). The Manager does this with a focus on generating rental income and enhancing asset value over time so as to maximise returns from the investments, and ultimately the distributions and total returns, to Unitholders.

The Manager's other functions and responsibilities include:

(a) using best endeavours to conduct Ascendas Reit's business in a proper and efficient manner;

(b) preparing annual business plans for review by the directors of the Manager (Directors), including forecasts on revenue, net income, operating expenses and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and relevant assumptions;

(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of the CIS Code (Property Funds Appendix)), the Securities and Futures Act, Chapter 289 of Singapore (SFA), written directions, notices, codes and other guidelines that MAS may issue from time to time, and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of Ascendas Reit and the Alternative Investment Fund Managers Directive (AIFMD);

(d) attending to all regular communications with Unitholders; and

(e) supervising Ascendas Services Pte Ltd (for properties located in Singapore), Ascendas Funds Management (Australia) Pty Ltd and CapitaLand Australia Pty Ltd, CL International Management (UK) Limited (formerly known as Ascendas Management (UK) Limited), CapitaLand International (USA) LLC (for properties located in Australia, the United Kingdom and the United States of America respectively) and third party managing agents (collectively known as the Asset/Property Managers), which perform the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for Ascendas Reit's properties.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. Ascendas Reit's environmental sustainability and community outreach programmes are set out on page 52 of this Annual Report and in the Integrated Sustainability Report.

Ascendas Reit, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well qualified personnel to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the trust deed constituting Ascendas Reit dated 9 October 2002 (as amended, varied or supplemented from time to time) (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

CORPORATE GOVERNANCE

The Manager is a wholly owned subsidiary of CapitaLand Limited (CL) which holds a significant unitholding interest in Ascendas Reit. CL is a long-term real estate developer and investor, with a vested interest in the long-term performance of Ascendas Reit. CL's significant unitholding in Ascendas Reit demonstrates its commitment to Ascendas Reit and as a result, CL's interest is aligned with that of other Unitholders. The Manager's association with CL provides the following benefits, among other things, to Ascendas Reit:

(a) a stable pipeline of property assets through CL's development activities;

(b) wider and better access to banking and capital markets on favourable terms;

(c) fund raising and treasury support; and

(d) access to a bench of experienced management talent.

The Corporate Governance Framework and Culture

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing long-term Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering the Ascendas Reit Group's long-term strategic objectives. The policies and practices it has developed to meet the specific business needs of the Ascendas Reit Group provide a firm foundation for a trusted and respected business enterprise.

The corporate governance framework is set out below:

Note:
(1) Details in the diagram are as at 24 February 2020.

CORPORATE GOVERNANCE

The Board of Directors (Board) sets the tone from the top and is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Ascendas Reit Group.

This corporate governance report (Report) sets out the corporate governance practices for financial year ended 31 December 2019 (FY2019) with reference to the principles of the Code of Corporate Governance 2018 (Code). For FY2019, save as stated in this Report, Ascendas Reit has complied with the principles of the Code and also, substantially, with the provisions underlying the principles of the Code. Where there are deviations from any of the provisions of the Code, an explanation has been provided within this Report, including an explanation on how the practices adopted are consistent with the intent of the principles of the Code. This Report also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

Ascendas Reit has received accolades from the investment community for excellence in corporate governance. In FY2019, it won the Best Annual report - Silver award in the REITs & Business Trusts Category at the Singapore Corporate Awards.

As testament to the commitment to corporate governance, Ascendas Reit was selected by SGX to be included in the Fast Track Programme list. The scheme recognises listed companies with good governance standards and compliance practices, and accords prioritised clearance for selected corporate-action submissions.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Duties and Responsibilities

The Board oversees the strategic direction, performance and affairs of the Manager, in furtherance of the Manager's primary responsibility to foster the success of Ascendas Reit so as to deliver sustainable value over the long term to Unitholders. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve Ascendas Reit's objectives and long term success and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for Ascendas Reit and the day-to-day operations of Ascendas Reit's business.

The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. It also sets the disclosure and transparency standards for Ascendas Reit and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has adopted a set of internal controls which establishes financial approval limits for capital & operating expenditure, investments, divestments, bank borrowings and issuance of debt instruments. The Board has reserved authority to approve certain matters and this is clearly communicated to Management in writing.

These include:

(a) material acquisitions, investments and divestments;

(b) corporate and financial transactions;

(c) recommendation of the remuneration for the CEO and key management personnel of the Manager to its shareholder for approval; and

(d) approving the division of responsibilities between the chairman of the Board (Chairman) and the CEO.

Apart from the matters that specifically require the Board's approval, the Board delegates authority for transactions below the Board's approval limits to Board Committees and Management to optimise operational efficiency.

The Directors are fiduciaries and are collectively and individually obliged at all times to act honestly and objectively in the best interests of Ascendas Reit. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct and Ethics (Board Code) which provides that every Director is expected to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code. This sets the appropriate tone from the top in respect of the desired organisational culture and assists the Board in ensuring proper accountability within the Manager.

In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to Ascendas Reit and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

Further, the Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as directors, including understanding their roles as executive, non-executive and independent directors, the business of Ascendas Reit and the environment in which Ascendas Reit operates. The Directors are also required to dedicate the necessary effort, commitment and time to their work as directors, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical.

Directors' Development

In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and development for its Directors so as to equip them to discharge the duties and responsibilities of their office as Directors to the best of their abilities. The Manager has in place a training framework to guide and support the Manager towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST. The costs of all trainings are borne by the Manager.

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director). All Directors upon appointment also undergo an induction, training and development programme which focuses on orientating the Director to Ascendas Reit's business, operations, strategies, organisation structure, responsibilities of CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Manager (key management personnel), and financial and governance practices. The induction, training and development programme may include visits to the Ascendas Reit Group's properties. Through the induction, training and development programme, the new Director also gets acquainted with members of the Management which facilitates their interaction at Board meetings.

Following their appointment, the Directors are provided with opportunities for developing and maintaining their skills and knowledge, and continuing education in areas such as directors' duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, at the Manager's expense, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. The Directors may also recommend suitable training and development programmes to the Board. In FY2019, the training and professional development programmes for the Directors included seminars conducted by experts and senior business leaders on board practices and issues faced by board. The Directors also receive on a regular basis, reading materials on topical matters or subjects as well as updates on regulatory changes and their implications.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. As at 24 February 2020, these Board Committees are the Audit and Risk Committee (ARC) (details of the ARC are disclosed under Principles 9 and 10 of this Report) and the Investment Committee (IC). The Nominating and Remuneration Committee (NRC) was dissolved with effect from 1 February 2020 and the Board now undertakes all the responsibilities for approving the appointment of directors and the remuneration for directors and key management personnel.

All the Board Committees have clear written terms of reference setting out their respective composition, authorities and duties, including reporting back to the Board. Each of the Board Committees operates under delegated authority from the Board with the Board retaining overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the Board on a periodic basis. The minutes of the Board Committee meetings which record the key deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The composition of the various Board Committees is set out on pages 100 and 138 of this Annual Report. The duties and responsibilities of the Board Committees are set out in this Report.

The Board may form other Board Committees from time to time. The composition of each Board Committee is also reviewed as and when there are changes to Board membership. Where appropriate, changes are made to composition of the Board Committees, with a view to ensuring there is an appropriate diversity of skills and experience and fostering active participation and contributions from Board Committee members.

Meetings of Board and Board Committees

Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. The Constitution of the Manager (Constitution) permits the Directors to participate in Board and Board Committee meetings via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he or she may provide his or her comments to the Chairman or the relevant Board Committee chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions.

In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives. The non-executive Directors and IDs also meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

At each scheduled Board meeting, the Board is apprised of the following:

(a) significant matters discussed at the ARC meeting which is typically scheduled before the Board meeting;

(b) the ARC's recommendation on Ascendas Reit's periodic and year-end financial results following the ARC's review of the same;

(c) decisions made by Board Committees in the preceding quarter;

(d) updates on the Ascendas Reit Group's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;

(e) financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;

(f) any risk management issues that materially impact Ascendas Reit's operations or financial performance; and

(g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and prospective transactions which Management is exploring.

This allows the Board to develop a good understanding of the progress of the Ascendas Reit Group's business as well as the issues and challenges faced by Ascendas Reit, and also promotes active engagement with Management.

The Manager adopts and practises the principle of collective decisions and therefore, no individual Director influences or dominates the decision-making process. There is mutual respect and trust among the Directors and therefore the Board benefits from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board. At Board and Board Committee meetings, all the Directors attend and actively participate in discussions, in particular, they engage in open and constructive debate and challenge Management on its assumptions and recommendations.

The Directors are provided by Management with complete, adequate and timely information prior to Board and Board Committee meetings and on an ongoing basis. This enables the Directors to make informed decisions and discharge their duties and responsibilities.

As a general rule, meeting materials are provided to the Directors at least five working days prior to Board and Board Committee meetings, to allow them to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify. Agendas for Board and Board Committee meetings are prepared in consultation with the Chairman and chairmen of the respective Board Committees. This provides assurance that there is time to cover all relevant matters during the meetings.

In line with the Manager's ongoing commitment to minimise paper waste and reduce its carbon footprint, the Manager does not provide printed copies of Board and Board Committee meeting materials. Instead, the Directors are provided with tablet devices to enable them to access and review meeting materials prior to and during meetings. This initiative also enhances information security as the meeting materials are made available through a secure channel. The Directors are also able to review and approve written resolutions using the tablet devices.

A record of the Directors' attendance at Board and Board Committee meetings for FY2019 and the number of such meetings held is set out on page 138 of this Annual Report. CEO who is also a Director attends all Board meetings. He also attends all ARC meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Board and Board Committees on specific business matters. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

There is active interaction between the Directors and Management during and outside Board and Board Committee meetings. The Directors have separate and independent and unfettered access to Management for any information that they may require, at the Manager's expense. The Board and Management share a productive and harmonious relationship, which is critical for good governance and organisational effectiveness.

The Directors also have separate and independent access to the Company Secretary. The Company Secretary keeps himself or herself abreast of relevant developments. He or she has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends all Board meetings and assists the Chairman in ensuring that Board procedures are followed. The Company Secretary also facilitates the induction, training and development programme for new Directors and oversees professional development administration for the Directors. The appointment and the removal of the Company Secretary is subject to the Board's approval.

The Directors, whether individually or collectively as the Board, are entitled to have access to independent external professional advice, where necessary, at the Manager's expense.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

The Board has a strong independent element as six out of nine directors, including the Chairman, are non-executive IDs. Other than the CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. This exceeds the recommendations in the Code and fulfils rule 210(5)(c) of the Listing Manual, which requires the Board to comprise at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. None of the IDs had served on the Board for more than nine years.

Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 24 to 29 of this Annual Report. Key information on the Directors is also available on Ascendas Reit's website at www.ascendas-reit.com (Website).

The Board reviews from time to time the size and composition of the Board and each Board Committee, with a view to ensuring that the size is appropriate in facilitating effective decision-making, and the composition reflects a strong independent element as well as diversity of thought and background. The review takes into account the scope and nature of the Ascendas Reit Group's operations, and the competition that the Ascendas Reit Group faces.

The Board assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual, the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR), the provisions in the Code where relevant, and the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he or she is independent in conduct, character and judgement and;

(a) has no relationship with the Manager, its related corporations, substantial shareholders being shareholders who hold 5% or more of the voting shares (Substantial Shareholders) of the Manager, its substantial Unitholders being Unitholders who have interests in voting Units with 5% or more of the total votes attached to all voting Units (Substantial Unitholders) or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his or her independent business judgement in the best interests of the Unitholders;

(b) is 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 and every Substantial Unitholder;

(c) is not a Substantial Shareholder 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[1] 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 or was determined by the Board.

There is a rigorous process to evaluate the independence of each ID. As part of the process:

(a) each ID provides information of his or her business interests and confirms, on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business judgement with a view to the best interests of Ascendas Reit's Unitholders, and such information is then reviewed by the Board; and

(b) the Board also reflects on the respective IDs' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant ID has exercised independent judgement in discharging his or her duties and responsibilities.

Each ID is required to recuse himself or herself from the Board's deliberations on his or her independence. In appropriate cases, the Board also reviews the independence of an ID as and when there is a change of circumstances involving the ID. In this regard, an ID is required to report to the Manager any change of circumstances which may affect his or her independence.

The Board has carried out the assessment of the independence of its IDs for FY2019 and the paragraphs below set out the outcome of the assessment. Each of the IDs had recused himself or herself from the Board's deliberations on his or her independence.

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

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 is not involved in the day-to-day conduct of these corporations.

The Board 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 judgement in the discharge of their responsibilities as Directors. As at the last day of FY2019, 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 judgement.

Mr Lim Hock San, Ms Chong Chiet Ping, Ms Lim Sau Hoong and Mr Wong Yew Meng do not have any relationships and are not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect their independent judgement.

1 "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

The Board considered the conduct of Mr Lim Hock San, Mr Chan Pengee Adrian, Ms Chong Chiet Ping, Mr Daniel Cuthbert Ee Hock Huat, Ms Lim Sau Hoong and Mr Wong Yew Meng respectively in the discharge of their duties and responsibilities as Directors, and is of the view that Mr Lim Hock San, Mr Chan Pengee Adrian, Ms Chong Chiet Ping, Mr Daniel Cuthbert Ee Hock Huat, Ms Lim Sau Hoong and Mr Wong Yew Meng have exercised independent judgement in the discharge of their duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lim Hock San, Mr Chan Pengee Adrian, Ms Chong Chiet Ping, Mr Daniel Cuthbert Ee Hock Huat, Ms Lim Sau Hoong and Mr Wong Yew Meng are IDs.

Mr Manohar Khiatani, Mr Lim Cho Pin Andrew Geoffrey and Mr William Tay Wee Leong

Mr Manohar Khiatani, Mr Lim Cho Pin Andrew Geoffrey and Mr William Tay Wee Leong are non-independent Directors. Among other things, Mr Manohar Khiatani was the Deputy Group CEO of Ascendas-Singbridge before 1 July 2019 and is currently a Senior Executive Director of CapitaLand Group, Mr Lim Cho Pin Andrew Geoffrey is the Group Chief Financial Officer of CapitaLand Group. CapitaLand Limited has a 100% deemed interest in the Manager. Mr William Tay Wee Leong is the CEO of the Manager.

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 or 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 FY2019. The Board is satisfied that, as at the last day of FY2019, the respective Directors were able to act in the best interests of the Unitholders.

Board Diversity

The Board embraces diversity and formally adopted a Board Diversity Policy in 2019. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse balance and mix of expertise, experience, perspectives, skills, knowledge and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in business or professional experience, age and gender, so as to avoid groupthink and foster constructive debate.

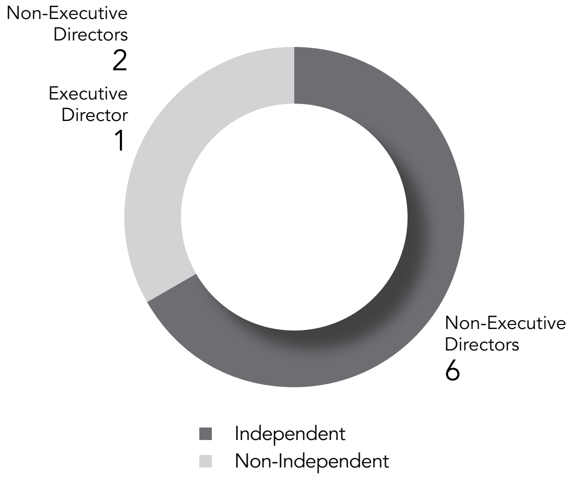
The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations. Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives.

The Board, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of board appointments to the Board, considers diversity factors such as age, educational, business and professional backgrounds of its members. Female representation is also considered an important aspect of diversity.

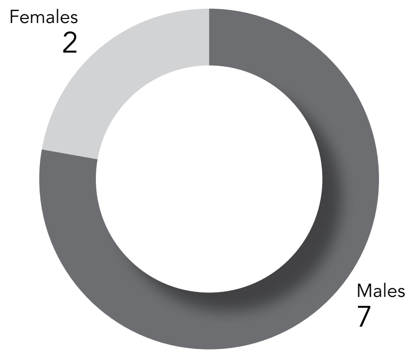
CORPORATE GOVERNANCE

The current Board comprises nine members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, real estate, information technology, marketing & branding, legal, accounting, business, customer-based experience or knowledge and general management. The current Board has two female members. For further information on the Board's work in this regard, please refer to "Board Membership" under Principle 4 in this Report.

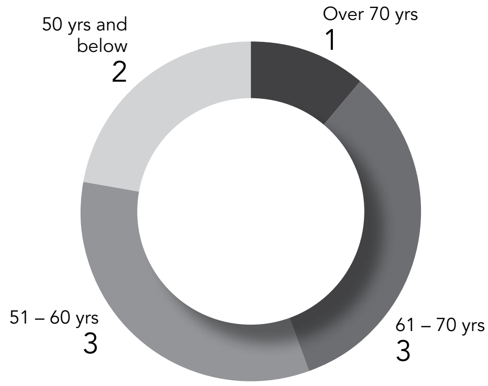
Board Independence



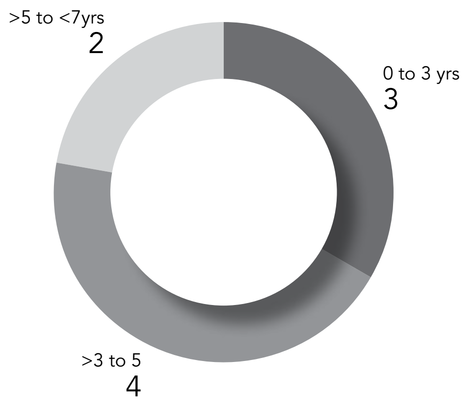
Board Gender Diversity



Age Spread



Tenure Mix



CORPORATE GOVERNANCE

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles and responsibilities of the Chairman and the CEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Mr Lim Hock San, whereas the CEO is Mr William Tay Wee Leong. They do not share any family ties. The Chairman and the CEO enjoy a positive and constructive working relationship between them and support each other in their respective leadership roles.

The Chairman provides leadership to the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of Board meetings, ensuring that there is sufficient information and time at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the CEO on strategic issues.

The Chairman devotes considerable time to understanding the business of Ascendas Reit, as well as the issues and the competition that Ascendas Reit faces. He plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. He also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for CEO on strategic and significant operational matters.

The Chairman also presides over the Annual General Meeting (AGM) each year and other general meetings where he plays a crucial role in fostering constructive dialogue between the Unitholders, the Board and Management.

The CEO has full executive responsibilities to manage the Ascendas Reit Group's business and to develop and implement policies approved by the Board.

The separation of the roles and responsibilities of the Chairman and the CEO which is set out in writing and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the Ascendas Reit Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

As the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, and the Chairman is an ID, the recommendation under the Code for a lead independent Director is not applicable. Nonetheless, 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 available to Unitholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. The lead independent Director is Mr Chan Pengee, Adrian.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

With effect from 1 February 2020, the NRC which had comprised Mr Lim Hock San, Mr Manohar Khiatani, Ms Chong Chiet Ping and Ms Lim Sau Hoong, had been dissolved by the Manager. While this is a variation from Provisions 4.1, 4.2, 4.4, 4.5, 5.1, 6.1, 6.2, 6.3 which requires a Nominating Committee and a Remuneration Committee to be set up, or assumes that such committees have been set up, the dissolution of the NRC is to streamline the functions performed by the NRC. The SGX-ST has also issued a Practice Note which provides that the requirement for the establishment of nominating and remuneration committees under the Listing Manual does not apply to REITs if the REIT complies with regulations made under the SFA relating to board composition of a REIT manager. As the Manager complies with Regulation 13D of the SFR relating to the composition of the Board of the Manager, the Manager is of the opinion that the corporate governance requirements relating to the nominating and remuneration committee have been substantively addressed.

Additionally, the dissolution of the NRC is not expected to have any adverse effect on the effective functioning of the Board as the Board will be undertaking all the responsibilities of the NRC. The Board is able to undertake the functions of the NRC because:

(a) the Manager does not manage any other REIT and in general, REITs (including Ascendas Reit) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of the NRC and the Board would be able to give adequate attention to such issues relating to nomination and remuneration matters; and

(b) the IDs form a majority of the Board and the Chairman is an ID, which demonstrate that the IDs play a substantive role and assure the objectivity and independence of the decision making process concerning nomination and remuneration. This also mitigates any concerns of conflict which can be managed by having the conflicted Directors abstain from the decision making process.

For the above reasons, Ascendas Reit's practices are consistent with Principles 4, 5 and 6. All disclosures in this Report is as at 24 February 2020 after taking into account the changes highlighted above unless otherwise stated.

The Board is responsible for the selection, appointment and re-appointment of directors to the Board. In determining whether to re-appoint a Director, the Board 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 Board's scope of duties and responsibilities in relation to nomination and remuneration matters includes:

1. reviewing the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
2. reviewing the training and professional development programmes for the Board and its Directors;

3. assessing the relevant attributes and corresponding representation and desired profile, underpinning any particular appointment or re-appointment;

4. using external support (for example, search consultants), when necessary, to source for potential candidates if required;

5. evaluating suitable candidates so that recommendations made on proposed candidates are objective and well supported;

6. meeting shortlisted candidates to assess suitability, and to ensure the candidates are aware of the level of commitment required;

7. determining annually, and as when circumstances require, if a Director is independent having regard to the circumstances set forth in pages 108 and 109 of this Report;

8. considering all aspects of remuneration, including termination terms, to ensure they are fair;

9. reviewing the succession plans for Directors for the Board's consideration, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; and

10. reviewing the appointment and re-appointment of Directors (including alternate directors, if any).

Candidates for new Directors may be shortlisted through a search. They may also be nominated by the Manager or the sole shareholder of the Manager, for endorsement by the Board. 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.

In recommending or endorsing the appointment of new Directors or re-appointment of existing Directors, the Board takes into consideration the current Board size and composition, including the diversity of skills, experience and knowledge which the new Director can provide to the Trust. The Board will also meet with the candidates to understand and assess how they can contribute effectively and commit their time to the Manager and Ascendas Reit as well as to ensure that new Directors are aware of their duties and obligations.

The Board has adopted internal guidelines to address the issue of competing time commitments when Directors serve on multiple boards and/or have other principal commitments. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Manager. 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 Board 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.

The Board 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 25 to 29 of the Annual Report.

Board Changes During FY2019

As at 24 February 2020, the Board consists of nine directors. Mr Miguel Ko has retired from his role as a non-executive non-independent director with effect from 1 August 2019 and has also relinquished his roles as vice-chairman of the Board, chairman of the IC and member of the NRC. On 10 October 2019, Mr Andrew Lim joined the Board as a non-executive non-independent Director.

All disclosures in this Report relating to the Board and/or Board Committees is as at 24 February 2020 after taking into account the changes highlighted above unless otherwise stated.

The Directors' listed company directorships and principal commitments are disclosed on pages 25 to 29 of this Annual Report and their attendance record for FY2019 is set out on page 138 of this Annual Report. In particular, CEO does not serve on any listed company board outside of the Ascendas Reit Group. For FY2019, the Directors achieved high meeting attendance rates and they have contributed positively to discussions at Board and Board Committee meetings. Based on the above, the Board has determined that each Director has been adequately carrying out his or her duties as a Director of the Manager and noted no Director has a significant number of listed directorships and principal commitments.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Manager believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

Whilst Board performance is ultimately reflected in the long-term performance of the Ascendas Reit Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Directors to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which is essential to effective stewardship and attaining success for Ascendas Reit.

The Board recommends the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual director to 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 the Chairman and 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 Board.

The annual assessment of the Board and the respective Board Committees' performance for FY2019 has been carried out and no external facilitator was used for the FY2019 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.

Board and Board Committees

The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision making process. For FY2019 the outcome of the evaluation was satisfactory and the Directors on the whole provided affirmative ratings across all the evaluation categories.

Individual Directors

The evaluation categories covered in the questionnaire include Director's duties, contribution, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY2019 the outcome of the evaluation was satisfactory and each of the Directors on the whole received affirmative ratings across all the evaluation categories.

The Board also recognises that contributions by an individual Director can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and Board Committee meetings.

Board Evaluation as an Ongoing Process

The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions between the Directors, and between the Directors and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms between Directors which also contributes to a positive Board culture. The collective Board performance and the contributions of individual Directors are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering Ascendas Reit in the appropriate direction, as well as the long-term performance of Ascendas Reit whether under favourable or challenging market conditions.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board undertakes the functions of a remuneration committee and therefore, the Manager does not have a separate remuneration committee. The Board performs the functions that such a committee would otherwise perform.

The Board is able to undertake the functions of a remuneration committee because:

(a) the Manager is a dedicated manager to Ascendas Reit and in general, REITs (including Ascendas Reit) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of a remuneration committee and the Board would be able to give adequate attention to such issues relating to remuneration matters; and

(b) the IDs form a majority of the Board and the Chairman is an ID, which demonstrate that the IDs play a substantive role and assure the objectivity and independence of the decision making process concerning remuneration. This also mitigates any concerns of conflict which can be managed by having the conflicted Directors abstain from the decision making process. Further, conflict situations are less likely to arise in matters of remuneration.

In undertaking this function, the Board considers all aspects of remuneration including overseeing the design and implementation of the remuneration policy and the specific remuneration packages for each Director and for key management personnel. No Director, however, is involved in any decision of the Board relating to his or her own remuneration.

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. These policies are in line with Ascendas Reit Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance, which is aligned with the long-term success of Ascendas Reit. Pay-for-performance is emphasised by linking total remuneration to the achievement of corporate and individual goals and objectives. The Board has access to independent remuneration consultants for advice on remuneration matters as required.

In terms of the process adopted by the Manager for developing and reviewing policies on remuneration and determining the remuneration packages for Directors and key management personnel, the Manager, through an independent remuneration consultant, takes into account compensation benchmarks within the industry, as appropriate, so as to ensure that the remuneration packages payable to Directors and key management personnel are in line with the objectives of the remuneration policies. It also considers the compensation framework of CL as a point of reference. The Manager is a subsidiary of CL which also holds a significant stake in Ascendas Reit. The association with the CL group puts the Manager in a better position to attract and retain better qualified management talent; it provides an intangible benefit to the Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities.

In FY2019, an independent remuneration consultant, Willis Towers Watson, provided professional advice on Board and executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries and markets. The consultant is not related to the Manager, its controlling shareholder, its related corporations or any of its Directors.

Remuneration policy for key management personnel

The remuneration framework and policy is designed to support the implementation of the Ascendas Reit Group's strategy, and deliver predictable distributions and achieve long-term capital stability for the Unitholders. The principles governing the Manager's key management personnel remuneration policy are as follows:

Business Alignment

- Focus on generating rental income and enhancing asset value over time so as to maximise returns from investments and ultimately the distributions and total returns to Unitholders
- Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents to build strong organisational capabilities

Motivate Right Behaviour

- Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance
- Strengthen line-of-sight linking rewards and performance

Fair & Appropriate

- Ensure competitive remuneration relative to the appropriate external talent markets
- Manage internal equity such that remuneration is viewed as fair across the Ascendas Reit Group
- Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Ascendas Reit Group, symmetrical with risk outcomes and sensitive to the risk time horizon

Effective Implementation

- Maintain rigorous corporate governance standards
- Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations
- Facilitate employee understanding to maximise the value of the remuneration programme

Remuneration for Key Management Personnel

The remuneration for key management personnel comprises fixed components, a variable cash component, unit-based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long-term incentives, in keeping with the principle that the interests of key management personnel align with those of Unitholders and that the remuneration framework links rewards to corporate and individual performance.

A. Fixed Components:

The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund.

B. Variable Cash Component:

The variable cash component comprises the Balanced Scorecard Bonus Plan (BSBP) that is linked to the achievement of annual performance targets for each key management personnel as agreed at the beginning of the financial year with the Board.

Under the Balanced Scorecard framework, the Ascendas Reit Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of Financial, Execution, Future Growth and Sustainability; these are cascaded down throughout the organisation, thereby creating alignment across the Ascendas Reit Group.

After the close of each financial year, the Board reviews the Ascendas Reit Group's achievements against the targets set in the Balanced Scorecard and determines the overall performance taking into consideration qualitative factors such as the quality of earnings, business environment, regulatory landscape and industry trends.

In determining the payout quantum for each key management personnel under the BSBP, the Board considers the overall business performance and individual performance as well as the affordability of the payout for the Manager.

C. Unit-based Components:

Unit awards granted in FY2019 pursuant to the Ascendas Funds Management (S) Limited Performance Unit Plan (PUP) and the Ascendas Funds Management (S) Limited Restricted Unit Plan (RUP) (together, the Unit Plans), were approved by the Board. The Manager believes that the Unit-based components of the remuneration for key management personnel serves to align the interests of such key management personnel with that of Unitholders and Ascendas Reit's long-term growth and value.

The obligation to deliver the Units is expected to be satisfied out of the Units held by the Manager.

To promote the alignment of Management's interests with that of Unitholders in the longer term, senior members of management are subject to Unit ownership guidelines to instill stronger identification with the longer-term performance and growth of the Ascendas Reit Group. Under these guidelines, senior management is required to retain a prescribed proportion of the Units received under the Unit Plans.

Ascendas Funds Management (S) Limited Performance Unit Plan

In FY2019, the Board granted awards which are conditional on targets set for a three-year performance period. A specified number of Units will only be released to the recipient at the end of the qualifying performance period, provided that minimally the threshold target is achieved. An initial number of Units (PUP baseline award) is allocated conditional on the achievement of a pre-determined target in respect of the Relative Total Unitholder Return (TUR) of the Ascendas Reit Group measured by the percentile ranking of Ascendas Reit Group's TUR relative to the constituent REITs in the FTSE ST REIT Index.

The above performance measure has been selected as a key measurement of wealth creation for Unitholders. The final number of Units to be released will depend on Ascendas Reit Group's performance against the pre-determined targets over the three-year qualifying performance period. This serves to align Management's interests with that of Unitholders in the longer term and to deter short-term risk taking. No Unit will be released if the threshold target is not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the PUP baseline award can be delivered up to a maximum of 200% of the PUP baseline award. The recipient will receive fully paid Units at no cost.

In respect of the Unit awards granted under the PUP in FY2019, the respective qualifying performance periods have not ended as at the date of this Report.

C. **Unit-based Components: (continued)**

Ascendas Funds Management (S) Limited Restricted Unit Plan

In FY2019, the Board granted awards which are conditional on targets set for a one-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

Under the RUP, an initial number of Units (RUP baseline award) is allocated conditional on the achievement of predetermined targets in respect of the following performance conditions:

(a) Net property income of the Ascendas Reit Group; and

(b) Distribution per Unit of Ascendas Reit Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to Unitholder value. The final number of Units to be released will depend on the Ascendas Reit Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released progressively over a vesting period of three years. No Unit will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the RUP baseline award can be delivered up to a maximum of 150% of the RUP baseline award. Recipients will receive fully paid Units at no cost. This ensures alignment between remuneration and sustaining business performance in the longer term.

In respect of the Unit awards granted under the RUP in FY2019, based on the Board's assessment that the performance achieved by the Ascendas Reit Group has met the pre-determined performance targets for FY2019, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

D. **Employee Benefits:**

The benefits provided are comparable with local market practices.

At present, there are five key management personnel (including the CEO). Each year, the Board evaluates the extent to which each of the key management personnel has delivered on the corporate and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel. In such evaluation, the Board considers whether the level of remuneration is appropriate to attract, retain and motivate key management personnel to successfully manage Ascendas Reit for the long term. The CEO does not attend discussions relating to his performance and remuneration.

The CEO's remuneration amount in a band of S$250,000 and the aggregate of the total remuneration of the other key management personnel (excluding the CEO), together with a breakdown of their respective remuneration components in percentage terms, are set out in the Key Management Personnel's Remuneration Table on page 139 of this Annual Report.

While the disclosure of the CEO's exact remuneration amount and the requisite remuneration band for each of the other key management personnel (who are not also Directors or the CEO) would be in full compliance with Provision 8.1 of the Code, the Board has considered carefully and decided that such disclosure would not be in the interest of the Manager due to the intense competition for talents in the industry as well as the need to balance the confidential and commercial sensitivities associated with remuneration matters. Despite this partial deviation from Provision 8.1 of the Code, the Manager is of the view that disclosure in such manner is not prejudicial to the interests of Unitholders' as the disclosures in the Remuneration Matters section and on page 139 of this Annual Report would provide sufficient information to the Unitholders on the Manager's remuneration policies and the level and mix of remuneration accorded to the key management personnel, and enable the Unitholders to understand the link between Ascendas Reit's performance and the remuneration of the key management personnel. In addition, the remuneration of the key management personnel is not borne by Ascendas Reit as it is paid out of the fees that the Manager receives (the quantum and basis of which have been disclosed).

Apart from the key management personnel and other employees of the Manager, the Manager outsources various other services to a wholly owned subsidiary of CL (CL Subsidiary). CL Subsidiary provides the services through its employees and employees of the CL group (together, the Outsourced Personnel). This arrangement is put in place so as to provide flexibility and maximise efficiency in resource management to match the needs of Ascendas Reit from time to time, as well as to leverage on economies of scale and tap on the management talent of an established corporate group which can offer enhanced depth and breadth of experience. However, notwithstanding the outsourcing arrangement, the responsibility for due diligence, oversight and accountability continues to reside with the Board and Management. In this regard, the remuneration of such Outsourced Personnel, being employees of CL Subsidiary and the CL group, is not included as part of the disclosure of remuneration of key management personnel of the Manager in this Report.

The Board seeks to ensure that the remuneration of the CEO and other key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets approved by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and longer-term quantifiable objectives.

In FY2019, no termination, retirement or post-employment benefits were granted to Directors, the CEO and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY2019, there were no employees of the Manager who were substantial shareholders of the Manager, substantial Unitholders of Ascendas Reit or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial Unitholder of Ascendas Reit. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Quantitative Remuneration Disclosure under AIFMD

The Manager is also required under the AIFMD to make quantitative disclosures of remuneration. Disclosures are provided in relation to (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.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies described in this Report.

The aggregate amount of remuneration awarded by the Manager to its staff (including CEO and non-executive Directors) in respect of FY2019 was approximately S$9.9 million[1]. This figure comprised of fixed pay of S$5.4 million[1], variable pay of S$3.9 million (including Units issued under the Unit Plans, where applicable) and allowances and benefits-in-kind of S$0.6 million. There was a total of 94 beneficiaries of the remuneration described above. In respect of FY2019, the aggregate amount of remuneration awarded by the Manager to its management (which are also members of staff whose actions have a material impact on the risk profile of Ascendas Reit) was approximately S$4.1 million, comprising 8 individuals identified having considered, among others, their roles and decision making powers.

Remuneration for Non-Executive Directors

The non-executive Directors' fees for FY2019, are set out in the Non-Executive Directors' Remuneration Table on page 139 of this Annual Report. The CEO who is an executive Director is remunerated as part of the key management personnel of the Manager and therefore does not receive any Director fees. The Director fees for the non-executive Directors who are employees of the CapitaLand group were waived.

The compensation policy for non-executive Directors is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The framework for the Directors' fees remains unchanged from that for the previous financial year.

The compensation package is benchmarked against market, taking into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and international nature of the Ascendas Reit Group's business. The remuneration of non-executive Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the non-executive Directors to provide good stewardship of the Manager.

For FY2019, the remuneration of the non-executive Directors is paid in cash. No compensation is payable to any non-executive Director 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.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Manager maintains adequate and effective systems of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safeguard Unitholders' interests and the Ascendas Reit Group's assets.

The Board has overall responsibility for the governance of risk and oversees the Manager in the design, implementation and internal control systems. The ARC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies for the Ascendas Reit Group and ensuring that Management maintains a sound system of risk management and internal controls.

1 Includes S$0.1million of Non-Executive Director fees which were waived.

Under its terms of reference, the scope of the ARC's duties and responsibilities is as follows:

(a) reviewing and discussing, as and when appropriate with Management the Group's risk governance structure, risk management systems and policies, including risk culture ("Tone at the Top"), risk identification, risk mitigation and monitoring processes and procedures;

(b) making recommendations to the Board for its determination the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and value creation, and the overall Group's levels of risk tolerance and risk policies;

(c) reviewing at least half-yearly, reports from Management on major risk exposures/risk profile, and the steps taken to monitor, control and mitigate such risks;

(d) reviewing reports on any material breaches of risk limits and the adequacy of the proposed action and provide timely input to the Board on critical risk issues that are brought to the ARC's attention;

(e) reviewing Management's recommendations to the Board on:

    i. risk limits;

    ii. changes to risk limits consistent with the Group's risk appetite and exposure; and

    iii. delegation of authority on risk limits.

(f) assessing the adequacy and effectiveness of the risk management and internal controls system established by the Manager to manage risks;

(g) reviewing the adequacy of resources directly involved in establishing and maintaining the risk management framework across the Group and monitor the independence of risk management functions throughout the Group;

(h) reviewing any issues raised by the external auditors and/or internal auditors, that relate to and impact the risk management framework; and

(i) providing a forum for proactively highlighting and addressing risk issues, and oversee Management in ensuring high levels of risk awareness and risk management best practices are implemented throughout the Group.

The Manager adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed as and when appropriate. As part of the ERM Framework, the Manager has identified material risks along with their mitigating measures.

The adequacy and effectiveness of the systems of risk management and internal controls are reviewed regularly by Management, the ARC and the Board, taking into account the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council and the Listing Manual. Any changes to the ERM Framework, risk policies, risk parameters and risk profiles were discussed with the ARC during the quarterly and additional scheduled meetings.

More information on the Manager's ERM Framework including the material risks identified can be found in the ERM section on pages 140 to 145 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the ARC. The ARC also reviews the adequacy and effectiveness of the measures taken by the Manager on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the CEO and the Chief Financial Officer (CFO) of the Manager that:

(a) the financial records of the Ascendas Reit Group have been properly maintained and the financial statements for FY2019 give a true and fair view of the Ascendas Reit Group's operations and finances; and

(b) the systems of risk management and internal controls within the Ascendas Reit Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) that the Manager considers relevant and material to the current business environment.

The CEO and the CFO have obtained similar assurances from the other key management personnel as well as the respective risk and control owners.

In addition, in FY2019, the Board received quarterly certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

Based on the ERM Framework and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the CFO, the Board is of the opinion that the systems of risk management and internal controls (including financial, operational, compliance and information technology controls) are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Ascendas Reit Group considers relevant and material to its current business environment as at 31 December 2019. The ARC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the ARC in the review for FY2019.

The Board notes that the systems of risk management and internal controls established by the Manager provide reasonable assurance that the Ascendas Reit Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit and Risk Committee

The Board has an Audit and Risk Committee which discharges its duties objectively.

At present, the ARC comprises five non-executive Directors, four of whom (including the chairman of the ARC) are IDs. The ARC chairman is a Director other than the Chairman of the Board. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains.

The ARC does not comprise former partners of Ascendas Reit's incumbent external auditors, Ernst & Young LLP (a) within a period of two years commencing from the date of their ceasing to be partners of Ernst & Young LLP; or (b) who have any financial interest in Ernst & Young LLP.

The ARC has explicit authority to investigate any matter within its terms of reference. Management provides the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the ARC. The ARC has direct access to the internal and external auditors and full discretion to invite any Director or key management personnel to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the ARC.

Under its terms of reference, the ARC's scope of duties and responsibilities is as follows:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Ascendas Reit Group and any announcements relating to the Ascendas Reit Group's financial performance;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the internal controls (including material financial, operational, compliance and IT controls) and risk management system;

(c) reviewing the assurances from the CEO and CFO on the financial records and financial statements of the Ascendas Reit Group;

(d) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the independence and objectivity of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the Manager's internal audit and compliance functions;

(f) making recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration of the external auditors;

(g) reviewing and approving processes to regulate an Interested Person (as defined in Chapter 9 of the Listing Manual) and/or Interested Party (as defined in the Property Funds Appendix) (each, an Interested Person) and Ascendas Reit and/or its subsidiaries (Interested Person Transactions), to ensure compliance with the applicable regulations. The regulations include the requirement that Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Ascendas Reit and its minority Unitholders. In respect of any asset or property management agreement which is an Interested Person Transaction, the ARC also carries out reviews at appropriate intervals to satisfy itself that the Manager has reviewed the asset or property manager's compliance with the terms of the respective asset or property management agreement and has taken remedial actions where necessary; and

(h) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The ARC undertook a review of the independence of the external auditors, taking into consideration, among other factors, all non-audit services provided by the external auditors, Ascendas Reit's relationships with the external auditors in FY2019, as well as the processes and safeguards adopted by the Manager and the external auditors relating to audit independence. Based on the review, the ARC is satisfied that the external auditors are independent and that the provision of non-audit services would not affect the independence of the external auditors. The external auditors have also provided confirmation of their independence to the ARC. The total audit and non-audit fees paid and payable to external auditors for FY2019 amounted to S$772,850, comprising audit fees of S$735,050 and non-audit fees of S$37,800.

The ARC holds at least one scheduled meeting in a quarter and met five times in the nine-month period of FY2019. The CEO and the CFO were in attendance at all meetings. During each of the quarterly meetings, among other things, the ARC reviewed the financial statements including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues. It recommended the financial statements and corresponding announcements to the Board for approval. In FY2019, the ARC also reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Manager to manage risks, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the CFO.

The ARC also meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least once a year. In FY2019, the ARC met with the external auditors and internal auditors once, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems and the significant comments and recommendations by the auditors.

Where relevant, the ARC makes reference to best practices and guidance for audit committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

Key Audit Matter

In its review of the financial statements of the Ascendas Reit Group for FY2019, the ARC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC reviewed, among other matters, the key audit matter set out below, as reported by the external auditors for FY2019.

Key audit matter	How this issue was addressed by the ARC
Valuation of investment properties	The annual valuation for the 198 investment properties in Ascendas Reit's portfolio as at 31 December 2019 was performed by nine independent external professional property valuers. Information on these valuers, the relevant investment properties in Ascendas Reit's portfolio which they valued as at 31 December 2019 and their respective valuations can be found in the announcement made by the Manager on SGXNet on 31 January 2020. 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 record, 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/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, discount, terminal yield and equivalent yield 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 December 2019. Refer to pages 148 and 149 of this Annual Report. No other significant matter came to the attention of the ARC during the course of the review.

Changes to the accounting standards and accounting issues which have a direct impact on the financial statements are reported to and discussed with the ARC at its meetings. Directors are also invited to attend relevant seminars organised by leading accounting firms which provide updates on changes to accounting standards and key issues relating to accounting standards.

The Manager confirms, on behalf of Ascendas Reit, that Ascendas Reit complies with Rules 712 and 715 of the Listing Manual.

Internal Audit

The Manager outsourced the internal audit function to Deloitte & Touche Enterprise Risk Services Pte. Ltd. (Deloitte) which is staffed by qualified executives. Deloitte 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). Deloitte also has unfettered access to Ascendas Reit's documents, records, properties and personnel (including the ARC), and has appropriate standing within Ascendas Reit. 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. If required, the ARC also decides on the appointment, termination and remuneration of the internal audit function.

The ARC has carried out a review of the internal audit function and is satisfied that the internal audit function performed by Deloitte is adequately resourced, effective and independent.

Deloitte has carried out reviews to ascertain that (i) policies and procedures for identification, review and reporting of interested person transactions (IPTs) are established, updated and communicated to the relevant personnel, (ii) IPTs register is maintained and reviewed periodically, and (iii) IPTs are valid and accurate, and identified completely by management. Reports were submitted to the ARC quarterly.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13: Managing Stakeholder Relationships

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager is committed to treating all Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions.

General Meetings

Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person, or in the case of a corporate Unitholder, through its appointed representative). Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two-proxy limitation and are able to appoint more than two proxies to attend, speak and vote at general meetings of Ascendas Reit.

Ascendas Reit supports the principle of encouraging Unitholder participation and voting at general meetings. Ascendas Reit's Annual Report is provided to Unitholders within 120 days from the end of Ascendas Reit's financial year. Unitholders may download the Annual Report from the Website and printed copies of the Annual Report are available upon request. More than the legally required notice period for general meetings is generally provided. Unitholders will receive the notices of general meetings and may download these notices from the Website. Notices of the general meetings are issued on SGXNet. The rationale and explanation for each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to exercise their votes on an informed basis.

At the general meetings, Management makes a presentation to Unitholders to update them on Ascendas Reit's performance, position and prospects. The presentation materials are made available to Unitholders on the Website and also on SGXNet. Unitholders are informed of the rules governing general meetings and are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting Ascendas Reit and the proposed transactions. Representatives of the Trustee, Directors (including the chairman of the respective Board Committees), key management personnel and the external auditors of Ascendas Reit are present for the entire duration of the general meetings to address any queries that the Unitholders may have including queries about the conduct of Ascendas Reit's external audit and the preparation and content of the external auditors' report. The external auditors of Ascendas Reit and the independent financial advisors were present for the entire durations of the AGM and EGM respectively. Directors and Management also interact with Unitholders after the general meetings.

All Directors attended the general meetings held during their tenure in FY2019 (save for Mr Ko and Ms Chong). A record of the Directors' attendance at the general meetings in FY2019 can be found in their meeting attendance records as set out on page 138 of this Annual Report.

To safeguard the Unitholders' interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting.

To ensure transparency in the voting process and better reflect Unitholders' interests, Ascendas Reit conducts electronic poll voting for all the resolutions proposed at general meetings. One Unit is entitled to one vote. Voting procedures and the rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders immediately after each resolution is voted on at the general meetings. The total number of votes cast for or against each resolution and the respective percentages are also announced on SGXNet after the general meetings.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. Ascendas Reit's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia via mail, email or other electronic or online means. The Manager will consider implementing the relevant amendments to Ascendas Reit's Trust Deed relating to absentia voting after it has carried out careful study and is satisfied that the integrity of information and the authentication of the identity of Unitholders through the internet will not be compromised, and after the implementation of legislative changes to recognise remote voting. The Manager is of the view that although full compliance with Provision 11.4 of the Code has not yet been achieved, Unitholders nevertheless have adequate opportunities to communicate their views on matters affecting Ascendas Reit even when they are not in attendance at general meetings and that this is consistent with Principle 11. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

Minutes of the general meetings, recording the substantial and relevant comments made, questions raised, and answers provided, are prepared and are available to Unitholders for their inspection upon request. Minutes of general meetings are also made available on the Website.

Distribution Policy

Ascendas Reit currently distributes 100% of its distributable income to Unitholders, other than gains on the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

Due to the change of financial year end from 31 March to 31 December, FY2019 is a nine-month period from 1 April 2019 to 31 December 2019. The regular distributions to Unitholders of Ascendas Reit was for the six-month period ended 30 September 2019 and the three-month period ended 31 December 2019. Thereafter, the regular distributions shall be made on a semi-annual basis for every six-month period ending 30 June and 31 December each year.

Timely Disclosure of Information

The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of Ascendas Reit's performance and any changes in the Ascendas Reit Group or its business which would likely to materially affect the price or value of the Units.

In FY2019, the Manager provided Unitholders with periodic and annual financial statements within the relevant periods prescribed by the Listing Manual. These periodic and annual financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The releases of periodic and annual financial statements were accompanied by news releases issued to the media and which were also made available on SGXNet. In presenting the periodic and annual financial statements to Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of Ascendas Reit and the Ascendas Reit Group's performance, position and prospects.

In addition to the release of financial statements, the Manager also keeps Ascendas Reit's Unitholders, stakeholders and analysts informed of the performance and changes in the Ascendas Reit Group or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions. This is performed through the release on SGXNet of announcements in compliance with regulatory reporting requirements and news releases for the media, on a timely and consistent basis. These announcements and news releases are also posted on the Website.

CORPORATE GOVERNANCE

The Manager has a formal policy on corporate disclosure controls and procedures to ensure that Ascendas Reit complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate the decision-making process and an obligation on internal reporting of the decisions made.

The Manager believes in conducting the business of Ascendas Reit in ways that seek to deliver predictable distributions and achieve long-term capital stability for Unitholders. Best practices are promoted as a means to build an excellent business for Ascendas Reit and the Manager's accountability to Unitholders for Ascendas Reit's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Manager.

Investor Relations

The Manager has in place an Investor Relations department which facilitates effective communication with Unitholders and analysts. The Manager also maintains the Website which contains information on Ascendas Reit including but not limited to current and past announcements and news releases, financial statements, investor presentations and Annual Reports.

The Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place an investor relations policy to promote regular, effective and fair communications with Unitholders. The investor relations policy sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions. Unitholders are welcomed to engage with the Manager beyond general meetings and they may do so by contacting the Investor Relations department, whose details may be found on the Website via the Contact Us section.

More information on the Manager's investor relations efforts can be found in the Investor Relations section on pages 54 to 57 of this Annual Report.

The Manager also has in place a corporate communications function supported by CL's Group Communications department which works closely with the media and oversees Ascendas Reit's media communications efforts.

Managing Stakeholder Relationships

The Board's role includes considering sustainability as part of its strategic formulation. The Manager adopts an inclusive approach for Ascendas Reit by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of Ascendas Reit are served. The Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in Ascendas Reit's business strategies and operations. The Manager has arrangements in place to identify and engage with material stakeholder groups and to manage Ascendas Reit's relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information to facilitate communication and engagement with Ascendas Reit's stakeholders. More information on key engagement modes for material stakeholder groups can be found in the Integrated Sustainability Report prepared in accordance with the Global Reporting Initiative (GRI) Standards.

Ascendas Reit received recognition for its efforts; it was the runner-up of the Sustainability Award (REITs and Business Trusts category) at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards. Ascendas Reit is also listed on several ESG indices including iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index.

ADDITIONAL INFORMATION

Investment Committee

In addition to the ARC, the Board has also established an IC.

The IC comprises five Directors, two of whom are independent Directors. The five members on the IC are Mr Manohar Khiatani (IC chairman), Mr Lim Hock San, Mr Daniel Cuthbert Ee Hock Huat, Mr Lim Cho Pin Andrew Geoffrey and Mr William Tay Wee Long.

The IC is authorised to review all matters within its terms of reference. Pursuant to the IC's terms of reference, the IC's scope of duties and responsibilities involve assisting the Board in its oversight of responsibilities in the areas of investment, divestment and asset enhancement initiatives within the IC's approval limits.

For FY2019, the IC regularly reviewed and approved matters tabled via circulation.

Dealings with Interested Persons
Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions 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, and are not prejudicial to the interests of Ascendas Reit and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the ARC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of Ascendas Reit and Unitholders which may include obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). Regulatory requirements relating to IPTs, such as Chapter 9 of the Listing Manual and the Property Funds Appendix, 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.

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

Interested Person Transactions[1]	Approving Authority, Procedures and Disclosure
Transactions[2] equal to or exceeding S$100,000 in value but below S$15 million	› **Audit & Risk Committee** (review at regular intervals)
Transactions[2] equal to or exceeding S$15 million but below 3.0% of Ascendas Reit Group's latest audited net tangible assets	› **Audit & Risk Committee** (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)
Transactions[2] equal to or exceeding 3.0% of the Ascendas Reit Group's latest audited net tangible assets but below 5.0% of the Ascendas Reit Group's latest audited net tangible assets	› **Audit & Risk Committee** (the ARC may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers) › **Immediate announcement**
Transactions[2] equal to or exceeding 5.0% of the Ascendas Reit Group's latest audited net tangible assets	› **Audit & Risk Committee** (the ARC may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers) › **Immediate announcement** › **Unitholders[3]**

1 This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rule 915 and Rule 916 of the Listing Manual.
2 Either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year
3 Any transaction which has been approved by Unitholders, or is the subject to the aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

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 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.

Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by Ascendas Reit in FY2019 are disclosed on page 257 of this Annual Report.

Role of the Audit & Risk Committee for Interested Person Transactions

The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length, on normal commercial terms and are not prejudicial to Ascendas Reit and Unitholders' interests.

The Manager maintains a register to record all Interested Person Transactions which are entered into by Ascendas Reit (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions are subject to regular periodic reviews by the ARC, and 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 Interested Person Transactions, including the relevant provisions of the Listing Manual and the Property Funds Appendix, as well as any other guidelines which may from time to time be prescribed by the SGX-ST, MAS or other relevant authorities, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. In addition, the Trustee also reviews such audit reports to ascertain that the Listing Manual and the Property Funds Appendix have been complied with.

Dealing with Conflicts of Interest

The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, key management personnel and employees) may encounter in managing Ascendas Reit:

(a) the Manager is a dedicated manager to Ascendas Reit and will not manage any other REIT or be involved in any other real property business;

(b) all resolutions at meetings of the Board in relation to matters concerning Ascendas Reit must be decided by a majority vote of the Directors, including at least one ID;

(c) in respect of matters in which CL and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CL and/or its subsidiaries to the Board will abstain from voting. In such matters, the quorum must comprise a majority of IDs and shall exclude such nominee Directors of CL and/or its subsidiaries;

(d) in respect of matters in which a Director or his or her associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);

(e) if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Ascendas Reit with an affiliate of the Manager, the Manager is obliged to consult with a reputable law firm (acceptable to the Trustee) which 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 a prima facie case against the party allegedly in breach under such agreement, the Manager is obliged to pursue the appropriate remedies under such agreement; and

(f) at least one-third of the Board shall comprise IDs.

In respect of voting rights where the Manager would face a conflict between its own interests and that of Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings in Securities

The Manager has adopted a securities dealing policy for the officers and employees which applies the best practice recommendations in the Listing Manual. Under this policy, Directors and employees of the Manager as well as certain relevant executives of the CL group (together, the Relevant Persons), are required to refrain from dealing in Ascendas Reit's securities (i) while in possession of material unpublished price-sensitive information, and (ii) during a prescribed period in accordance with the Listing Manual (Black-Out Period) immediately preceding, and up to the time of each announcement of Ascendas Reit's financial statements during a financial year. Prior to the commencement of each Black-Out Period, an email would be sent to all the Relevant Persons to inform them of the duration of the Black-Out Period. The Manager also does not deal in Ascendas Reit's securities during the same Black-Out Period. In addition, employees and Capital Markets Services License Appointed Representatives (CMSL Representatives) of the Manager are required to give pre-trading notification to the CEO and the Compliance department before any dealing in Ascendas Reit's securities.

The policy also provides for the Manager to maintain a list of persons who are privy to price sensitive information relating to Ascendas Reit Group as and when circumstances require such a list to be maintained.

Directors and employees of the Manager are also required to refrain from dealing in Ascendas Reit's securities if they are in possession of unpublished price-sensitive information of Ascendas Reit arising from their appointment as Directors and/or in the course of performing their duties. As and when appropriate, they would be issued an advisory to refrain from dealing in Ascendas Reit's securities.

Under this policy, Directors and employees of the Manager are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

A Director is required to notify the Manager of his or her interest in Ascendas Reit's securities within two business days after (a) the date in which he or she becomes a Director or (b) the date on which he or she acquires an interest in Ascendas Reit's securities. A Director is also required to notify the Manager of any change in his or her interests in Ascendas Reit's securities within two business days after he or she becomes aware of such change.

Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual. In FY2019, other than the timely disclosed dealings below, there were no dealings by the Directors in Ascendas Reit's securities.

Date	Director	Dealings
23 August 2019	William Tay Wee Leong	Acceptance of 148,642 contingent baseline unit awards under the Manager's Unit Plans
06 December 2019	William Tay Wee Leong	6,400 new units at S$2.63 per unit allotted pursuant to the acceptance of 6,400 provisional allotted rights units
06 December 2019	Daniel Cuthbert Ee Hock Huat	3,200 new units at S$2.63 per unit allotted pursuant to the acceptance of 3,200 provisional allotted rights units
06 December 2019	Lim Cho Pin Andrew Geoffrey	1,760 new units at S$2.63 per unit allotted pursuant to the acceptance of 1,760 provisional allotted rights units

Code of Business Conduct

The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place.

The policies and guidelines are published on CL group's intranet, which is accessible by all employees of the Manager.

The policies that the Manager has implemented aim to help to detect and prevent occupational fraud in mainly three ways, as set out below.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees may face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Fraud, Bribery and Corruption Risk Management Policy

In line with its core values, the Manager is committed to doing business with integrity. This is reflected in its longstanding zero tolerance stance against fraud, bribery and corruption. Consistent with this commitment, various policies and guidelines are in place to guide all employees of the Manager to maintain the highest standards of integrity in their work and business dealings. This includes clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, and an annual pledge by all employees of the Manager to uphold the Manager's core values and to not engage in any corrupt or unethical practices. The Manager's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. Pursuant to this policy, the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

The Manager's employees adhere to CL's Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the strong stance against fraud, bribery and corruption, and sets the overarching approach and standards in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The Manager's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions.

Whistle-Blowing Policy

A whistle-blowing policy and other procedures are put in place to provide the Manager's employees and parties who have dealings with the Manager with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow-up action. The objective of this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. The ARC reviews all whistle-blowing complaints at its scheduled meetings. Independent, thorough investigation and appropriate follow-up actions are taken. The outcome of each investigation is reported to the ARC. All employees of the Manager are informed of the policy which is made available on the CL group's intranet.

Business Continuity Management

The Manager has a Business Continuity Plan (BCP) that puts in place the prevention, detection, response and business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the Ascendas Reit Group's operations. In the BCP, the critical business functions, processes and resources have been identified. Periodic desk-top exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of processes, procedures and escalation protocols. This holistic BCP approach serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber attacks, data breaches and epidemics. This approach aims to minimise financial loss to Ascendas Reit, allows the Manager to continue to function as the manager of Ascendas Reit and mitigate any negative effects that the disruptions could have on the Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations. The Manager has also acquired insurance policies for the Ascendas Reit Group on business interruption events.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a Capital Markets Services License issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;

(b) customer due diligence;

(c) suspicious transaction reporting;

(d) record keeping;

(e) employee screening and CMSL Representative screening; and

(f) training.

The Manager has in place a policy on the prevention of money laundering and terrorism financing and remains alert at all times to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, all relevant records or documents relating to business relations with Ascendas Reit's customers or transactions entered into must be retained for a period of at least five years following the termination of such business relations or the completion of such transactions.

Periodic training is provided by the Manager to its Directors, employees and CMSL Representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

Composition of Board Committees in FY2019

Board Members	Audit & Risk Committee	Nominating & Remuneration Committee[4]	Investment Committee
Lim Hock San		C	M
Miguel Ko[1]		M	C
William Tay Wee Leong			M
Chan Pengee, Adrian	C		
Chong Chiet Ping	M	M	
Lim Sau Hoong		M	
Wong Yew Meng	M		
Daniel Cuthbert Ee Hock Huat	M		M
Manohar Khiatani[2]	M	M	C
Lim Cho Pin Andrew Geoffrey[3]		M	M

Denotes: C – Chairman M – Member

Notes:
1. Retired as a Director and as Vice-Chairman of the Board, chairman of the IC and Member of the NRC on 1 August 2019.
2. Appointed as chairman of the IC and Member of the NRC on 1 August 2019.
3. Appointed as a Director, and as Member of the IC and Member of the NRC on 10 October 2019.
4. The Nominating & Remuneration Committee was dissolved on 1 February 2020.

Attendance Record of Meetings of Unitholders, Board and Board Committees in FY2019[1]

	Board[7]	Audit & Risk Committee[8]	Nominating & Remuneration Committee[9]	AGM	EGM
No. of Meetings Held	**8**	**5**	**2**	**1**	**1**
Board Members					
Lim Hock San	100%	–	100%	100%	100%
Miguel Ko[2,3]	–	–	100%[3]	–	–
William Tay Wee Leong	100%	–	–	100%	100%
Chan Pengee, Adrian	100%	100%	–	100%	100%
Chong Chiet Ping[4]	100%	100%	100%	100%	–
Lim Sau Hoong	100%	–	100%	100%	100%
Wong Yew Meng	100%	100%	–	100%	100%
Daniel Cuthbert Ee Hock Huat	100%	100%	–	100%	100%
Manohar Khiatani[5]	100%	100%	–	100%	100%
Lim Cho Pin Andrew Geoffrey[6]	100%	–	–	–	100%

Notes:
1 All Directors are required to attend Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
2 On leave of absence from 21 January 2019. Mr Miguel Ko retired as a Director, and ceased to be the Vice-Chairman of the Board, chairman of the IC and a Member of the NRC on 1 August 2019.
3 Mr Manohar Khiatani attended one NRC meeting as acting chairman on behalf of Mr Miguel Ko during Mr Ko's leave of absence.
4 Not in attendance for EGM due to conflicting schedule.
5 Appointed as chairman of the IC and Member of the NRC on 1 August 2019.
6 Appointed as a member of the Board, and Member of the IC and Member of the NRC on 10 October 2019.
7 Includes a Board Strategy Meeting and three ad-hoc Board meetings.
8 Includes two ad-hoc ARC meetings.
9 The Nominating & Remuneration Committee was dissolved on 1 February 2020.

The IC regularly reviewed and approved matters tabled via circulation in FY2019.

Key Management Personnel's Remuneration Table for FY2019[1]

Remuneration	Components of Remuneration: Salary inclusive of AWS and employer's CPF	Bonus and Other Benefits inclusive of employer's CPF[2]	Award of Units[3]	Total
CEO				
William Tay Wee Leong	30%	35%	35%	100%
Remuneration band for CEO: Above S$1,000,000 to S$1,250,000				
Key Management Personnel (excluding CEO)				
Koo Lee Sze Serena Teo Lawden Tan Yeow Kit Peng Paul Toussaint[4]	41%	37%	22%	100%
Total remuneration for Key Management Personnel (excluding CEO): S$2,190,653				

1 Remuneration disclosed is for the nine-month financial year from 1 April 2019 to 31 December 2019, unless otherwise stated.
2 The amounts disclosed include bonuses earned which have been accrued for in FY2019.
3 The proportion of value of the Unit awards is based on the fair value of the Units comprising the contingent awards under the Ascendas Funds Management (S) Limited Restricted Unit Plan (RUP) and the Ascendas Funds Management (S) Limited Performance Unit Plan (PUP) at the time of grant in FY2019. The final number of Units released under the contingent awards of Units for the RUP and PUP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RUP and PUP.
4 Mr Paul Toussaint ceased to be the CEO, Australia on 30 June 2019 as he was re-deployed to another entity of the CL group.

Non-Executive Directors' Remuneration Table for FY2019[1]

	Total (S$)[2]
Non-Executive Directors	
Lim Hock San	105,000
Miguel Ko[3,4]	24,335
Chan Pengee, Adrian	87,500
Chong Chiet Ping	70,000
Lim Sau Hoong	51,500
Wong Yew Meng	61,500
Daniel Cuthbert Ee Hock Huat	71,500
Manohar Khiatani[6]	78,835
Lim Cho Pin Andrew Geoffrey[5,6]	17,144
Aggregate of remuneration for Non-Executive Directors: S$567,314	

1 Directors' fees computed for the nine-month financial year from 1 April 2019 to 31 December 2019.
2 Inclusive of attendance fees of (a) S$1,000 per meeting attendance (in person, or via teleconferencing or video conferencing), (b) ad-hoc meeting with Management of S$500 per meeting attendance and, (c) an additional of S$500 per day for overseas attendance allowance. Directors' fees are subject to the approval of the Manager's shareholder.
3 The Director's fees for Mr Miguel Ko payable to Ascendas Investment Pte Ltd (AIPL) and CLA Real Estate Holdings Pte Ltd (CLA), were waived by AIPL and CLA respectively.
4 Mr Miguel Ko retired as non-executive non-ID and Vice-Chairman of the Board, chairman of the IC and Member of the NRC on 1 August 2019.
5 Mr Lim Cho Pin Andrew Geoffrey was appointed as non-executive non-ID, Member of the IC and Member of the NRC on 10 October 2019.
6 The director fees for Mr Manohar Khiatani and Mr Lim Cho Pin Andrew Geoffrey payable to their employers in the CL group were waived.

ENTERPRISE RISK MANAGEMENT

Ascendas Reit and its subsidiaries (Group) take a proactive approach to risk management, making it an integral part of the business — both strategically and operationally. The Group's objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk appetite levels set by the Board of Directors (Board). Measured risks are taken in a prudent manner for justifiable business reasons.

GOVERNANCE

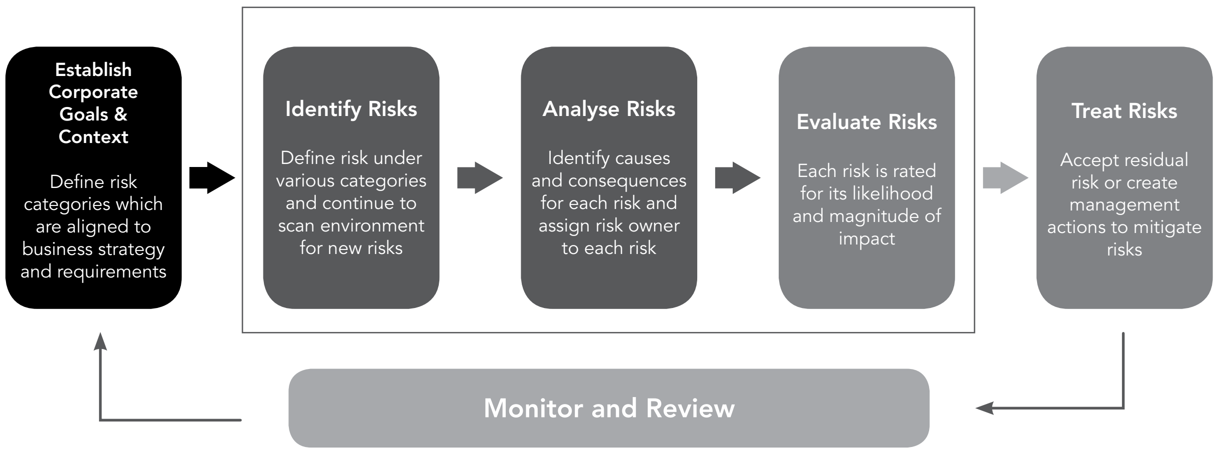
The Board is responsible for the governance of risks across the Group. Its role includes overseeing the Group's Enterprise Risk Management (ERM) Framework; determining the Group's risk appetite; regularly reviewing the Group's risk profile, material risks and mitigation strategies; and ensuring the adequacy and effectiveness of the risk management framework and policies. For these purposes, the Board is assisted by the Audit and Risk Committee (ARC), which provides dedicated oversight of risk management at the Board level, including ad hoc risk matters referred to it by the Board.

The ARC, made up of five Board members, four of whom are independent, meets on a regular basis. The meetings are attended by the Chief Executive Officer (CEO) as well as other key management staff.

The Board approves the Group's ERM and risk appetite, which determines the nature and extent of material risks that the Group is willing to take to achieve its strategic and business objectives, with accompanying risk limits that determine specific risk boundaries established at an operational level. Taking the interests of key stakeholders into consideration, the approved risk appetite helps define the Group's desired risk profile and ensures it is aligned with the Group's strategies and business plans.

The CEO, together with a team of key management personnel, is responsible for directing and monitoring the development, implementation and practice of ERM within the Group. Operationally, the risk management function is tasked to develop, implement and monitor risk management policies, methodologies and procedures.

Risk Assessment Model



The Group's ERM Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management Standards and other relevant best practices and guidelines. 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 ERM Framework also specifies the required environmental and organisational components needed to manage risks in an integrated, systematic and consistent manner. The ERM Framework and related risk management policies are reviewed annually.

ENTERPRISE RISK MANAGEMENT

A robust internal control system and an effective, independent review and audit process underpin the Group's ERM Framework. While the management (Management) is responsible for the design and implementation of effective internal controls using a risk-based approach, the outsourced Internal Audit function reviews such design and implementation to provide reasonable assurance to the ARC on the adequacy and effectiveness of the risk management and internal control systems.

The Group's ERM programme is based on fostering the right risk culture. Risk management principles are embedded in all decision-making and business processes. This requires Management and risk owners to identify, assess and document material risks; along with the key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed by Management before they are presented to ARC and the Board.

MANAGING MATERIAL RISKS

The Manager takes a comprehensive, iterative approach in identifying, managing, monitoring and reporting material risks across the Group. These material risks include:

Material Risk	Details	Key Mitigating Action
Strategic	• 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 instability, 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	• Ascendas Reit's portfolio comprises properties located in Singapore, Australia, the United Kingdom and the United States of America, 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.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Investment and Development	• Risk of not acquiring yield-accretive assets or above target return investments that will 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. 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. • 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	• Exposure to financial risks including funding (liquidity and interest rate) and foreign exchange risks. • Inability to obtain capital at competitive rates for funding new acquisitions. • Volatility of interest rates resulting in increased financing costs. • Volatility of foreign currency resulting in financial losses.	• The Manager regularly reviews Ascendas Reit's debt and capital management profile. • Funding risks are mitigated 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. • For more details, please refer to the Financial Risk Management section on pages 232 to 241.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Operational	• 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. • 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.	• 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 carried out from time to time to maintain the relevance and competitiveness of the properties. • Diversified tenant base across multiple sectors, with proactive tenant management strategies in place to mitigate leasing risk. • Oversight of the asset and property managers to ensure that agreed performance indicators are met. • 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 carried out periodically to review compliance with the SOPs, and identify and rectify any gaps. • Property Managers conduct regular site inspections, audits and monthly reviews to ensure the safety of Ascendas Reit's tenants, contractors, employees and visitors. • 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, including epidemic outbreaks such as the Coronavirus Disease 2019 (COVID-19). • Adequate insurance coverage is procured to protect against unforeseen losses.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
		• Service providers and suppliers are subject to a balanced procurement process, which includes screening of their financial, 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	• Subjected to applicable local laws and regulations in the markets that Ascendas Reit operates in. • Non-compliance may result in penalties, fines and even revocation of the Manager's Capital Markets Services License.	• Maintain a framework that proactively identifies applicable laws and regulations, and embeds compliance into day-to-day operations. • Leverage on in-house specialised teams such as compliance and tax that provide advisory services and updates on latest changes to laws and regulations.
Information Technology/ Cyber Security	• Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of the Group's information assets and/ or systems.	• The outsourced IT team from CapitaLand executes its Cyber Security Strategy through ongoing review against existing/evolving threat landscapes and institute measures to minimise vulnerability exposure and manage threat vectors. • Roll out ongoing staff IT Security Awareness Training to reduce probability of staff being targeted by cyber threats. • Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy. • Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incident.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Sustainability	• Risks that arise out of uncertainties in the long-term continuity of the business due to significant negative impact from Economic, Environment, Social and Governance (EESG) related factors. • The Manager recognises the importance of addressing such issues in order to achieve 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.	• The Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in Ascendas Reit's business strategies and operations. • The Manager has identified and assessed material issues with the most significant impact to business operations and stakeholders. • Every year, targets are set to address each material issue and the Manager tracks and reports its performance via its annual Integrated Sustainability Report. • For more details, please refer to the Integrated Sustainability Report FY2019.

REPORT OF THE TRUSTEE

Year ended 31 December 2019

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Ascendas Funds Management (S) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 9 October 2002 (as amended and restated)[1]between the Trustee and the Manager (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 152 to 253, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised Signatory

24 February 2020

1 As amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, the First Amending and Restating Deed dated 11 June 2008, the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017, Fifteenth Supplemental Deed dated 20 August 2018 and the Sixteenth Supplemental Deed dated 24 July 2019.

STATEMENT BY THE MANAGER

Year ended 31 December 2019

In the opinion of the directors of Ascendas Funds Management (S) Limited (the "Manager"), the accompanying financial statements set out on pages 152 to 253 comprising the Statements of Financial Position and Statements of Movements in Unitholders' Funds of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), Statement of Total Return, Distribution Statement, Investment Properties Portfolio Statement and Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements, including a summary of significant accounting policies, are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2019, the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group and the movements in Unitholders' funds of the Trust for the year then ended 31 December 2019, in accordance with the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

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

William Tay Wee Leong
Director

24 February 2020

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2019

UNITHOLDERS OF ASCENDAS REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed dated 9 October 2002
(as amended and restated) in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2019, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 152 to 253.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2019 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (continued)

Valuation of Investment Properties

The Group owns a portfolio of investment properties, comprising business and science park properties, suburban offices, integrated development, amenities and retail properties, high-specifications industrial properties and data centres, light industrial and flatted factories and logistics and distribution centres, located mainly in Singapore, Australia, the United Kingdom and the United States. As at 31 December 2019, the investment properties, with a carrying amount of $12.8 billion, represent the single largest asset category on the statement of financial position.

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

We assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence and competence of the external valuers. We also read the terms of engagement of the valuers entered into with the Group to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in the scope of their work.

We held discussions with the external valuers to understand the valuation methodologies used in the valuation and compared against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and external industry and economic data where available. We assessed the reasonableness of the capitalisation, discount, terminal yield and equivalent yield rates, and price per square metre, used in the valuations by comparing them against historical rates and industry data where available, taking into consideration comparability and market factors. We also assessed the overall appropriateness of the movements in fair value of the investment properties.

We further reviewed the adequacy of the disclosures in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Simon Yeo.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

24 February 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 31/12/2019 $'000	Group 31/3/2019 $'000	Trust 31/12/2019 $'000	Trust 31/3/2019 $'000
Non-current assets					
Investment properties	4	12,743,792	11,143,937	9,061,600	8,769,500
Investment properties under development	5	182,057	91,595	147,469	91,595
Finance lease receivables	6	48,331	50,554	48,331	50,554
Right-of-use assets	7	617,639	–	617,639	–
Interests in subsidiaries	8	–	–	1,596,548	1,179,012
Loans to subsidiaries	8	–	–	267,705	297,000
Investment in a joint venture	9	154	102	–	–
Derivative assets	14	20,890	31,546	19,508	29,767
		13,612,863	11,317,734	11,758,800	10,417,428
Current assets					
Finance lease receivables	6	2,932	2,688	2,932	2,688
Trade and other receivables	10	36,339	39,635	25,587	33,570
Derivative assets	14	17,896	1,425	17,896	1,425
Investment properties held for sale	11	98,400	–	98,400	–
Loans to subsidiary	8	–	–	269,559	–
Cash and fixed deposits	12	95,705	52,341	8,967	6,678
		251,272	96,089	423,341	44,361
Total assets		13,864,135	11,413,823	12,182,141	10,461,789
Current liabilities					
Trade and other payables	13	255,836	158,255	206,605	131,581
Security deposits		93,356	46,862	93,157	46,690
Derivative liabilities	14	6,279	8	384	8
Short term borrowings	15	215,082	215,820	215,082	215,820
Term loans	15	261,829	301,094	–	301,094
Medium term notes	15	99,966	94,994	99,966	94,994
Lease liabilities	7	37,509	–	37,509	–
Provision for taxation		9,109	7,934	953	1,140
		978,966	824,967	653,656	791,327

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

		Group		Trust	
	Note	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Non-current liabilities					
Security deposits		65,210	82,167	59,704	79,921
Derivative liabilities	14	67,174	64,112	64,043	55,958
Amount due to a subsidiary		–	–	25,062	25,646
Term loans	15	2,239,135	1,595,947	975,053	701,997
Medium term notes	15	1,795,636	1,889,936	1,795,636	1,889,936
Lease liabilities	7	580,130	–	580,130	–
Other payables	13	87	–	–	–
Deferred tax liabilities	16	26,559	10,701	–	–
		4,773,931	3,642,863	3,499,628	2,753,458
Total liabilities		5,752,897	4,467,830	4,153,284	3,544,785
Net assets		8,111,238	6,945,993	8,028,857	6,917,004
Represented by:					
Unitholders' funds		7,810,370	6,641,611	7,727,989	6,612,622
Perpetual securities holders' funds	17	300,868	304,382	300,868	304,382
		8,111,238	6,945,993	8,028,857	6,917,004
Units in issue ('000)	18	3,612,694	3,110,842	3,612,694	3,110,842
Net asset value per unit ($)		2.16	2.13	2.14	2.12

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

STATEMENT OF TOTAL RETURN

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	Group 12 months ended 31 March 2019 $'000
Gross revenue	19	699,057	886,171
Property operating expenses	20	(161,379)	(236,592)
Net property income		537,678	649,579
Management fees			
– Base management fee	21	(43,332)	(54,379)
Trust expenses	22	(6,997)	(7,675)
Finance income	23	8,159	10,448
Finance costs	23	(121,556)	(126,488)
Net foreign exchange differences		(8,640)	(11,093)
Gain on disposal of investment properties		3,220	5,088
Net income		368,532	465,480
Net change in fair value of financial derivatives		(3,784)	22,197
Net change in fair value of right-of-use assets	7	(4,668)	–
Net change in fair value of investment properties and investment properties held for sale	4	48,059	29,304
Share of joint venture's results	9	409	493
Total return for the year before tax		408,548	517,474
Tax expense	24	(20,677)	(14,391)
Total return for the year		387,871	503,083
Attributable to:			
Unitholders of the Trust and perpetual securities holders		387,871	503,087
Non-controlling interests		–	(4)
Total return for the year		387,871	503,083
Earnings per Unit (cents)	25		
– Basic and diluted			
As restated to include the effects of the Right Issue		11.682	15.806
As previously reported			16.156
Distribution per Unit (cents)	25		
As actually distributed to the Unitholders		11.490	16.035
As restated to include the effects of the Right Issue		11.317	15.688

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

DISTRIBUTION STATEMENT

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	Group 12 months ended 31 March 2019 $'000
Total amount available for distribution to Unitholders at beginning of the financial year		253,754	231,154
Total return for the year attributable to Unitholders and perpetual securities holders		387,871	503,087
Less: Amount reserved for distribution to perpetual securities holders		(10,736)	(14,250)
Distribution adjustments (Note A)		(54,411)	(56,784)
		322,724[1]	432,053[1]
Tax-exempt income		4,717	–
Distribution from capital		47,971	53,630
Total amount available for distribution to Unitholders for the year		375,412	485,683
Distribution of 7.983 cents per unit for the period from 01/04/19 to 30/09/19		(248,491)	–
Distribution of 8.146 cents per unit for the period from 01/10/18 to 31/03/19		(253,409)	–
Distribution of 0.639 cents per unit for the period from 18/09/18 to 30/09/18		–	(19,863)
Distribution of 7.250 cents per unit for the period from 01/04/18 to 17/09/18		–	(212,456)
Distribution of 7.880 cents per unit for the period from 01/10/17 to 31/03/18		–	(230,764)
		(501,900)	(463,083)
Total amount available for distribution to Unitholders at end of the financial year		127,266	253,754
Distribution per Unit (cents)	25		
As actually distributed to the Unitholders		11.490	16.035
As restated to include the effects of the Rights Issue		11.317	15.688
[1] Comprises:			
– Taxable income		322,724	432,053

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

DISTRIBUTION STATEMENT

Year ended 31 December 2019

	Group	
	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Note A – Distribution adjustments comprise:		
Amount reserved for distribution to perpetual securities holders	10,736	14,250
Management fee paid/payable in Units	8,642	10,873
Trustee fee	1,575	1,993
Others	36,877	29,903
Income from subsidiaries and joint venture	(73,386)	(76,069)
Net change in fair value of financial derivatives	3,784	(22,197)
Net foreign exchange differences	8,640	11,093
Gain on disposal of investment properties	(3,220)	(5,088)
Net change in fair value of investment properties and investment properties held for sale (Note 4)	(48,059)	(29,304)
Rollover adjustment from prior years	–	7,762
Total distribution adjustments	(54,411)	(56,784)

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2019

	Group		Trust	
	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Unitholders' Funds				
Balance at beginning of the financial year	6,641,611	6,194,310	6,612,622	6,170,366
Operations				
Total return for the year attributable to Unitholders of the Trust and perpetual securities holders	387,871	503,087	307,477	459,938
Less: Amount reserved for distribution to perpetual securities holders	(10,736)	(14,250)	(10,736)	(14,250)
Net increase in net assets resulting from operations	377,135	488,837	296,741	445,688
Movement in foreign currency translation reserve	(27,002)	(38,104)	–	–
Unitholders' transactions				
Units issued through equity fund raising	1,309,848	452,138	1,309,848	452,138
Development management fees paid in Units	–	840	–	840
Acquisition fees paid/payable in Units	16,536	–	16,536	–
Management fees paid/payable in Units	8,642	10,873	8,642	10,873
Unit issue costs	(14,500)	(4,200)	(14,500)	(4,200)
Distributions to Unitholders	(501,900)	(463,083)	(501,900)	(463,083)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	818,626	(3,432)	818,626	(3,432)
Balance at end of the financial year	7,810,370	6,641,611	7,727,989	6,612,622
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	304,382	304,382	304,382	304,382
Amount reserved for distribution to perpetual securities holders	10,736	14,250	10,736	14,250
Distribution to perpetual securities holders	(14,250)	(14,250)	(14,250)	(14,250)
Balance at end of the financial year	300,868	304,382	300,868	304,382
Non-controlling interests				
Balance at beginning of the financial year	–	4	–	–
Total return for the year attributable to non-controlling interests	–	(4)	–	–
Balance at end of the financial year	–	–	–	–
Total	8,111,238	6,945,993	8,028,857	6,917,004

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
Group										
SINGAPORE										
Business & Science Park Properties										
One-north										
Neuros & Immunos	31 Mar 2011	Leasehold	60 years[a]	31 Jan 2065[a]	45 years[a]	8/8A Biomedical Grove	141,000	139,000	1.80	2.09
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	51 years	1 & 3 Fusionopolis Link	194,000	192,000	2.48	2.89
Nucleos[ii]	11 Dec 2019	Leasehold	60 years[a]	31 May 2071	51 years	21 Biopolis Road	303,000	–	3.88	–
International Business Park										
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	35 years	7 International Business Park	22,000	23,000	0.28	0.35
iQuest@IBP	12 Jan 2007	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	27 International Business Park	26,600	26,600	0.34	0.40
Acer Building	19 Mar 2008	Leasehold	60 years[a]	30 Apr 2056[a]	36 years[a]	29 International Business Park	92,400	95,300	1.18	1.43
31 International Business Park	26 Jun 2008	Leasehold	60 years[a]	15 Dec 2054[a]	35 years[a]	31 International Business Park	206,600	214,900	2.65	3.24
Nordic European Centre	08 Jul 2011	Leasehold	60 years[a]	31 Mar 2057[a]	37 years[a]	3 International Business Park	119,500	116,500	1.53	1.76
Changi Business Park										
Honeywell Building	19 Nov 2002	Leasehold	60 years[a]	15 Dec 2058[a]	39 years[a]	17 Changi Business Park Central 1	71,600	70,800	0.92	1.07
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years[a]	31 Jan 2061[a]	41 years[a]	1 Changi Business Park Avenue 1	57,000	54,600	0.73	0.82
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years[a]	31 Oct 2066[a]	47 years[a]	10 Changi Business Park Central 2	119,900	119,500	1.54	1.80
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	1, 3 & 5 Changi Business Park Crescent	337,300	323,700	4.32	4.87
DBS Asia Hub	31 Mar 2010 & 15 April 2015	Leasehold	60 years[a]	30 Sep 2067[a]	48 years[a]	2 & 2A Changi Business Park Crescent	191,000	166,900	2.44	2.51
AkzoNobel House	08 Dec 2011	Leasehold	60 years[a]	28 Feb 2061[a]	41 years[a]	3 Changi Business Park Vista	70,800	69,100	0.91	1.04
ONE@Changi City	01 Mar 2016	Leasehold	60 years	29 Apr 2069	49 years	1 Changi Business Park Central 1	502,000	500,100	6.43	7.53
Balance carried forward – (Business & Science Park Properties)							2,454,700	2,112,000	31.43	31.80

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/12/2019 $'000	Carrying Amount 31/3/2019 $'000	Percentage of Net Assets Attributable to Unitholders 31/12/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %
SINGAPORE										
Business & Science Park Properties (continued)										
Balance brought forward – (Business & Science Park Properties)							2,454,700	2,112,000	31.43	31.80
Science Park I										
TÜV SÜD PSB Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	61 years	1 Science Park Drive	90,000	90,000	1.15	1.36
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	48 years	87 & 89 Science Park Drive	100,000	100,000	1.28	1.51
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	48 years	73 Science Park Drive	57,500	57,500	0.74	0.87
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	48 years	75 Science Park Drive	46,000	47,000	0.59	0.71
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	48 years	77 & 79 Science Park Drive	128,000	133,000	1.64	2.00
12,14 &16 Science Park Drive	16 Feb 2017	Leasehold	99 years	31 May 2081	61 years	12, 14 and 16 Science Park Drive	452,700	450,000	5.80	6.78
Science Park II										
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	10 Science Park Road	102,000	102,000	1.31	1.54
The Aries, Sparkle & Gemini[(i)]	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	41, 45 & 51 Science Park Road	200,500	204,500	2.57	3.08
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	43 years	1 Science Park Road	119,000	116,000	1.52	1.74
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	59 years	61 Science Park Road	147,000	143,200	1.88	2.15
The Kendall	30 Mar 2015	Leasehold	64 years	24 Mar 2079	59 years	50 Science Park Road	136,000	136,000	1.74	2.04
FM Global Centre[(ii)]	11 Dec 2019	Leasehold	99 years	23 Mar 2092	72 years	288 Pasir Panjang Road	95,700	–	1.22	–
Total Singapore Business & Science Park Properties							4,129,100	3,691,200	52.87	55.58
Integrated Development, Amenities & Retail Properties										
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	16 years	50 Tampines North Drive 2	64,000	64,000	0.82	0.96
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	16 years	21 Tampines North Drive 2	81,500	84,000	1.04	1.26
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	52 years	8, 10 & 12 Kallang Avenue	584,000	576,000	7.48	8.68
Total Singapore Integrated Development, Amenities & Retail Properties							729,500	724,000	9.34	10.90

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
SINGAPORE										
High-Specifications Industrial Properties & Data Centres										
Data Centres										
Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	71 years	5 Tampines Central 6	272,400	268,700	3.49	4.04
Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	71 years	38 Kim Chuan Road	144,800	143,100	1.85	2.14
38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	71 years	38A Kim Chuan Road	126,400	126,400	1.62	1.90
High-Specifications Industrial Properties										
Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	34 years	31 Kaki Bukit Road 3	124,900	124,000	1.60	1.87
Siemens Centre	12 Mar 2004	Leasehold	60 years[a]	15 Dec 2061[a]	42 years[a]	60 MacPherson Road	108,700	106,100	1.39	1.60
Infineon Building	01 Dec 2004	Leasehold	47 years[c]	30 Jun 2050[c]	31 years[c]	8 Kallang Sector	90,700	87,600	1.16	1.32
Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	32 years	10 Ang Mo Kio Street 65	155,200	155,100	1.99	2.34
Wisma Gulab[iii]	01 Dec 2004	Freehold	Freehold	–	–	190 MacPherson Road	–	83,400	–	1.26
KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	38 years	150 Kampong Ampat	54,900	50,700	0.70	0.76
KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	38 years	159 Kampong Ampat	22,100	21,700	0.28	0.33
Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang Timor	91,200	90,700	1.17	1.37
Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	37 years	1 Kaki Bukit View	161,200	152,900	2.06	2.30
1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	42 years	1 Jalan Kilang	25,000	25,000	0.32	0.38
30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years[a]	31 Dec 2063[a]	44 years[a]	30 Tampines Industrial Avenue 3	37,800	37,800	0.48	0.57
138 Depot Road	15 Mar 2006	Leasehold	60 years[a]	30 Nov 2064[a]	45 years[a]	138 Depot Road	70,300	66,900	0.90	1.01
2 Changi South Lane	01 Feb 2007	Leasehold	60 years[a]	15 Oct 2057[a]	38 years[a]	2 Changi South Lane	38,300	38,300	0.49	0.58
CGG Veritas Hub	25 Mar 2008	Leasehold	60 years[a]	31 Dec 2066[a]	47 years[a]	9 Serangoon North Avenue 5	16,300	24,300	0.21	0.37
Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	31 years	2 Corporation Road	123,900	123,800	1.59	1.86
31 Ubi Road 1	21 Feb 2006	Leasehold	60 years[a]	28 Feb 2050[a]	30 years[a]	31 Ubi Road 1	29,300	32,100	0.38	0.48
80 Bendeemer Road (formerly known as "Hyflux Innovation Centre")	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	49 years	80 Bendemeer Road	212,300	212,300	2.72	3.20
Schneider Electric Building	27 Feb 2006	Leasehold	60 years	15 Nov 2055	36 years	50 Kallang Avenue	91,800	91,600	1.18	1.38
10 Toh Guan Road	05 Mar 2004	Leasehold	60 years[a]	15 Oct 2055[a]	36 years[a]	10 Toh Guan Road	129,000	129,000	1.65	1.94
Total Singapore High-Specifications Industrial Properties & Data Centres							2,126,500	2,191,500	27.23	33.00

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
SINGAPORE										
Light Industrial Properties & Flatted Factories										
Flatted Factories										
Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	32 years	Blk 4008-4012 Ang Mo Kio Avenue 10	144,000	144,600	1.84	2.18
Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	32 years	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	191,400	189,900	2.45	2.86
Light Industrial Properties										
OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	37 years	65 Ubi Avenue 1	39,700	39,500	0.51	0.59
12 Woodlands Loop	29 Jul 2004	Leasehold	60 years[a]	15 Jan 2056[a]	36 years[a]	12 Woodlands Loop	28,200	28,200	0.36	0.42
25 Changi South Street 1	26 Nov 2004	Leasehold	60 years[a]	30 Sep 2057[a]	38 years[a]	25 Changi South Street 1	19,900	19,900	0.25	0.30
247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	32 years	247 Alexandra Road	70,000	66,000	0.90	0.99
5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	30 years	5 Tai Seng Drive	21,800	22,400	0.28	0.34
35 Tampines Street 92	01 Dec 2004	Leasehold	60 years[a]	31 Jan 2052[a]	32 years[a]	35 Tampines Street 92	12,600	12,600	0.16	0.19
53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years[a]	30 Nov 2055[a]	36 years[a]	53 Serangoon North Avenue 4	16,800	13,500	0.22	0.21
3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	30 years	3 Tai Seng Drive	19,500	20,600	0.25	0.31
27 Ubi Road 4[iv]	01 Apr 2005	Leasehold	60 years[a]	31 Oct 2055[a]	36 years[a]	27 Ubi Road 4	–	12,500	–	0.19
52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years[a]	15 Sep 2055[a]	36 years[a]	52 Serangoon North Avenue 4	21,800	21,800	0.28	0.33
202 Kallang Bahru[iii]	04 Apr 2005	Leasehold	60 years	15 Jan 2041	21 years	202 Kallang Bahru	–	18,500	–	0.28
25 Ubi Road 4[iv]	16 May 2005	Leasehold	60 years[a]	29 Feb 2056[a]	36 years[a]	25 Ubi Road 4	–	8,700	–	0.13
Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years[a]	30 Nov 2049[a]	30 years[a]	11 Tampines Street 92	20,800	24,200	0.27	0.36
Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	13 years	455A Jalan Ahmad Ibrahim	8,600	8,800	0.11	0.13
37A Tampines Street 92	01 Dec 2005	Leasehold	60 years[a]	31 Aug 2054[a]	35 years[a]	37A Tampines Street 92	18,700	15,900	0.24	0.24
Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years[a]	28 Feb 2065[a]	45 years[a]	11 Changi North Rise	42,600	41,000	0.55	0.62
Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years[f]	30 Jun 2047[f]	28 years[f]	21 Changi North Rise	12,900	12,000	0.17	0.18
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years[a]	30 Jun 2056[a]	37 years[a]	150 Ubi Avenue 4	18,700	18,500	0.24	0.28
2 Senoko South Road	08 Jan 2007	Leasehold	60 years[a]	31 May 2056[a]	36 years[a]	2 Senoko South Road	40,100	39,000	0.51	0.59
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years[a]	15 Feb 2057[a]	37 years[a]	18 Woodlands Loop	34,400	33,400	0.44	0.50
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	31 Dec 2054[a]	35 years[a]	9 Woodlands Terrace	3,600	3,600	0.04	0.05
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years[a]	15 Jan 2056[a]	36 years[a]	11 Woodlands Terrace	4,600	4,600	0.05	0.07
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years[a]	15 Nov 2044[a]	25 years[a]	1 Senoko Avenue	92,700	91,100	1.19	1.37
8 Loyang Way 1[v]	05 May 2008	Leasehold	30 years[g]	15 Jul 2052[g]	33 years[g]	8 Loyang Way 1	–	23,600	–	0.36
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years[a]	15 Aug 2055[a]	36 years[a]	31 Joo Koon Circle	17,000	18,800	0.22	0.28
Total Singapore Light Industrial Properties & Flatted Factories							900,400	953,200	11.53	14.35

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
SINGAPORE										
Logistics & Distribution Centres										
20 Tuas Avenue 1	19 Feb 2004	Leasehold	58 years[(b)]	31 August 2056[(b)]	37 years[(b)]	20 Tuas Avenue 1	87,300	86,400	1.12	1.30
LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	37 years	3 Changi North Street 2	55,000	50,600	0.70	0.76
Changi Logistics Centre	09 Mar 2004	Leasehold	60 years[(a)]	15 Oct 2050[(a)]	31 years[(a)]	19 Loyang Way	67,800	78,600	0.87	1.18
4 Changi South Lane	31 May 2004	Leasehold	60 years[(a)]	15 Oct 2057[(a)]	38 years[(a)]	4 Changi South Lane	26,800	26,000	0.34	0.39
40 Penjuru Lane	21 Jul 2004	Leasehold	48 years[(d)]	31 Dec 2049[(d)]	30 years[(d)]	40 Penjuru Lane	234,000	241,500	3.00	3.64
Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years[(a)]	31 May 2054[(a)]	34 years[(a)]	3 Changi South Street 2	35,600	35,600	0.46	0.54
20 Tuas Avenue 6	02 Dec 2004	Leasehold	60 years[(a)]	15 Jul 2050[(a)]	31 years[(a)]	20 Tuas Avenue 6	7,600	7,700	0.10	0.12
Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years[(a)]	31 Oct 2055[(a)]	36 years[(a)]	6 Changi South Street 2	24,800	24,700	0.32	0.37
9 Changi South Street 3	28 Dec 2004	Leasehold	60 years[(a)]	30 Apr 2055[(a)]	35 years[(a)]	9 Changi South Street 3	43,900	43,600	0.56	0.66
5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years[(a)]	15 Dec 2049[(a)]	30 years[(a)]	5 Toh Guan Road East	28,000	27,900	0.36	0.41
Xilin Districentre Building C	05 May 2005	Leasehold	60 years[(a)]	30 Sep 2054[(a)]	35 years[(a)]	7 Changi South Street 2	29,000	29,000	0.37	0.44
19 & 21 Pandan Avenue	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years[(e)]	31 Jan 2049[(e)]	29 years[(e)]	19 & 21 Pandan Avenue	126,800	126,400	1.62	1.90
1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	39 years	1 Changi South Lane	39,000	47,400	0.50	0.71
Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years[(a)]	15 May 2053[(a)]	33 years[(a)]	2 Clementi Loop	23,000	31,500	0.29	0.47
11 Changi North Way	18 Nov 2005	Leasehold	60 years[(a)]	15 Nov 2063[(a)]	44 years[(a)]	11 Changi North Way	15,000	17,400	0.19	0.26
21 Jalan Buroh	14 Jun 2006	Leasehold	58 years[(a)]	30 Sep 2055[(a)]	36 years[(a)]	21 Jalan Buroh	73,000	76,500	0.93	1.15
21 Changi South Avenue 2	19 Mar 2008	Leasehold	60 years[(a)]	30 Sep 2054[(a)]	35 years[(a)]	21 Changi South Avenue 2	18,000	21,000	0.23	0.32
15 Changi North Way	29 Jul 2008	Leasehold	60 years[(a)]	31 Dec 2066[(a)]	47 years[(a)]	15 Changi North Way	44,800	41,700	0.57	0.63
Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	17 years	15 Pioneer Walk	116,000	122,500	1.49	1.84
71 Alps Avenue	02 Sep 2009	Leasehold	60 years[(a)]	14 Aug 2068[(a)]	49 years[(a)]	71 Alps Avenue	23,700	21,800	0.30	0.33
90 Alps Avenue	20 Jan 2012	Leasehold	60 years[(a)]	22 Oct 2070[(a)]	51 years[(a)]	90 Alps Avenue	57,000	51,800	0.73	0.79
Total Singapore Logistics & Distribution Centres							1,176,100	1,209,600	15.05	18.21
Total Singapore investment properties							9,061,600	8,769,500	116.02	132.04

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/12/2019 $'000	Carrying Amount 31/3/2019 $'000	Percentage of Net Assets Attributable to Unitholders 31/12/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %
AUSTRALIA										
Logistics & Distribution Centres										
Logistics & Distribution Centres (Sydney, New South Wales)										
484 – 490 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	484-490 Great Western Highway, Arndell Park	19,486	19,912	0.25	0.30
494 – 500 Great Western Highway^	23 Oct 2015	Freehold	Freehold	–	–	494-500 Great Western Highway, Arndell Park	38,740	35,745	0.50	0.54
1A & 1B Raffles Glade^	18 Nov 2015	Freehold	Freehold	–	–	1A & 1B Raffles Glade, Eastern Creek	42,684	42,702	0.54	0.64
7 Grevillea Street^	18 Nov 2015	Freehold	Freehold	–	–	7 Grevillea Street, Eastern Creek	123,412	123,309	1.58	1.86
5 Eucalyptus Place^	18 Nov 2015	Freehold	Freehold	–	–	5 Eucalyptus Place, Eastern Creek	29,461	27,589	0.38	0.42
16 Kangaroo Avenue^	18 Nov 2015	Freehold	Freehold	–	–	16 Kangaroo Avenue, Eastern Creek	41,060	38,144	0.53	0.57
1-15 Kellet Close^	18 Nov 2015	Freehold	Freehold	–	–	1-15 Kellet Close, Erskine Park	49,411	46,541	0.64	0.70
94 Lenore Drive^	18 Nov 2015	Freehold	Freehold	–	–	94 Lenore Drive, Erskine Park	44,076	37,185	0.57	0.56
1 Distribution Place^	18 Nov 2015	Freehold	Freehold	–	–	1 Distribution Place, Seven Hills	26,213	26,629	0.34	0.40
6-20 Clunies Ross Street	22 Feb 2016	Freehold	Freehold	–	–	6-20 Clunies Ross Street, Pemulway	79,800	80,606	1.02	1.21
Logistics & Distribution Centres (Melbourne, Victoria)										
676-698 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	676-698 Kororoit Creek Road, Altona North	64,304	62,374	0.82	0.94
700-718 Kororoit Creek Road^	23 Oct 2015	Freehold	Freehold	–	–	700-718 Kororoit Creek Road, Altona North	35,261	34,546	0.45	0.52
14-28 Ordish Road^	18 Nov 2015	Freehold	Freehold	–	–	14-28 Ordish Road, Dandenong South	40,828	42,222	0.52	0.64
35-61 South Park Drive^	18 Nov 2015	Freehold	Freehold	–	–	35-61 South Park Drive, Dandenong South	42,962	40,879	0.55	0.62
2-16 Aylesbury Drive^	18 Nov 2015	Freehold	Freehold	–	–	2-16 Aylesbury Drive, Altona	21,806	18,328	0.28	0.28
81-89 Drake Boulevard^	18 Nov 2015	Freehold	Freehold	–	–	81-89 Drake Boulevard, Altona	15,311	15,162	0.19	0.23
9 Andretti Court^	18 Nov 2015	Freehold	Freehold	–	–	9 Andretti Court, Truganina	29,508	29,748	0.38	0.45
31 Permas Way^	18 Nov 2015	Freehold	Freehold	–	–	31 Permas Way, Truganina	60,314	57,576	0.77	0.87
162 Australis Drive^	18 Nov 2015	Freehold	Freehold	–	–	162 Australis Drive, Derrimut	25,981	25,909	0.33	0.39
52 Fox Drive	03 April 2017	Freehold	Freehold	–	–	52 Fox Drive, Dandenong South	27,652	26,869	0.35	0.40
169-177 Australis Drive[(vi)]	04 June 2018	Freehold	Freehold	–	–	169 -177 Australis Drive, Derrimut	33,590	33,586	0.43	0.50
1314 Ferntree Gully Drive[(vii)]	26 June 2018	Freehold	Freehold	–	–	1314 Ferntree Gully Drive, Scoresby	15,218	15,354	0.19	0.22
Balance carried forward – (Logistics & Distribution Centres)							907,078	880,915	11.61	13.26

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
AUSTRALIA										
Logistics & Distribution Centres (continued)										
Balance brought forward – (Logistics & Distribution Centres)							907,078	880,915	11.61	13.26
Logistics & Distribution Centres (Brisbane, Queensland)										
62 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	62 Sandstone Place, Parkinson	19,486	20,679	0.25	0.31
92 Sandstone Place^	23 Oct 2015	Freehold	Freehold	–	–	92 Sandstone Place, Parkinson	20,321	22,455	0.26	0.34
62 Stradbroke Street^	23 Oct 2015	Freehold	Freehold	–	–	62 Stradbroke Street, Heathwood	34,333	35,025	0.44	0.53
82 Noosa Street^	23 Oct 2015	Freehold	Freehold	–	–	82 Noosa Street, Heathwood	48,019	54,457	0.61	0.82
95 Gilmore Road^	23 Oct 2015	Freehold	Freehold	–	–	95 Gilmore Road, Berrinba	79,800	81,086	1.02	1.22
77 Logistics Place^	18 Nov 2015	Freehold	Freehold	–	–	77 Logistics Place, Larapinta	24,404	25,237	0.31	0.38
99 Radius Drive^	18 Nov 2015	Freehold	Freehold	–	–	99 Radius Drive, Larapinta	23,940	24,518	0.30	0.37
1-7 Wayne Goss Drive[(viii)]	07 Sep 2018	Freehold	Freehold	–	–	1-7 Wayne Goss Drive, Berrinba	29,368	25,909	0.38	0.39
Cargo Business Park[(ix)]	17 Sep 2018	Freehold	Freehold	–	–	56 Lavarack Ave, Eagle Farm	30,621	32,291	0.39	0.49
Logistics & Distribution Centres (Perth, Western Australia)										
35 Baile Road^	23 Oct 2015	Freehold	Freehold	–	–	35 Baile Road, Canning Vale	37,580	37,424	0.48	0.56
Total Australia Logistics & Distribution Centres							1,254,950	1,239,996	16.05	18.67
Suburban Offices										
Suburban Offices (Sydney, New South Wales)										
197-201 Coward Street	09 Sep 2016	Freehold	Freehold	–	–	197-201 Coward Street, Mascot	164,472	162,172	2.12	2.44
Suburban Offices (Brisbane, Queensland)										
100 Wickham	25 Sep 2017	Freehold	Freehold	–	–	100 Wickham Street, Fortitude Valley	67,087	68,610	0.86	1.03
108 Wickham	22 Dec 2017	Freehold	Freehold	–	–	108 Wickham Street, Fortitude Valley	88,152	90,202	1.13	1.36
Total Australia Suburban Offices							319,711	320,984	4.11	4.83
Total Australia investment properties							1,574,661	1,560,980	20.16	23.50

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/12/2019 $'000	Carrying Amount 31/3/2019 $'000	Percentage of Net Assets Attributable to Unitholders 31/12/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %
UNITED KINGDOM										
Logistics & Distribution Centres (East England)										
Market Garden Road(xii)	16 Aug 2018	Freehold	Freehold	–	–	Market Garden Road, Stratton Business Park, Biggleswade	36,848	37,128	0.47	0.56
Logistics & Distribution Centres (East Midlands)										
Common Road(xii)	16 Aug 2018	Freehold	Freehold	–	–	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	35,094	35,802	0.45	0.54
Unit 1-5, Export Drive(xii)	16 Aug 2018	Freehold	Freehold	–	–	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	2,983	2,917	0.04	0.04
Logistics & Distribution Centres (North West England)										
Astmoor Road(xii)	16 Aug 2018	Freehold	Freehold	–	–	Astmoor Road, Astmoor Industrial Estate, Runcorn	51,324	51,714	0.66	0.79
Transpennine 200(xii)	16 Aug 2018	Freehold	Freehold	–	–	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	14,081	15,028	0.18	0.23
Leacroft Road(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Leacroft Road, Birchwood, Warrington	9,388	9,459	0.12	0.16
Hawleys Lane(xiv)&(xiii)	04 Oct 2018	965 years	Leasehold	22 Nov 2962	943 years	Hawleys Lane, Warrington	42,814	43,139	0.54	0.65
8 Leacroft Road(xiii)	04 Oct 2018	Freehold	Freehold	–	–	8 Leacroft Road, Birchwood, Warrington	12,370	12,376	0.16	0.19
Logistics & Distribution Centres (South East England)										
Howard House(xi)&(xii)	16 Aug 2018	999 years	Leasehold	28 Nov 3004	985 years	Howard House, Howard Way, Interchange Park, Newport Pagnell	53,079	55,869	0.68	0.84
Units 1-2, Tower Lane(xii)	16 Aug 2018	Freehold	Freehold	–	–	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	20,144	20,332	0.26	0.31
Lodge Road(xiii)	4 Oct 2018	Freehold	Freehold	–	–	Lodge Road, Staplehurst, Kent	22,811	22,718	0.29	0.34
Balance carried forward – (Logistics & Distribution Centres)							300,936	306,482	3.85	4.65

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/12/2019 $'000	Carrying Amount 31/3/2019 $'000	Percentage of Net Assets Attributable to Unitholders 31/12/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %
UNITED KINDOM										
Balance brought forward – (Logistics & Distribution Centres)							300,936	306,482	3.85	4.65
Logistics & Distribution Centres (West Midlands)										
Eastern Avenue[(xii)]	16 Aug 2018	Freehold	Freehold	–	–	Eastern Avenue, Derby Road, Burton-on-Trent	25,794	25,990	0.33	0.39
Vernon Road[(xii)]	16 Aug 2018	Freehold	Freehold	–	–	Vernon Road, Stoke-on-Trent	30,224	30,454	0.38	0.46
1 Sun Street[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	1 Sun Street, Wolverhampton	43,604	43,935	0.56	0.66
The Triangle[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	The Triangle, North View, Walsgrave, Coventry	44,306	46,410	0.57	0.70
Unit 103, Stonebridge Cross Business Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 103, Stonebridge Cross Business Park, Droitwich	2,193	2,298	0.03	0.03
Unit 302, Stonebridge Cross Business Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	36,322	36,598	0.46	0.55
Unit 401, Stonebridge Cross Business Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	10,265	10,873	0.13	0.16
Unit 402, Stonebridge Cross Business Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	8,159	8,221	0.10	0.12
Unit 404, Stonebridge Cross Business Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	8,247	8,310	0.11	0.13
Unit 1, Wellesbourne Distribution Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	43,165	43,493	0.55	0.65
Unit 2, Wellesbourne Distribution Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	28,601	29,437	0.37	0.45
Unit 3, Wellesbourne Distribution Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	43,253	43,581	0.56	0.66
Unit 4, Wellesbourne Distribution Park[(xiii)]	04 Oct 2018	Freehold	Freehold	–	–	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	10,616	10,696	0.14	0.16
Balance carried forward – (Logistics & Distribution Centres)							635,685	646,778	8.14	9.77

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount 31/12/2019 $'000	Carrying Amount 31/3/2019 $'000	Percentage of Net Assets Attributable to Unitholders 31/12/2019 %	Percentage of Net Assets Attributable to Unitholders 31/3/2019 %
UNITED KINDOM										
Balance brought forward – (Logistics & Distribution Centres)							635,685	646,778	8.14	9.77
Logistics & Distribution Centres (West Midlands) (continued)										
Unit 5, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	12,195	12,288	0.16	0.19
Unit 8, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	20,486	21,658	0.26	0.32
Unit 13, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	8,466	9,680	0.11	0.15
Unit 14, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	14,213	14,321	0.18	0.21
Unit 16, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	3,202	3,050	0.04	0.04
Unit 17, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	2,018	2,122	0.03	0.03
Unit 18, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	1,755	1,591	0.02	0.02
Unit 19, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	2,062	2,077	0.03	0.03
Unit 20, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	4,167	4,243	0.05	0.06
Unit 21, Wellesbourne Distribution Park(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Unit 21, Wellesbourne Distribution Park, Wellesbourne, Warwick	5,483	5,304	0.07	0.08
Balance carried forward – (Logistics & Distribution Centres)							709,732	723,112	9.09	10.90

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED KINDOM										
Balance brought forward – (Logistics & Distribution Centres)							709,732	723,112	9.09	10.90
Logistics & Distribution Centres (Yorkshire and the Humber)										
12 Park Farm Road(x)&(xii)	16 Aug 2018	Freehold	Freehold	–	–	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	18,600	19,448	0.24	0.29
Units 1a, 1b, 2 & 3, Upwell Street(xii)	16 Aug 2018	Freehold	Freehold	–	–	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	29,566	30,763	0.37	0.46
Unit 3, Brookfields Way(xii)	16 Aug 2018	Freehold	Freehold	–	–	Unit 3, Brookfields Way, Rotherham	21,934	22,100	0.28	0.33
Lowfields Way(xiii)	04 Oct 2018	Freehold	Freehold	–	–	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	17,898	18,034	0.23	0.27
Total United Kingdom investment properties							797,730	813,457	10.21	12.25

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED STATES										
Business Park (San Diego, California)										
5005 & 5010 Wateridge[(xv)]	11 December 2019	Freehold	Freehold	–	–	5005 & 5010 Wateridge Vista Drive, San Diego	117,824	–	1.51	–
6055 Lusk Boulevard[(xv)]	11 December 2019	Freehold	Freehold	–	–	6055 Lusk Boulevard, San Diego	47,891	–	0.61	–
10020 Pacific Mesa Boulevard[(xv)]	11 December 2019	Freehold	Freehold	–	–	10020 Pacific Mesa Boulevard, San Diego	173,606	–	2.22	–
15051 Avenue of Science[(xv)]	11 December 2019	Freehold	Freehold	–	–	15051 Avenue of Science, San Diego	37,551	–	0.48	–
15073 Avenue of Science[(xv)]	11 December 2019	Freehold	Freehold	–	–	15073 Avenue of Science, San Diego	27,483	–	0.35	–
15231, 15253 & 15333 Avenue of Science[(xv)]	11 December 2019	Freehold	Freehold	–	–	15231, 15253 & 15333 Avenue of Science, San Diego	100,409	–	1.29	–
15378 Avenue of Science[(xv)]	11 December 2019	Freehold	Freehold	–	–	15378 Avenue of Science, San Diego	41,497	–	0.53	–
15435 & 15445 Innovation Drive[(xv)]	11 December 2019	Freehold	Freehold	–	–	15435 & 15445 Innovation Drive	60,817	–	0.78	–
Business Park (Raleigh, North Carolina)										
5200 East & West Paramount Parkway[(xv)]	11 December 2019	Freehold	Freehold	–	–	5200 East & West Paramount Parkway, Morrisville	101,361	–	1.30	–
Perimeter One[(xv)]	11 December 2019	Freehold	Freehold	–	–	3005 Carrington Mill Boulevard, Morrisville	74,966	–	0.96	–
Perimeter Two[(xv)]	11 December 2019	Freehold	Freehold	–	–	3020 Carrington Mill Boulevard, Morrisville	75,374	–	0.97	–
Perimeter Three[(xv)]	11 December 2019	Freehold	Freehold	–	–	3015 Carrington Mill Boulevard, Morrisville	76,599	–	0.98	–
Perimeter Four[(xv)]	11 December 2019	Freehold	Freehold	–	–	3025 Carrington Mill Boulevard, Morrisville	71,021	–	0.91	–
Balance carried forward – (Business Park)							1,006,399	–	12.89	–

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

Description of Property	Acquisition Date	Tenure	Term of Lease	Lease Expiry	Remaining Term of Lease	Location	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
							31/12/2019	31/3/2019	31/12/2019	31/3/2019
							$'000	$'000	%	%
UNITED STATES										
Balance brought forward – (Business Park)							1,006,399	–	12.89	–
Business Park (Portland, Oregon)										
The Atrium[xv]	11 December 2019	Freehold	Freehold	–	–	15220 NW Greenbrier Parkway, Beaverton	44,626	–	0.57	–
The Commons[xv]	11 December 2019	Freehold	Freehold	–	–	15455 NW Greenbrier Parkway, Beaverton	17,279	–	0.22	–
Greenbrier Court[xv]	11 December 2019	Freehold	Freehold	–	–	14600-14700 NW Greenbrier Parkway, Beaverton	22,857	–	0.29	–
Parkside[xv]	11 December 2019	Freehold	Freehold	–	–	15350-15400 NW Greenbrier Parkway, Beaverton	27,619	–	0.36	–
Ridgeview[xv]	11 December 2019	Freehold	Freehold	–	–	15201 NW Greenbrier Parkway, Beaverton	21,497	–	0.28	–
Waterside[xv]	11 December 2019	Freehold	Freehold	–	–	14908, 14924, 15247 and 15272 NW Greenbrier Parkway, Beaverton	31,157	–	0.40	–
8300 Creekside[xv]	11 December 2019	Freehold	Freehold	–	–	8300 SW Creekside Place, Beaverton	14,694	–	0.19	–
8305 Creekside[xv]	11 December 2019	Freehold	Freehold	–	–	8305 SW Creekside Place, Beaverton	4,898	–	0.06	–
8405 Nimbus[xv]	11 December 2019	Freehold	Freehold	–	–	8405 SW Nimbus Avenue, Beaverton	20,272	–	0.26	–
8500 Creekside[xv]	11 December 2019	Freehold	Freehold	–	–	8500 SW Creekside Place, Beaverton	22,721	–	0.29	–
8700-8770 Nimbus[xv]	11 December 2019	Freehold	Freehold	–	–	8700-8770 SW Nimbus Avenue, Beaverton	8,027	–	0.10	–
Creekside 5[xv]	11 December 2019	Freehold	Freehold	–	–	8705 SW Nimbus Avenue, Beaverton	14,150	–	0.18	–
Creekside 6[xv]	11 December 2019	Freehold	Freehold	–	–	8905 SW Nimbus Avenue, Beaverton	25,034	–	0.32	–
9205 Gemini[xv]	11 December 2019	Freehold	Freehold	–	–	9205 SW Gemini Drive, Beaverton	10,476	–	0.13	–
9405 Gemini[xv]	11 December 2019	Freehold	Freehold	–	–	9405 SW Gemini Drive, Beaverton	18,095	–	0.23	–
Total United States investment properties							1,309,801	–	16.77	–
Total Group's investment properties							12,743,792	11,143,937	163.16	167.79
Investment properties under development (Note 5)							182,057	91,595	2.33	1.38
Investment properties held for sale (Note 11)							98,400	–	1.26	–
Other assets and liabilities (net)							(4,913,011)	(4,289,539)	(62.90)	(64.59)
Net assets of the Group							8,111,238	6,945,993	103.85	104.58
Perpetual securities							(300,868)	(304,382)	(3.85)	(4.58)
Net assets attributable to Unitholders							7,810,370	6,641,611	100.00	100.00

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2019

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

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

Valuers	31/12/2019 Valuation date	31/03/2019 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	31 December 2019	31 March 2019
CBRE Pte. Ltd.	31 December 2019	31 March 2019
Edmund Tie & Company (SEA) Pte Ltd	31 December 2019	31 March 2019
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2019	31 March 2019
Jones Lang LaSalle Property Consultants Pte Ltd	31 December 2019	31 March 2019
Knight Frank Pte Ltd	31 December 2019	31 March 2019
Knight Frank LLP	31 December 2019	31 March 2019
Jones Lang LaSalle Advisory Services Pty Ltd	31 December 2019	31 March 2019
Newmark Knight Frank Valuation & Advisory, LLC	31 December 2019	–

These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach and discounted cash flow analysis. As at 31 December 2019, the valuations adopted for investment properties and investment properties held for sale amounted to $12,842.2 million (31 March 2019: investment properteis of $11,143.9 million). The net fair value gain on investment properties and investment properties held for sale recognised in Statement of Total Return is $48.1 million (31 March 2019: $29.3 million).

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

(ii) The two Singapore business park properties, namely Nucleos and FM Global were acquired on 11 December 2019.

(iii) No. 202 Kallang Bahru and Wisma Gulab were classified as investment properties held for sale as at 31 December 2019. Further details were disclosed in Note 5.

(iv) 25 and 27 Ubi Road 4 were de-commissioned for redevelopment from July 2019. They were classified as investment properties under development as at 31 December 2019.

(v) The divestment of 8 Loyang Way 1 was completed on 18 September 2019.

(vi) 169-177 Australis Drive, Derrimut, a Logistics & Distribution Centre located in Australia was acquired on 4 June 2018.

(vii) 1314 Ferntree Gully Drive, Scoresby, a Logistics & Distribution Centre located in Australia was acquired on 26 June 2018.

(viii) 1-7 Wayne Goss Drive, Berrinba was transferred to investment properties on 7 September 2018 after the completion of the redevelopment.

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

(ix) Cargo Business Park, Eagle Farm, a Logistics & Distribution Centre located in Australia was acquired on 17 September 2018.

(x) Leasehold for a term of 999 years from 26 March 1999 to 25 March 2998.

(xi) Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.

(xii) The 12 logistics properties in the UK were acquired on 16 August 2018.

(xiii) The 26 logistics properties in the UK were acquired on 4 October 2018.

(xiv) During the current financial year, the tenure of the land was converted to be freehold. Prior to the financial year ended 31 December 2019, the property was on the land which is leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.

(xv) The 28 business park properties in the United States were acquired on 11 December 2019.

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

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

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

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

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

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

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

^ These properties were pledged as securities in relation to the syndicated term loans from Australian banks for the financial year ended 31 December 2019 and 31 March 2019.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

		Group	
	Note	Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Cash flows from operating activities			
Total return for the year before tax		408,548	517,474
Adjustments for:			
Finance costs	23	121,556	126,488
Management fees paid/payable in Units	21	8,642	10,873
Provision/(reversal) of impairment loss on doubtful receivables	10	16	(10)
Write-off of receivables		–	30
Net change in fair value of financial derivatives		3,784	(22,197)
Finance income	23	(8,159)	(10,448)
Net foreign exchange differences		8,640	11,093
Gain from disposal of investment properties		(3,220)	(5,088)
Net change in fair value of investment properties and investment properties held for sale	4	(48,059)	(29,304)
Net change in fair value of right-of-use assets	7	4,668	–
Share of joint venture's results	9	(409)	(493)
Operating income before working capital changes		496,007	598,418
Changes in working capital:			
Trade and other receivables		9,949	(3,373)
Trade and other payables		86,759	23,117
Cash generated from operating activities		592,715	618,162
Income tax paid		(3,609)	(5,729)
Net cash generated from operating activities		589,106	612,433
Cash flows from investing activities			
Acquisition of investment properties	(A)	(1,655,533)	(914,244)
Payment for capital improvement on investment properties		(67,376)	(66,162)
Payment for investment properties under development		(49,653)	(109,888)
Proceeds from disposal of investment properties		27,000	37,580
Dividend received from joint venture	9	357	514
Interest received		20,545	24,413
Net cash used in investing activities		(1,724,660)	(1,027,787)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	Group Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Cash flows from financing activities			
Proceeds from issue of Units through equity fund raising		1,309,848	452,138
Unit issue costs paid		(12,067)	(3,970)
Distributions paid to Unitholders		(501,900)	(463,083)
Distributions paid to perpetual securities holders		(14,250)	(14,250)
Finance costs paid		(108,239)	(128,650)
Payment of lease liabilities		(24,596)	–
Transaction costs paid in respect of borrowings		(2,091)	(7,407)
Proceeds from borrowings		1,858,358	2,311,699
Repayment of borrowings		(1,319,277)	(1,702,070)
Net cash received from financing activities		1,185,786	444,407
Net increase in cash and cash equivalents		50,232	29,053
Cash and cash equivalents at beginning of the financial year	12	4,921	(22,949)
Effect of exchange rate changes on cash balances		(598)	(1,183)
Cash and cash equivalents at end of the financial year	12	54,555	4,921

Notes:

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

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

	Group Nine months ended 31 December 2019 $'000	12 months ended 31 March 2019 $'000
Investment properties (including acquisition costs) (Note 4)	1,692,146	919,491
Trade and other receivables	6,715	6,063
Trade and other payables	(24,742)	(9,793)
Provision for taxation	–	(656)
Deferred tax liabilities	–	(861)
Net identifiable assets acquired	1,674,119	914,244
Total consideration	1,674,119	914,244
Less: Accrued transaction costs payable	(2,050)	–
Less: Acquisition fee payable in Units	(16,536)	–
Net cash outflow	1,655,533	914,244

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

(B) ***Significant non-cash transactions***

During the financial year ended 31 December 2019:

- 3,811,105 new Units amounting to $8,642,000 were issued at issue prices ranging from $2.9337 to $2.9772 per unit for the payment of 20% base management fee to the Manager in Units.

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,540,000 were issued at issue prices ranging from $2.5731 to $2.6584 per unit for the payment of 20% base management fee to the Manager in Units.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manger at an issue price of $2.8126 per unit. The issuance of Units was for the payment of 1% development management fee for the $84.0 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 24 February 2020.

1. GENERAL

Ascendas Real Estate Investment Trust (the "Trust" or "Ascendas Reit") is a Singapore-domiciled real estate investment trust constituted pursuant to the trust deed dated 9 October 2002 between Ascendas Funds Management (S) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), as supplemented and amended by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, the First Amending and Restating Deed dated 11 June 2008, the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015, the Thirteenth Supplemental Deed dated 26 January 2016, the Second Amending and Restating Deed dated 10 August 2017, the Fifteenth Supplemental Deed dated 20 August 2018 and the Sixteenth Supplemental Deed dated 24 July 2019 (collectively, the "Trust Deed").

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

The principal activity of the Trust is to invest in a diverse portfolio of properties and property related assets with the mission to deliver predictable distributions and achieve long-term capital stability for Unitholders. The principal activities of the subsidiaries are set out in Note 8.

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

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

The fees structures of these services are as follows:

1.1 Trustee fee

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

1. GENERAL (CONTINUED)

1.2 Management fees

The Manager is entitled to receive the following remuneration:

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

(ii) an annual performance fee of:

- 0.1% per annum of the Deposited Property, provided that the annual growth in distribution per Unit in a given financial year (calculated before accounting for the performance fee in that financial year) exceeds 2.5%; and
- an additional 0.1% per annum of the Deposited Property, provided that the growth in distribution per Unit ("DPU") in a given financial year (calculated before accounting for the performance fee in that financial year) exceeds 5.0%.

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

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

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

With effect from 1 April 2019, the Manager has excluded right-of-use assets from the computation of the Deposited Property (the "Adjusted Deposited Property").

With effect from 1 April 2014, the Manager has improved the basis of determining management fees by excluding derivative assets and investment properties under development from the computation of Adjusted Deposited Property.

The Manager will also unilaterally waive part of its performance fee to ensure equitable distribution of the growth in distributable income such that any increase in DPU (which is calculated before accounting for the performance fee) would not result in Unitholders receiving less DPU than the threshold percentage as a result of the payment of the performance fee. In addition, the performance fee payable will be based on 0.1% per annum, or as the case may be, 0.2% per annum of the Adjusted Deposited Property instead of the Deposited Property.

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

With effect from 17 November 2004, the Manager may elect to receive performance fee in cash and/or Units, in such proportion as may be determined by the Manager.

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

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties)

(i) Property management services

For property management services, the Group will pay Ascendas Services Pte Ltd ("ASPL") (the "Singapore Property Manager"), a fee of 2.0% per annum of the adjusted gross revenue of each property, managed by the Singapore Property Manager, and in the event that the Singapore Property Manager only manages such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Singapore Property Manager manages such property divided by the number of days in such year.

(ii) Marketing services

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

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

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(iii) Project management services

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

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

For purpose of calculating the fees payable to the Singapore Property Manager, construction costs means all construction costs and expenditure valued by the quantity surveyor engaged by the Group for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and goods and services tax.

(iv) Energy audit services

For energy audit services, the Group will pay the Singapore Property Manager $4,000 per chiller for the first two sets of chiller and $2,000 for any subsequent set of chiller in a property (being the base energy audit fee). In addition to these fees, the Trust will pay ASPL 40.0% of the cost savings achieved in each property during the first three years after the completion of the works in such property, subject to a maximum of $40,000 per property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

1. GENERAL (CONTINUED)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(v) Car park management services

For car park management services, the Trust will pay ASPL the following fees:

- in relation to the car parks located at certain 33 properties as set out in the property management agreement ("Managed Car Parks"), a management fee of $2.16 million per annum ("Base Car Park Fee") and 40.0% of hourly parking collections for such car parks (excluding goods and services tax). For the avoidance of doubt, any hourly car park rebates given to car park users will not be included in the hourly car park collections for the computation of fees.

- in the event that additional car parks are added or subsequently removed from the Managed Car Parks, the Base Car Park Fee shall be adjusted as follows:

  – in relation to a property which has up to 100 car park lots – the Base Car Park Fee shall be increased or decreased by $35 per car park lot per month multiplied by the number of car park lots in such property.

  – in relation to a property which has more than 100 car park lots – the Base Car Park Fee shall be increased or decreased by $25 per car park lot per month multiplied by the number of car park lots in such property.

1.4 Fees under the lease management agreement (for the Singapore properties)

(i) Lease management services

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

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

- pro-rated based on 0.5 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than one year;

- 0.5 month's gross rent inclusive of service charge for securing a tenancy of one year or more but less than or equivalent to three years;

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

- 1.0 month's gross rent inclusive of service charge for securing a tenancy of five years; and

1. GENERAL (CONTINUED)

1.4 Fees under the lease management agreement (for the Singapore properties) (continued)

(i) Lease management services (continued)

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

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

- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than three years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 2.0 months' gross rent inclusive of service charge for securing a tenancy of five years; and
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than five years, provided that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge.

(ii) Property tax services

For property tax services, the Manager or its nominees (as the Manager may direct) are entitled to the following fees if as a result of the Manager's or the nominees' objections to the tax authorities, the proposed annual value is reduced resulting in property tax savings for the property:

- a fee of 7.5% of the property tax savings, where the proposed reduction in annual value is $1.0 million or less;
- a fee of 5.5% of the property tax savings, where the proposed reduction in annual value is more than $1.0 million but does not exceed $5.0 million; and
- a fee of 5.0% of the property tax savings, where the proposed reduction in annual value is more than $5.0 million.

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period less the expenses incurred to obtain the property tax savings and is not payable to the Manager if the Manager's objections are not successful or if the reduction in annual value results from an appeal to the valuation review board.

1. GENERAL (CONTINUED)

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

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

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

1.6 Fees under the asset and lease management agreements [for the United Kingdom (the "UK") properties]

The Group appointed Ascendas Investment Pte Ltd ("AIPL") as the asset manager till 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the UK, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time. In connection with the foregoing, the Manager, the Trustee and AIPL entered into a master asset and lease management agreement (the "UK Master ALMA").

Pursuant to the UK Master ALMA, individual asset and lease management agreements (the "UK Individual ALMAs", together with the UK Master ALMA, the "UK ALMAs") were entered into by each underlying asset holding company with CapitaLand International Management (UK) Ltd (formerly known as "Ascendas Management (UK) Ltd") ("AMUK"), a wholly-owned subsidiary of AIPL, to appoint AMUK as the asset manager for the UK properties till 30 September 2022.

In consideration of AMUK providing the asset management services under the UK ALMAs, the Group will pay AMUK an asset management fee of 0.4% per annum of the Deposited Property. The payment of the asset management fee will reduce the base management fees payable to the Manager described under 1.2 (i) correspondingly, such that there is no double-counting of the payment of the asset management fees under the asset and lease management agreements and the payment of base management fees to the Manager.

For lease management services, the Group will pay AMUK a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the UK.

1. GENERAL (CONTINUED)

1.7 Fees under the asset and lease management agreements [for the United States (the "US") properties]

The Group appointed CapitaLand International USA LLC ("AMUS") as the asset manager till 30 September 2022 to provide certain asset management, lease management and project management services in respect of the properties located in the US, including the properties, held (whether directly or indirectly) by Ascendas Reit from time to time. In connection with the foregoing, the Manager, the Trustee and AMUS entered into a master asset and lease management agreement (the "US Master ALMA").

Pursuant to the US Master ALMA, individual asset and lease management agreements (the "US Individual ALMAs", together with the US Master ALMA, the "US ALMAs") were entered into by each underlying asset holding company with AM US for the US properties till 30 September 2022.

In consideration of AMUS providing the asset management services under the US ALMAs, the Group will pay AMUS an asset management fee of up to 0.4% per annum of the Deposited Property. The payment of the asset management fee will reduce the base management fees payable to the Manager described under 1.2 (i) correspondingly, such that there is no double-counting of the payment of the asset management fees under the asset and lease management agreements and the payment of base management fees to the Manager.

For lease management services, the Group will pay AMUS a lease management fee of 1.0% per annum of the adjusted gross revenue of each property in the US.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Functional and presentation currency

The financial statements are presented in Singapore dollars ("SGD"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2. BASIS OF PREPARATION (CONTINUED)

2.3 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, investment properties held for sale, investment properties under development, right-of-use assets and certain financial assets and financial liabilities which are stated at fair value as described in Note 3.

Ascendas Reit changed its financial year end from 31 March to 31 December in July 2019. Therefore, the current financial year is a nine-month period from 1 April 2019 to 31 December 2019 ("FY2019"). Thereafter, Ascendas Reit's financial year will be a 12-month period ending on 31 December each year. The comparative financial year for FY2019 is a 12-month period from 1 April 2018 to 31 March 2019 ("FY18/19"). Accordingly, the comparative amounts presented for the statement of total return and distribution statement in relation to the nine-month period in the current financial year are not entirely comparable.

As at 31 December 2019, the Group and the Trust's current liabilities exceed its current assets by $727.7 million (31 March 2019: $728.9 million) and $230.3 million (31 March 2019: $747.0 million) respectively. Notwithstanding the net current liabilities position, based on the Group and the Trust's existing financial resources, the Manager is of the opinion that the Group and the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities at the end of each reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

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

- Note 30 (d) – Valuation of investment properties
- Note 30 (d) – Estimation of incremental borrowing rates for leases
- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Measurement of fair values

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

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

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

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

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

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

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

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

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

- Note 30 (d) – Valuation of investment properties
- Note 30 (d) – Estimation of incremental borrowing rates for leases
- Note 30 (b) and (c) – Valuation of financial instruments

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies

Revised standards

The Group has applied the principles relating to the recognition and measurement of the following FRSs for the first time for the annual period beginning on 1 April 2019:

- FRS 116 *Leases*
- FRS INT 23 *Uncertainty over Income Tax Treatments*

Other than FRS 116, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

FRS 116 *Leases*

The Group applied FRS 116 using the modified retrospective approach. Accordingly, the comparative information presented for the financial year ended 31 March 2019 is not adjusted for the effect arising from the adoption of FRS 116 and it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under FRS INT 4 *Determing whether an Arrangement Contains a Lease*.

The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and FRS INT 4 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Group leases land from JTC Corporation ("JTC") and other land owners. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to the ownership of the underlying asset to the Group. Under FRS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

2. BASIS OF PREPARATION (CONTINUED)

2.5 Change in accounting policies (continued)

Leases classified as operating leases under FRS17

Previously, the Group classified land leases with JTC and other land owners as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

As a lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor.

Impact on financial statements

Impact on transition

On transition to FRS 116, the Group recognised additional right-of-use assets and lease liabilities. The impact on transition is summarised below.

	Group and Trust As at 1 April 2019 (Initial recognition) $'000
Right-of-use assets – investment property	625,890
Lease liabilities	625,890

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 April 2019. The weighted-average discount rates applied are 4.22% for 15 years' leases, 4.55% for 20 years' leases and 5.05% for 30 years' leases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities which address changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset at fair value depending on the level of influence retained.

Investment in joint venture

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

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

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

Transactions eliminated on consolidation

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

Subsidiaries in the separate financial statements

Interest in subsidiaries and joint venture are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the Statement of Total Return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation, which are recognised in Unitholders' funds.

Foreign operations

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties and investment properties under development

Investment properties are properties held either to earn rental income or for capital appreciation, or for both, but not for sale in the ordinary course of business. Investment properties under development include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

(i) in such manner and frequency required under the CIS Code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of the investment properties.

Subsequent expenditure on investment properties is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

3.4 Investment properties held for sale

Investment properties that are expected to be recovered primarily through disposal rather than through continued use, are classified as investment properties held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

3.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefit in excess of the originally assessed standard of performance of the existing asset will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is provided on the straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Furniture and fixtures	5 – 7 years
Equipment	5 – 10 years
Computers and office equipment	1 – 5 years

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return on the date of retirement or disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

The accounting for leases before 1 April 2019 are as follows:

(i) Operating lease

Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.14. Contingent rents are recognised as revenue in the period in which they are earned.

Lessee

Payments made under operating leases (net of any incentives received from the lessor) are recognised in the Statement of Total Return on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Lessor

Leases which the Group has substantially transferred all the risks and rewards incidental to ownership of the asset to the lessee are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised as finance lease receivable on the Statements of Financial Position. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned interest income.

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

The accounting for leases from 1 April 2019 are as follows:

(i) Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

The accounting for leases from 1 April 2019 are as follows: (continued)

(i) Lessee (continued)

The right-of-use asset is measured at fair value and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

The accounting for leases from 1 April 2019 are as follows: (continued)

(ii) Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in FRS 109 to the net investment in the lease (see note 3.8 (i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight- line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

3.7 Financial instruments

(i) Financial assets

Classification and measurement

The Group classifies its non-derivative financial assets at amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(i) Financial assets (continued)

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised costs are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in the Statement of Total Return using the effective interest method.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Statement of Total Return.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Total Return when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Total Return.

3.8 Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Group are measured on either of the following bases:

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument; or
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

Simplified approach

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

General approach

For other financial assets at amortised costs, the Group applies the general approach to provide for ECLs. Under the general approach, the loss allowance is measured at an amount equal to 12-months ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(i) Financial assets (continued)

General approach (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments which are 1 to 90 days past due or there is significant financial difficulty of the counterparty.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

The Group determined that its financial assets are credit-impaired when:

- there is financial significant difficulty of the debtor
- a breach of contract, such as a default or past due event
- it is becoming probable that the debtor will enter bankruptcy or another financial reorganisation

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

(ii) Non-financial assets

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

An impairment loss is recognised in the Statement of Total Return if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

(ii) Non-Financial assets (continued)

Calculation of recoverable amount

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

Reversals of impairment

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

3.9 Taxation

(i) Current tax and deferred tax

Current and deferred tax are recognised in the Statement of Total Return, except to the extent that they relate to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in Singapore, Australia, the UK and the US, the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

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

However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to the extent that the beneficial Unitholders are:

(i) individuals (whether resident or non-resident) who receive such distributions as investment income (excluding income received through a Singapore partnership);

(ii) companies incorporated and tax resident in Singapore;

(iii) Singapore branches of foreign companies which have presented a letter of approval from the IRAS granting waiver from tax deducted at source in respect of distributions from the Trust;

(iv) non-corporate Singapore constituted or registered entities (e.g. town councils, statutory boards, charitable organisations, management corporations, clubs and trade and industry associations constituted, incorporated, registered or organised in Singapore);

(v) Central Provident Fund ("CPF") members who use their CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts; and

(vi) individuals who use their Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (continued)

(i) Current tax and deferred tax (continued)

The Trustee and the Manager will deduct tax at the reduced concessionary rate of 10.0% from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to beneficial Unitholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units in the Trust are not obtained from that operation.

The reduced concessionary tax rate of 10.0% has been extended to 31 December 2025.

(ii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3.11 Distribution policy

Ascendas Reit currently distributes 100% of its distributable income to Unitholders, other than gains on the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

3.12 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders funds.

3.13 Perpetual securities

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Other income

Other income comprises interest income received from finance lease receivable, car park charges, utilities income and sundry income. Interest income received from finance lease receivable is recognised on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Except for interest income received from finance lease receivable, other income is recognised when the right to receive payment is established, after services have been rendered.

3.15 Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are fees incurred under the property management agreements and lease management agreement in Singapore, strategic and asset management agreement in Australia, UK ALMAs in the UK and US ALMAs in the US which are based on the applicable formula stipulated in Note 1.3 to Note 1.7 respectively.

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the Statement of Total Return on a straight-line basis over the term of leases.

Management fees

Management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1.2.

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee fee which is based on the applicable formula stipulated in Note 1.1.

3.16 Finance costs

Finance costs comprise interest expense on borrowings, amortisation of borrowing-related transaction costs, transaction costs directly attributable to financial liabilities measured at fair value through profit or loss, fair value losses on financial instruments measured at fair value through profit or loss, and accretion adjustments on security deposits.

Interest expense on borrowings, amortisation of borrowing-related transaction costs and accretion adjustments on security deposits are recognised in the Statement of Total Return using the effective interest method over the period of borrowings, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Earnings per Unit

The Group presents basic and diluted earnings per Unit data for its Units. Basic earnings per Unit is calculated by dividing the total return for the year attributable to Unitholders of the Trust by the weighted average number of Units outstanding during the year.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management policy.

3.19 New standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Amendments to FRS 103: Definition of a Business

The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments include;

- an optional concentration test. This is a simplified assessment that results in an asset acquisition, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets;

- an assessment focused on substantive process. If an entity chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

The amendments apply to businesses acquired in annual periods beginning on or after 1 January 2020.

Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture

There is an inconsistency between the current requirements in FRS 110 and those in FRS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments clarify that when a parent loses control over a subsidiary to its associate or joint venture, gain/loss is recognised in its entirety when the transferred assets constitutes a business under FRS 103 Business Combinations.

The amendments are to be applied prospectively to transactions occurring in annual periods beginning on or after a date to be determined.

4. INVESTMENT PROPERTIES

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
At the beginning of the financial year	11,143,937	10,118,978	8,769,500	8,625,500
Acquisition of investment properties	1,692,146	919,491	397,212	–
Transfer (to)/from investment properties under development (Note 5)	(21,200)	112,111	(21,200)	86,400
Transfer to investment properties held for sale (Note 11)	(98,400)	–	(98,400)	–
Capital expenditure incurred	56,981	61,946	53,718	53,538
Disposal of investment properties	(23,600)	(19,783)	(23,600)	(19,783)
Exchange differences	(58,472)	(84,966)	–	–
Fair value change	52,400	36,160	(15,630)	23,845
At the end of the financial year	12,743,792	11,143,937	9,061,600	8,769,500
Statement of Total Return:				
Fair value change of investment properties and investment properties hold for sale	52,400	36,160	(15,630)	23,845
Effect of lease incentive and marketing fee amortisation	(4,341)	(6,856)	(2,618)	(2,983)
Net fair value change on investment properties and investment properties held for sale recognised in the Statement of Total Return (unrealised)	48,059	29,304	(18,248)	20,862

Details of the properties are shown in the Investment Properties Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating lease or finance lease (Note 19 and Note 27).

As at 31 December 2019, investment properties with an aggregate carrying amount of $1,038,701,000 (31 March 2019: $1,025,381,000) have been pledged as collateral for certain term loans taken out by the Group (Note 15).

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 December 2019 and 31 March 2019. Information on the fair value assessment of investment properties is disclosed in Note 30(d).

5. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
At the beginning of the financial year	91,595	95,463	91,595	86,400
Transfer from/(to) investment properties (Note 4)	21,200	(112,111)	21,200	(86,400)
Capital expenditure incurred	34,674	108,385	34,674	91,595
Acquisition	36,029	–	–	–
Exchange differences	(1,441)	(142)	–	–
At the end of the financial year	182,057	91,595	147,469	91,595

As at 31 December 2019 and 31 March 2019, investment properties under development ("IPUD") are as follows:

Description of Property	Location	31/12/2019 $'000	31/3/2019 $'000
Built-to-suit project	One North	121,609	91,595
25 and 27 Ubi Road 4	25 and 27 Ubi Road 4	25,860	–
Total Singapore investment properties under development		147,469	91,595
254 Wellington Road	254 Wellington Road, Australia	34,588	–
Total Group investment properties under development		182,057	91,595

The carrying amount of investment properties under development is stated at fair value based on internal or external valuation. Information on the fair value assessment of investment properties under development is disclosed in Note 30(d).

6. FINANCE LEASE RECEIVABLES

	31/12/2019		31/3/2019	
	Carrying amount $'000	Face value $'000	Carrying amount $'000	Face value $'000
Group and Trust				
Finance lease receivables				
– Current	2,932	6,471	2,688	6,376
– Non-current	48,331	67,440	50,554	72,298
	51,263	73,911	53,242	78,674

Finance lease receivables are receivable from the lessees as follows:

	31/12/2019			31/3/2019		
	Gross receivable $'000	Unearned interest income $'000	Net receivable $'000	Gross receivable $'000	Unearned interest income $'000	Net receivable $'000
Group and Trust						
Within 1 year	6,471	3,539	2,932	6,376	3,688	2,688
After 1 year but within 5 years	34,234	13,869	20,365	26,223	12,273	13,950
After 5 years	33,206	5,240	27,966	46,075	9,471	36,604
	73,911	22,648	51,263	78,674	25,432	53,242

The Group has a credit policy in place to monitor lessees' credit rating on an ongoing basis. The lessees would be required to provide a security deposit if the credit rating falls below the agreed terms. The Manager believes that no impairment allowance is necessary in respect of the finance lease receivables.

7. LEASES

As Lessee

The Trust leases land from JTC and other landowners and pays annual land rent (including licence fee payable for development projects) in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreement limits any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year.

The leases typically run for a period 30-99 years, with an option to renew for certain of the leases after that date. Previously, these leases were classified as operating leases under FRS 17.

Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	Group and Trust 2019 $'000
As at 1 April (initial recognition)	625,890
Derecognition of right-of-use assets due to divestments	(3,583)
Fair value change on the right-of-use assets	(4,668)
As at 31 December	617,639

Lease liabilities

	Group and Trust 2019 $'000
As at 1 April (initial recognition)	625,890
Payment of land rent expenses	(24,596)
Derecognition of lease liabilities due to divestments	(3,583)
Interests on the lease liabilities (Note 23)	19,928
As at 31 December	617,639

Presented as:

	Group and Trust	
	31/12/2019 $'000	31/3/2019 $'000
Current	37,509	–
Non-current	580,130	–
	617,639	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES

	Trust	
	31/12/2019 $'000	31/3/2019 $'000
Interests in subsidiaries		
Equity investment, at cost		
At the beginning of the financial year	540,329	501,864
Acquisitions	172,100	38,465
At the end of the financial year	712,429	540,329
Loans to subsidiaries (Note a)	884,119	638,683
	1,596,548	1,179,012
Loans to subsidiaries		
Current (Note b)	269,559	–
Non-current (Note c)	267,705	297,000

(a) As loans to subsidiaries for both financial years ended 31 December 2019 and 31 March 2019 were, in substance, a part of the Trust's net investment in the subsidiaries, they are stated at cost less accumulated impairment losses. The other loans to subsidiaries were interest free and unsecured. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future.

(b) Loans to subsidiaries (current) are non-trade related, unsecured and non-interest bearing. The balances are expected to be repaid in cash within one year from the balance sheet date.

(c) As at 31 December 2019, loans to subsidiaries bear interest of BBSY+2.3% and BBSW+1.8% (31 March 2019: BBSY+2.3% and BBSW+1.8%) per annum respectively. The interest is payable annually while the payment of principal will be upon maturity in 2021 and 2023.

Details of interests in subsidiaries:

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 31/12/2019 %	31/3/2019 %
(i) Direct subsidiaries				
PLC 8 Holdings Pte. Ltd. ("PLC8H")*	Investment holding	Singapore	100	100
Ascendas REIT Australia ("ARA")^	Investment holding	Australia	100	100
Ascendas REIT (Europe) Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas US HoldCo Pte. Ltd.@	Investment holding	Singapore	100	–

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries				
PLC 8 Development Pte. Ltd. ("PLC8D")*	Commercial and industrial real estate management	Singapore	100	100
Ascendas Logistics Trust ("ALT")^	Investment holding	Australia	100	100
Ascendas Logistics Trust 2 ("ALT2")^	Investment holding	Australia	100	100
Ascendas Logistics Trust 3 ("ALT3")^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.1^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.2^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.3^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.4^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.5^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.6^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.7^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.8^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.9^	Investment holding	Australia	100	100
Ascendas Longbeach Trust No.10^	Investment holding	Australia	100	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Trust No.11^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.1^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.2^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.3^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.4^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.5^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.6^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.7^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.8^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.9^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.10^	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.11^	Investment holding	Australia	100	100
Ascendas Business Park Trust No.1^	Investment holding	Australia	100	100
Ascendas REIT (Europe Sub 1) Ltd.&	Investment holding	Guernsey	100	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries (continued)				
ARE S1 (Logistics I) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics II) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics III) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics IV) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics V) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics VI) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics VII) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics VIII) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics IX) Limited&	Investment holding	Guernsey	100	100
ARE S1 (Logistics X) Limited&	Investment holding	Guernsey	100	100
Ascendas REIT (Europe Sub 2) Group Ltd&	Investment holding	Jersey	100	100
ARE S2 (Logistics I) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics II) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics III) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics IV) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics V) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics VI) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics VII) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics VIII) Limited&	Investment holding	Jersey	100	100
ARE S2 (Logistics IX) Limited&	Investment holding	Jersey	100	100

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (CONTINUED)

Details of interests in subsidiaries (continued):

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust 31/12/2019 %	31/3/2019 %
(ii) Indirect subsidiaries (continued)				
Ascendas US REIT LLC#	Investment holding	United States	100	–
Portland 1 LLC#	Investment in real estate assets	United States	100	–
Portland 2 LLC#	Investment in real estate assets	United States	100	–
San Diego 1 LLC#	Investment in real estate assets	United States	100	–
San Diego 1 LLC#	Investment in real estate assets	United States	100	–
Raleigh 1 LLC#	Investment in real estate assets	United States	100	–
Raleigh 1 LP#	Investment in real estate assets	United States	100	–
Ascendas TRS 1 LLC#	Operate and manage real estate assets	United States	100	–

* Audited by Ernst & Yong ("EY") LLP Singapore for the financial year ended 31 December 2019 (31 March 2019: EY LLP Singapore).

^ Audited by a member firm of EY International for the financial year ended 31 December 2019 for Group consolidation purpose (31 March 2019: EY International).

& Audited by EY LLP Singapore for the financial year ended 31 December 2019 for Group consolidation purpose (31 March 2019: EY LLP Singapore).

Audited by a member firm of EY International for the financial year ended 31 December 2019 for Group consolidation purpose (31 March 2019: Not applicable).

@ Audited by EY LLP Singapore for the financial year ended 31 December 2019 (31 March 2019: Not applicable).

9. INVESTMENT IN A JOINT VENTURE

	Group	
	31/12/2019	31/3/2019
	$'000	$'000
At the beginning of the financial year	102	123
Share of post-acquisition profit	409	493
Dividend received	(357)	(514)
At the end of the financial year	154	102

Details of the joint venture is as follows:

Name of joint venture	Principal place of business	Effective equity held by the Group and the Trust	
		31/12/2019	31/3/2019
		%	%
Changi City Carpark Operations LLP*	Singapore	39.914	39.914

* Audited by Tan, Chan & Partners LLP for the financial year ended 30 September 2019 and 2018.

Changi City Carpark Operations LLP ("CCCO") is an unlisted joint arrangement in which the Group has joint control via a partnership agreement and 39.914% equity interest. CCCO manages and operates the car park at ONE@Changi City.

CCCO is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in CCCO as a joint venture, which is equity accounted.

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Trade receivables, gross	8,603	7,536	2,118	2,692
Impairment loss	(16)	–	–	–
Trade receivables, net	8,587	7,536	2,118	2,692
Deposits	3,834	8,761	–	–
Interest receivables	7,063	8,795	7,064	8,626
– Subsidiaries	–	–	5,302	12,652
– Non-related parties	10,095	7,868	7,779	6,720
	10,095	7,868	13,081	19,372
	29,579	32,960	22,263	30,690
Prepayments	6,760	6,675	3,324	2,880
	36,339	39,635	25,587	33,570

Other receivable from a subsidiary is the interest receivable related to loans to subsidiaries, which is receivable on demand.

The Group's primary exposure to credit risk arises through its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk for trade receivables at reporting date, by operating segments, is as follows:

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Business & Science Park Properties, and Suburban Offices	1,861	588	840	99
Integrated Development, Amenities & Retail Properties	148	96	148	96
High-Specifications Industrial Properties & Data Centres	598	1,702	598	1,702
Light Industrial Properties & Flatted Factories	402	191	402	191
Logistics & Distribution Centres	5,578	4,959	130	604
	8,587	7,536	2,118	2,692

The amounts represented in the table above are mainly secured by way of bankers' guarantees, insurance bonds or cash security deposits held by the Group, except for trade receivables balance which are impaired.

As a result of the default in rental by tenants, $7,262,000 (31 March 2019: $1,782,000) of cash security deposits were forfeited during the financial year.

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of trade receivables at the reporting date was:

	31/12/2019		31/3/2019	
	Gross $'000	Impairment losses $'000	Gross $'000	Impairment losses $'000
Group				
Not past due	7,987	(16)	5,086	–
Past due 1 – 90 days	420	–	2,369	–
Past due over 90 days	196	–	81	–
	8,603	(16)	7,536	–
Trust				
Not past due	1,486	–	242	–
Past due 1 – 90 days	436	–	2,369	–
Past due over 90 days	196	–	81	–
	2,118	–	2,692	–

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	31/12/2019 $'000	31/3/2019 $'000
Group and Trust		
At the beginning of the financial year	–	10
Provision/(reversal) of impairment losses during the year	16	(10)
At the end of the financial year	16	–

The Manager believes that no provision of impairment losses is necessary in respect of the remaining trade receivables as majority of the balances are not past due. And the rest of these amounts mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantees, insurance bonds or cash security deposits.

11. INVESTMENT PROPERTIES HELD FOR SALE

Investment properties held for sale as at 31 December 2019 represented two properties in Singapore, namely Wisma Gulab, a high-specifications building located at 190 Macpherson Road ("Wisma Gulab"), with the fair value of $83.4 million and No. 202 Kallang Bahru ("202 KB") with the fair value of $15.0 million.

Subsequent to the year end, the Trust completed the divestment of Wisma Gulab to Heap Seng Group Pte Ltd at the sales price of $88.0 million on 23 January 2020. The divestment of 202 KB to Work Plus Store (Kallang Bahru) Pte Ltd at the sales price of $17.0 million was completed on 4 February 2020.

12. CASH AND FIXED DEPOSITS

	Group		Trust	
	31/12/2019	31/3/2019	31/12/2019	31/3/2019
	$'000	$'000	$'000	$'000
Cash at bank	94,346	50,946	8,967	6,678
Fixed deposits	1,359	1,395	–	–
	95,705	52,341	8,967	6,678

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following at the end of each financial year:

	Group	
	31/12/2019	31/3/2019
	$'000	$'000
Cash at bank	94,346	50,946
Fixed deposits	1,359	1,395
	95,705	52,341
Bank overdrafts (Note 15)	(41,150)	(47,420)
Cash and cash equivalents	54,555	4,921

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	31/12/2019	31/3/2019	31/12/2019	31/3/2019
	$'000	$'000	$'000	$'000
Trade payables				
– non-related parties	1,878	4,911	1,699	3,479
– the Manager	5,192	1,618	5,192	1,618
– the Singapore Property Manager	8,147	6,587	8,147	6,587
– the Trustee	507	507	507	507
– other related parties	63	115	63	115
Accruals	133,729	74,667	96,374	62,928
Other payables	44,196	15,067	41,654	12,718
Interest payable	24,647	21,792	20,851	17,875
Amount owing to a subsidiary(1)	–	–	10,079	9,392
Property tax payable	7,553	5,861	7,553	5,861
Cumulative redeemable preference shares	87	–	–	–
	225,999	131,125	192,119	121,080
GST/VAT payables	7,842	5,752	6,336	2,509
Rental received in advance	22,082	21,378	8,150	7,992
Total	255,923	158,255	206,605	131,581

(1) The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

Presented as:				
Current	255,836	158,255	206,605	131,581
Non-current	87	–	–	–
	255,923	158,255	206,605	131,581

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	31/12/2019	31/3/2019	31/12/2019	31/3/2019
	$'000	$'000	$'000	$'000
Derivative assets				
Current	17,896	1,425	17,896	1,425
Non-current	20,890	31,546	19,508	29,767
	38,786	32,971	37,404	31,192
Derivative liabilities				
Current	(6,279)	(8)	(384)	(8)
Non-current	(67,174)	(64,112)	(64,043)	(55,958)
	(73,453)	(64,120)	(64,427)	(55,966)
Total derivative financial instruments	(34,667)	(31,149)	(27,023)	(24,774)
Derivative financial instruments as a percentage of net assets	0.43%	0.45%	0.34%	0.36%

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of $1,775.2 million (31 March 2019: $1,967.9 million) to provide fixed rate funding for terms of less than one year to 5.1 years (31 March 2019: less than one year to 5.8 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of $350.0 million (31 March 2019: $350.0 million) and basis interest rate swaps with an aggregate notional amount of $504.5 million (31 March 2019: $504.5 million) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

The changes in fair value of the interest rate swaps are recognised in the Statement of Total Return for both financial years ended 31 December 2019 and 31 March 2019.

As at 31 December 2019, the Group held cross currency swaps ("CCS") with notional amounts of JPY15.0 billion, and HKD4.2 billion (31 March 2019: JPY15.0 billion, HKD4.2 billion, and USD148.3 million) respectively, to provide Singapore dollar funding for terms of less than one year to 9.2 years (31 March 2019: 1.0 year to 10.4 years).

In addition, the Group held CCS with notional amounts of AUD294.5 million and GBP114.9 million (31 March 2019: AUD294.5 million and GBP114.9 million) as a hedge for its investment in Australia and the UK for a term of less than one year to 2.8 years (31 March 2019: 1.5 years to 4.0 years) respectively.

The Group had also entered into forward exchange contracts to manage its foreign currency risk. The notional amount of the Group's outstanding forward exchange contracts as at 31 December 2019 was AUD12.2 million (31 March 2019: AUD14.5 million).

The disclosures set out in the tables below include derivative assets and derivative liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Statements of Financial Position.

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances, following the occurrence of a termination event as set out in the ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only the net amount is due or payable in settlement of all transactions.

The swaps presented below are not offset in the Statements of Financial Position as the right to off-set recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial assets/ liabilities $'000	Gross amounts of recognised financial liabilities/ assets offset in the Statements of Financial Position $'000	Net amounts of financial assets/ liabilities presented in the Statements of Financial Position $'000	Related amounts not offset in the Statements of Financial Position $'000	Net amount $'000
31 December 2019					
Group					
Types of financial assets					
Derivative assets	38,786	–	38,786	(19,855)	18,931
Types of financial liabilities					
Derivative liabilities	73,453	–	73,453	(19,855)	53,598
Trust					
Types of financial assets					
Derivative assets	37,404	–	37,404	(19,855)	17,549
Types of financial liabilities					
Derivative liabilities	64,427	–	64,427	(19,855)	44,572
31 March 2019					
Group					
Types of financial assets					
Derivative assets	32,971	–	32,971	(4,943)	28,028
Types of financial liabilities					
Derivative liabilities	64,120	–	64,120	(4,943)	59,177
Trust					
Types of financial assets					
Derivative assets	31,192	–	31,192	(4,943)	26,249
Types of financial liabilities					
Derivative liabilities	55,966	–	55,966	(4,943)	51,023

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the Statements of Financial Position at their fair values.

15. LOANS AND BORROWINGS

	Group 31/12/2019 $'000	31/3/2019 $'000	Trust 31/12/2019 $'000	31/3/2019 $'000
Current				
Short term bank borrowings (unsecured)	173,971	168,400	173,971	168,400
Less: Unamortised transaction costs	(39)	–	(39)	–
	173,932	168,400	173,932	168,400
Bank overdrafts (Note 12)	41,150	47,420	41,150	47,420
	215,082	215,820	215,082	215,820
Term loans				
– Secured	261,829	–	–	–
– Unsecured		301,142		301,142
Less: Unamortised transaction costs	–	(48)	–	(48)
	261,829	301,094	–	301,094
Medium term notes (unsecured)	100,000	95,000	100,000	95,000
Less: Unamortised transaction costs	(34)	(6)	(34)	(6)
	99,966	94,994	99,966	94,994
Total current loans and borrowings	576,877	611,908	315,048	611,908
Non-current				
Term loans				
– Secured	261,829	541,543	–	–
– Unsecured	1,987,525	1,061,434	978,283	704,080
Less: Unamortised transaction costs	(10,219)	(7,030)	(3,230)	(2,083)
	2,239,135	1,595,947	975,053	701,997
Medium term notes (unsecured)	1,798,917	1,893,839	1,798,917	1,893,839
Less: Unamortised transaction costs	(3,281)	(3,903)	(3,281)	(3,903)
	1,795,636	1,889,936	1,795,636	1,889,936
Total non-current loans and borrowings	4,034,771	3,485,883	2,770,689	2,591,933
Total loans and borrowings	4,611,648	4,097,791	3,085,737	3,203,841

Maturity of gross loans and borrowings:

	Group 31/12/2019 $'000	31/3/2019 $'000	Trust 31/12/2019 $'000	31/3/2019 $'000
Within 1 year	576,950	611,962	315,121	611,962
After 1 year but within 5 years	3,242,039	2,173,430	1,970,968	1,545,305
After 5 years	806,232	1,323,386	806,232	1,052,614
	4,625,221	4,108,778	3,092,321	3,209,881

15. LOANS AND BORROWINGS (CONTINUED)

Short term bank borrowings

As at the reporting date, the Group has in place various short term banking credit facilities totalling $1,418.0 million (31 March 2019: $1,417.5 million), of which $222.0 million (31 March 2019: $212.6 million) has been utilised. Included in the amount of $1,418.0 million (31 March 2019: $1,417.5 million) is a sub-facility of $101.4 million (31 March 2019: $101.4 million) facility for the issuance of letters of guarantee.

Term loans

As at the reporting date, the Group has in place various term loan facilities totalling $2,145.5 million (31 March 2019: $2,002.9 million) of which $1,987.5 million (31 March 2019: $1,902.9 million) has been utilised.

Included in the above was approximately $523.7 million (31 March 2019: $541.5 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and a guarantee from the Trust.

Medium term notes

In March 2009, the Trust established a $1.0 billion Multicurrency Medium Term Note ("MTN") Programme. Pursuant to the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue fixed or floating interest rate notes (the "Notes") in Singapore dollars or any other currency for up to a programme limit of $1.0 billion. In March 2016, the Trust upsized the programme limit to $5.0 billion.

The Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Trust ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Trust.

The principal amount of the Notes outstanding as at 31 December 2019 comprised $980.0 million (31 March 2019: $1,075.0 million) in SGD-denominated Notes, $186.0 million (31 March 2019: $183.7 million) in JPY-denominated Notes and $733.0 million (31 March 2019: $730.2 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY15.0 billion and HKD4.2 billion (31 March 2019: JPY15.0 billion and HKD4.2 billion) to hedge against the foreign currency risk arising from the principal amount of the JPY and HKD denominated Notes (Note 14).

15. LOANS AND BORROWINGS (CONTINUED)

Medium term notes (continued)

As at 31 December 2019, the Notes issued under the MTN programme are as follows:

(i) $200.0 million (31 March 2019: $200.0 million) Series 004 Notes. The Series 004 Notes will mature on 3 February 2022 and bear a fixed interest rate of 4.00% per annum, payable semi-annually in arrear.

(ii) JPY10.0 billion (31 March 2019: JPY10.0 billion) Series 005 Notes. The Series 005 Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% per annum, payable semi-annually in arrear.

(iii) JPY5.0 billion (31 March 2019: JPY5.0 billion) Series 006 Notes. The Series 006 Notes will mature on 29 March 2021 and bear an interest rate of 3-month JPY LIBOR plus 0.50% per annum, payable quarterly in arrear.

(iv) HKD640.0 million (31 March 2019: HKD640.0 million) Series 009 Notes. The Series 009 Notes will mature on 4 September 2029 and bear a fixed interest rate of 3.64% per annum, payable annually in arrear.

(v) $150.0 million (31 March 2019: $150.0 million) Series 010 Notes. The Series 010 Notes will mature on 3 June 2022 and bear a fixed interest rate of 3.20% per annum, payable semi-annually in arrear.

(vi) $100.0 million (31 March 2019: $100.0 million) Series 011 Notes. The Series 011 Notes will mature on 3 August 2020 and bear a fixed interest rate of 2.95% per annum, payable semi-annually in arrear.

(vii) HKD500.0 million (31 March 2019: HKD500.0 million) Series 012 Notes. The Series 012 Notes will mature on 4 February 2026 and bear a fixed interest rate of 3.00% per annum, payable annually in arrear.

(viii) $130.0 million (31 March 2019: $130.0 million) Series 013 Notes. The Series 013 Notes will mature on 7 April 2021 and bear a fixed interest rate of 2.655% per annum, payable semi-annually in arrear.

(ix) HKD923.0 million (31 March 2019: HKD923.0 million) Series 014 Notes. The Series 014 Notes will mature on 3 August 2026 and bear a fixed interest rate of 2.77% per annum, payable annually in arrear.

(x) $200.0 million (31 March 2019: $200.0 million) Series 015 Notes. The Series 015 Notes will mature on 10 August 2023 and bear a fixed interest rate of 2.47% per annum, payable semi-annually in arrear.

(xi) $200.0 million (31 March 2019: $200.0 million) Series 016 Notes. The Series 016 Notes will mature on 2 March 2025 and bear a fixed interest rate of 3.14% per annum, payable semi-annually in arrear.

(xii) HKD729.0 million (31 March 2019: HKD729.0 million) Series 017 Notes. The Series 017 Notes will mature on 16 May 2025 and bear a fixed interest rate of 3.66% per annum, payable semi-annually in arrear.

(xiii) HKD1,450.0 million (31 March 2019: HKD1,450.0 million) Series 018 Notes. The Series 018 Notes will mature on 20 March 2029 and bear a fixed interest rate of 3.57% per annum, payable semi-annually in arrear.

The Trust has entered into cross currency swaps to swap – the Series 005 Notes, the Series 006 Notes, the Series 009 Notes, the Series 012 Notes, the Series 014 Notes, the Series 017 Notes, and the Series 018 Notes – into Singapore dollars.

15. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2019				
Short term bank borrowings	SOR/COF^ + margin	2020	215,121	215,082
Term loans	SOR/COF^ + margin	2020 to 2025	2,511,183	2,500,964
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2020 to 2029	1,898,917	1,895,602
			4,625,221	4,611,648
31 March 2019				
Short term bank borrowings	SOR/COF^ + margin	2019	215,820	215,820
Term loans	SOR/COF^ + margin	2019 to 2025	1,904,119	1,897,041
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2019 to 2029	1,988,839	1,984,930
			4,108,778	4,097,791
Trust				
31 December 2019				
Short term bank borrowings	SOR/COF^ + margin	2020	215,121	215,082
Term loans	SOR/COF^ + margin	2020 to 2023	978,283	975,053
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2020 to 2029	1,898,917	1,895,602
			3,092,321	3,085,737
31 March 2019				
Short term bank borrowings	SOR/COF^ + margin	2019	215,820	215,820
Term loans	SOR/COF^ + margin	2019 to 2023	1,005,222	1,003,091
Medium term notes	2.47 – 4.00 /JPY 3-month LIBOR + 0.5%	2019 to 2029	1,988,839	1,984,930
			3,209,881	3,203,841

^ COF denotes the lender's cost of funds

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 December 2019 was 2.9% (31 March 2019: 3.0%) per annum. Total borrowings have a weighted average term remaining of 4.0 years (31 March 2019: 3.6 years).

15. LOANS AND BORROWINGS (CONTINUED)

A reconciliation of liabilities (excluding the bank overdraft) arising from financing activities is as follows:

	1 April 2019 $'000	Cash flows $'000	← Non-cash changes Currency translation $'000	Non-cash changes Accretion of interests $'000	Non-cash changes → Others $'000	31 December 2019 $'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	4,050,371	532,813	(18,733)	2,066	3,981	4,570,498
Lease liabilities	625,890	(24,596)	–	19,928	(3,583)	617,639
	4,676,261	508,217	(18,733)	21,994	398	5,188,137

	1 April 2018 $'000	Cash flows $'000	← Non-cash changes Currency translation $'000	Non-cash changes Accretion of interests $'000	Non-cash changes → Others $'000	31 March 2019 $'000
Group						
Loans and borrowings – medium term notes, and bank borrowings	3,471,255	609,629	(27,527)	2,541	(5,527)	4,050,371

The "Others" column related to the movement of debt related transaction cost and derecognition of lease liabilities due to the divestments.

16. DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities during the year are as follows:

	Investment properties $'000	Unremitted earnings of overseas subsidiaries $'000	Total $'000
Group			
At 1 April 2018	–	1,411	1,411
Recognised in the Statement of Total Return (Note 24)	–	8,429	8,429
Acquisition of subsidiaries	861	–	861
At 31 March 2019 and 1 April 2019	861	9,840	10,701
Recognised in the Statement of Total Return (Note 24)	103	15,755	15,858
At 31 December 2019	964	25,595	26,559

17. PERPETUAL SECURITIES

In October 2015, the Trust issued $300.0 million perpetual securities. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 4.75% per annum with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Issuer.

The perpetual securities are classified as equity instruments and recorded as equity in the Statements of Financial Position. The $300.9 million (31 March 2019: $304.4 million) presented in the Statements of Financial Position represents the carrying value of the $300.0 million (31 March 2019: $300.0 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

18. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	31/12/2019 ('000)	**31/3/2019 ('000)**
Units issued:		
At the beginning of the financial year	3,110,842	2,928,504
Issue of new Units:		
– Management fees paid in Units	3,811	4,032
– Equity fund raising	498,041	178,007
– Development management fees paid in Units	–	299
At end of the financial year	3,612,694	3,110,842
Units to be issued:		
Management fee payable in Units	380	1,296
Acquisition fee payable in Units	5,494	–
Total Units issued and to be issued at end of the financial year	3,618,568	3,112,138

During the financial year ended 31 December 2019:

- 3,811,105 new Units amounting to $8,642,000 were issued at issue prices ranging from $2.9337 to $2.9772 per unit for the payment of 20% base management fee to the Manager in Units.
- 498,040,904 new Units were issued on 6 December 2019 at an issue price of $2.63 per unit pursuant to the Rights Issue, amounting to $1,309,848 after netting off the issuance cost. The Right Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Right units, including the right to any distributions which may accrue for the period from 1 October 2019 to 31 December 2019 as well as all distributions thereafter.

18. UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

Subsequent to the financial year ended 31 December 2019:

- 5,494,086 new Units amounting to $16,536,000 were issued on 10 January 2020 at issue price of $3.0098 per unit for the payment of acquisition fee in relation to the acquisition of a portfolio of United States properties and two Singapore properties by the Group from indirect wholly owned entities of CapitaLand Limited on 11 December 2019.

During the financial year ended 31 March 2019:

- 4,032,238 new Units amounting to $10,873,000 were issued at issue prices ranging from $2.5731 to $2.6584 per unit for the payment of 20% base management fee to the Manager in Units.

- 178,007,000 new Units were issued on 18 September 2018 at an issue price of $2.540 per unit pursuant to a private placement, amounting to $452,138,000. Unitholders on the register with The Central Depository (Pte) Limited ("CDP") on 17 September 2018 received an advance distribution on 17 October 2018 of 7.250 cents per unit for the period from 1 April 2018 to 17 September 2018. Thereafter, the 178,007,000 new Units rank *pari passu* in all respects with the Units in issue prior to 18 September 2018, including the entitlements to all future distributions.

- 298,656 new Units amounting to $840,000 were issued on 11 March 2019 to the Manager at an issue price of $2.8126 per unit. The issuance of Units was for the payment of 1% development management fee for the $84 million land premium paid to a related party for an investment property under development. These Units rank *pari passu* in all respects with the units in issue on the day immediately preceding the date of issue.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;

- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or any part thereof) or of any estate or interest in any asset (or any part thereof) of the Trust;

- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the issued units) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and

- One vote per unit at a Unitholders' meeting.

The restrictions to a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and

- A Unitholder has no right to request for redemption of the units while the units are listed on the SGX-ST.

19. GROSS REVENUE

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Property rental income	626,811	800,273
Other income	72,246	85,898
	699,057	886,171

20. PROPERTY OPERATING EXPENSES

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Land rent	–	32,343
Maintenance and conservancy ("M&C") expenses	27,619	38,262
Property service fees	26,238	35,193
Property tax	44,203	52,900
Utilities	37,254	46,945
Land tax	8,258	9,039
Security services	6,195	8,193
Site staff cost	4,341	3,961
Carpark management fee expenses	3,552	4,563
Other operating expenses	3,719	5,193
	161,379	236,592

21. MANAGEMENT FEES

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Base management fee	43,332	54,379

Included in management fees is an aggregate of 3,811,000 (31 March 2019: 4,032,000) Units amounting to approximately $8,642,000 (31 March 2019: $10,873,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in Units at unit prices ranging from $2.9337 to $2.9772 (31 March 2019: $2.6584 to $2.8755) per Unit.

22. TRUST EXPENSES

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Auditors' remuneration		
– audit fees	735	444
– non-audit fees	38	77
Professional fees	1,293	1,601
Valuation fees	735	589
Trustee fee	1,861	2,415
Other expenses	2,335	2,549
	6,997	7,675

23. FINANCE INCOME AND FINANCE COSTS

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Finance income	8,159	10,448
Interest expense on loans and borrowings	99,278	122,942
Interest expense on lease liabilities (Note 7)	19,928	–
Amortisation of transaction costs	2,159	3,323
Others	191	223
Finance costs	121,556	126,488

24. TAX EXPENSE

	Group Nine months ended 31/12/2019 $'000	Group 12 months ended 31/3/2019 $'000
Current tax expense		
– Current year	4,819	5,955
– Under provision in respect of prior year	–	7
	4,819	5,962
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	15,858	8,429
Tax expense	20,677	14,391
Reconciliation of effective tax rate		
Total return for the year before tax	408,548	517,474
Tax calculated using Singapore tax rate of 17% (31 March 2019: 17%)	69,453	87,971
Effect of different tax rate in foreign jurisdictions	3,288	4,317
Non-tax deductible items, net	6,566	8,114
Income not subject to tax	(19,625)	(20,998)
Tax on overseas profits yet to be remitted	15,858	8,429
Under provision in respect of prior year	–	7
Tax transparency	(54,863)	(73,449)
	20,677	14,391

25. EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

(a) Basic earnings per Unit

The calculation of basic earnings per Unit is based on the total return for the year and weighted average number of units during the year:

	Group	
	Nine months ended 31/12/2019 $'000	**12 months ended 31/3/2019 $'000**
Total return for the year attributable to the Unitholders and perpetual securities holders	387,871	503,087
Less: Amount reserved for distribution to perpetual securities holders	(10,736)	(14,250)
Total return attributable to Unitholders	377,135	488,837

As adjusted to include the effects of the Rights Issue:

	Number of Units	
	Nine months ended 31/12/2019 ('000)	**12 months ended 31/3/2019 ('000)**
Weighted average number of Units:		
– outstanding during the year	3,228,320	3,092,737
– to be issued as payment for management fee payable in Units	16	4
	3,228,336	3,092,741

	Group	
	Nine months ended 31/12/2019	**12 months ended 31/3/2019**
Basic earnings per Unit (cents)	11.682	15.806

25. EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (CONTINUED)

(a) Basic earnings per Unit (continued)

As previously reported:

	Number of Units 12 months ended 31/3/2019 ('000)
Weighted average number of Units:	
– outstanding during the year	3,025,741
– to be issued as payment for management fee payable in Units	4
	3,025,745

	Group 12 months ended 31/3/2019
Basic earnings per Unit (cents)	16.156

(b) Diluted earnings per Unit

As at 31 December 2019 and 31 March 2019, the diluted earnings per Unit was equivalent to the basic earnings per Unit.

(c) Distribution per unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	Nine months ended 31/12/2019	12 months ended 31/3/2019
Total amount available to the Unitholders for distribution for the year ($'000)	375,412	485,683
Distribution per Unit (cents)		
– As actually distributed or distributable to the Unitholders	11.490	16.035
– As restated to reflect the effects of the Rights Issue	11.317	15.688

26. COMMITMENTS AND CONTINGENCIES

(a) The Group and the Trust lease out their investment properties under operating lease agreements. Non-cancellable operating lease rental receivables are as follows:

	Group		Trust	
	31/12/2019 $'000	31/3/2019 $'000	31/12/2019 $'000	31/3/2019 $'000
Within 1 year	859,227	762,874	636,152	630,447
After 1 year but within 5 years	1,914,398	1,672,177	1,267,289	1,246,807
After 5 years	1,155,524	1,094,387	816,985	765,862
	3,929,149	3,529,438	2,720,426	2,643,116

(b) As at 31 December 2019, the Group and the Trust had $150.5 million (31 March 2019: $81.1 million) and $81.5 million (31 March 2019: $81.1 million) of capital expenditure commitments that had been contracted for but not provided for in the financial statements, respectively.

(c) The Trust has provided corporate guarantees amounting to $879.8 million (31 March 2019: $898.9 million) to banks for loans obtained by its subsidiaries.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Singapore Property Manager are indirect wholly-owned subsidiaries of a significant Unitholder of the Trust.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group	
	Nine months ended 31/12/2019 $'000	12 months ended 31/3/2019 $'000
Acquisition fee paid/payable to the Manager and a subsidiary of the Manager	16,536	9,305
Acquisition of investment properties from the controlling Unitholder of Ascendas Reit	1,665,262	–
Car park management fee paid/payable to the Singapore Property Manager	3,537	4,527
Divestment fee paid/payable to the Manager	135	229
Development management fee paid to the Manager	–	840
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	9,852	123,895
Lease rental, securities, utilities and car park income received from other related parties	(35,977)	(47,952)
Lease service fees paid/payable to the Manager and a subsidiary of the Manager	11,465	17,669
Management fees paid/payable to the Manager and a subsidiary of the Manager	40,349	52,523
Property service fees paid to the Singapore Property Manager	18,320	21,936
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	4,392	4,321
Reimbursements and receipts on behalf of the Singapore Property Manager	229	759
Reimbursements paid/payable to the Manager	64	2,144
Reimbursements of expenses from other related parties	(34)	(56)
Receipts on behalf by the Manager	–	(14)
Rental income of meeting rooms and receipts on behalf by the Singapore Property Manager	(4)	(23)
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	5,389	9,536
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	(35)	(264)

28. FINANCIAL RATIOS

	Group	
	Nine months ended 31/12/2019 %	12 months ended 31/03/2019 %
Ratio of expenses to weighted average net asset value[(1)]	0.71	0.93
Ratio of expenses to weighted average net asset value[(2)]	0.71	0.93
Ratio of expenses to net asset value[(3)]	2.61	4.30
Portfolio turnover rate[(4)]	0.45	0.60

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, borrowing costs and performance component of management fees. The expenses used for the current financial year were only for the nine months period from 1 April 2019 to 31 December 2019 due to the change of the financial year (Note 2.3).

(2) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation are the same as in (1) above except that performance fee has been included.

(3) The ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.

(4) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is integral to the whole business of the Group. The Manager has a system of controls in place to maintain an acceptable balance between the benefits derived from managing risks and the cost of managing those risks. The Manager also monitors the Group's risk management process closely to ensure an appropriate balance between control and achievement of business objectives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit and Risk Committee of the Manager oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's exposure to those risks. The Audit and Risk Committee's oversight role is assisted by an internal audit function which is outsourced to an independent professional firm ("Internal Audit"). Internal Audit undertakes both regular and ad-hoc reviews of controls and procedures, the results of which are reported to the Audit and Risk Committee.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Australia, the UK and the US. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's exposure to fluctuations in foreign currency rates relates primarily to its bank borrowings and medium term notes that are denominated in foreign currencies as well as investments in non-Singapore properties. The foreign currencies giving rise to this risk are mainly AUD, GBP, HKD, JPY and USD.

The Group monitors its foreign currency exposure on an ongoing basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products. The Group and the Trust enter into CCS with banks to manage currency risk.

In relation to foreign currency risk arising from investments in non-Singapore properties, the Group and the Trust had borrowed in the foreign currency of underlying investments to achieve a natural hedge. The Group and the Trust had also entered into forward exchange contracts to hedge the cash flows from overseas investments (Note 14).

The Group's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
31 December 2019							
Financial assets							
Cash and fixed deposits	4,761	21,725	24,886	44,333	–	–	95,705
Trade and other receivables[1]	17,115	4,478	6,225	1,761	–	–	29,579
Finance lease receivables	51,263	–	–	–	–	–	51,263
	73,139	26,203	31,111	46,094	–	–	176,547
Financial liabilities							
Trade and other payables[2]	(187,063)	(6,145)	(6,326)	(26,465)	–	–	(225,999)
Security deposits	(153,060)	(1,481)	(846)	(3,179)	–	–	(158,566)
Lease liabilities	(617,639)	–	–	–	–	–	(617,639)
Loans and borrowings – Gross	(1,470,822)	(883,212)	(359,069)	(993,201)	(732,932)	(185,985)	(4,625,221)
	(2,428,584)	(890,838)	(366,241)	(1,022,845)	(732,932)	(185,985)	(5,627,425)
Net financial liabilities	(2,355,445)	(864,635)	(335,130)	(976,751)	(732,932)	(185,985)	(5,450,878)
Add: Net non-financial assets of foreign subsidiaries	–	359,553	210,562	340,138	–	–	910,253
Less: Net financial assets denominated in the respective entities' functional currency	2,147,778	510,874	129,538	636,613	–	–	3,424,803
Less: Cross currency swap	207,667	–	–	–	732,932	185,985	1,126,584
Currency exposure	–	5,792	4,970	–	–	–	10,762

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
31 March 2019							
Financial assets							
Cash and fixed deposits	3,706	28,695	19,940	–	–	–	52,341
Trade and other receivables[1]	18,539	3,384	11,037	–	–	–	32,960
Finance lease receivables	53,242	–	–	–	–	–	53,242
	75,487	32,079	30,977	–	–	–	138,543
Financial liabilities							
Trade and other payables[2]	(116,948)	(8,246)	(5,931)	–	–	–	(131,125)
Security deposits	(126,713)	(1,464)	(852)	–	–	–	(129,029)
Loans and borrowings – Gross	(1,730,139)	(890,865)	(372,793)	(201,142)	(730,164)	(183,675)	(4,108,778)
	(1,973,800)	(900,575)	(379,576)	(201,142)	(730,164)	(183,675)	(4,368,932)
Net financial liabilities	(1,898,313)	(868,496)	(348,599)	(201,142)	(730,164)	(183,675)	(4,230,389)
Add: Net non-financial assets of foreign subsidiaries	–	349,321	223,159	–	–	–	572,480
Less: Net financial assets denominated in the respective entities' functional currency	1,690,597	524,180	125,460	–	–	–	2,340,237
Less: Cross currency swap	207,716	–	–	201,142	730,164	183,675	1,322,697
Currency exposure	–	5,005	20	–	–	–	5,025

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust's currency exposure is as follows:

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
Trust							
31 December 2019							
Financial assets							
Cash and fixed deposits	3,091	906	4,970	–	–	–	8,967
Trade and other receivables[1]	16,961	5,302	–	–	–	–	22,263
Finance lease receivables	51,263	–	–	–	–	–	51,263
Loans to subsidiaries	–	267,705	–	269,559	–	–	537,264
	71,315	273,913	4,970	269,559	–	–	619,757
Financial liabilities							
Trade and other payables[2]	(192,119)	–	–	–	–	–	(192,119)
Security deposits	(152,861)	–	–	–	–	–	(152,861)
Amount due to a subsidiary	(25,062)	–	–	–	–	–	(25,062)
Lease liabilities	(617,639)	–	–	–	–	–	(617,639)
Loans and borrowings – Gross	(1,263,151)	(359,553)	(210,562)	(340,138)	(732,932)	(185,985)	(3,092,321)
	(2,250,832)	(359,553)	(210,562)	(340,138)	(732,932)	(185,985)	(4,080,002)
Net financial liabilities	(2,179,517)	(85,640)	(205,592)	(70,579)	(732,932)	(185,985)	(3,460,245)
Add: Net interest in subsidiaries	–	91,848	210,562	70,579	–	–	372,989
Less: Net financial assets denominated in the respective entities' functional currency	2,179,517	–	–	–	–	–	2,179,517
Less: Cross currency swap	–	–	–	–	732,932	185,985	918,917
Currency exposure	–	6,208	4,970	–	–	–	11,178

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Trust's currency exposure is as follows: (continued)

	SGD $'000	AUD $'000	GBP $'000	USD $'000	HKD $'000	JPY $'000	Total $'000
31 March 2019							
Financial assets							
Cash and fixed deposits	1,653	5,005	20	–	–	–	6,678
Trade and other receivables[1]	18,207	3,255	9,228	–	–	–	30,690
Finance lease receivables	53,242	–	–	–	–	–	53,242
Loans to subsidiaries	–	297,000	–	–	–	–	297,000
	73,102	305,260	9,248	–	–	–	387,610
Financial liabilities							
Trade and other payables[2]	(121,080)	–	–	–	–	–	(121,080)
Security deposits	(126,611)	–	–	–	–	–	(126,611)
Amount due to a subsidiary	(25,646)	–	–	–	–	–	(25,646)
Loans and borrowings – Gross	(1,522,420)	(349,321)	(223,159)	(201,142)	(730,164)	(183,675)	(3,209,881)
	(1,795,757)	(349,321)	(223,159)	(201,142)	(730,164)	(183,675)	(3,483,218)
Net financial liabilities	(1,722,655)	(44,061)	(213,911)	(201,142)	(730,164)	(183,675)	(3,095,608)
Add: Net interest in subsidiaries	–	52,321	223,159	–	–	–	275,480
Less: Net financial assets denominated in the respective entities' functional currency	1,722,655	–	–	–	–	–	1,722,655
Less: Cross currency swap	–	–	–	201,142	730,164	183,675	1,114,981
Currency exposure	–	8,260	9,248	–	–	–	17,508

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

Sensitivity analysis

The Group and the Trust are not subject to significant currency risk after entering into cross currency swap and forward exchange contracts for the financial assets or liabilities denominated in foreign currencies.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets.

The Group's policy is to maintain a certain level of its borrowings in fixed-rate instruments. The Group's and the Trust's exposure to cash flow interest rate risks arise mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's and Trust's borrowings at variable rates on which interest rate swaps have not been entered into, are denominated mainly in SGD and AUD (31 March 2019: SGD and AUD). If the SGD or AUD interest rates had increased/decreased by 100 basis point (31 March 2019: 100 basis point) with all other variables including tax rate being held constant, the total profit would have been lower/higher by $11,418,000 and $11,418,000 respectively (31 March 2019: $9,134,000 and $9,134,000 respectively) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's major classes of financial assets are cash and cash equivalents, finance receivables, trade and other receivables and derivative financial assets.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Group deals only with high credit quality counterparties. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

The Manager has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Manager before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees, corporate guarantees or cash security deposits are obtained upon the commencement of the lease.

As at the reporting date, there are no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments on the Statements of Financial Position.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables

For all trade receivables, the Group provides for lifetime expected credit losses using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group's and the Trust's credit risk for net trade receivables based on the information provided to key management is disclosed in Note 10.

(ii) Loans to subsidiaries

The Trust held loans to its subsidiaries of $537,264,000 (31 March 2019: $297,000,000) which are amounts lent to subsidiaries to satisfy long term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis, and the amount of the allowance is not significant.

(iii) Financial derivatives

Financial derivatives are entered into with financial institution counterparties, which are regulated.

(iv) Cash and fixed deposits

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings, and thus management does not expect any counterparty to fail to meet its obligations.

Other than the above, the Group and the Trust had no other financial assets which it had determined to be impaired and there are no allowances on impairment provided for as at 31 December 2019 and 31 March 2019.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Trust may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The Group strives to maintain available banking facilities at a reasonable level to meet its investment opportunities. The Group has in place various credit facilities and a Multicurrency Medium Term Note Programme with a programme limit of $5.0 billion (Note 15).

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group			
31 December 2019			
Non-derivative financial liabilities			
Loans and borrowings	739,257	3,598,733	834,161
Trade and other payables[1]	225,999	–	–
Security deposits	93,356	42,767	22,443
Lease liabilities	37,509	187,546	1,156,108
	1,096,121	3,829,046	2,012,712
Derivative financial liabilities			
Interest rate swaps (net-settled)	5,895	19,753	837
Cross currency swaps (net-settled)	–	14,157	12,758
Forward contact	37	–	–
	5,932	33,910	13,595
	1,102,053	3,862,956	2,026,307
31 March 2019			
Non-derivative financial liabilities			
Loans and borrowings	714,398	2,447,791	1,413,112
Trade and other payables[1]	131,125	–	–
Security deposits	46,862	67,917	14,250
	892,385	2,515,708	1,427,362
Derivative financial liabilities			
Interest rate swaps (net-settled)	1,906	15,049	1,969
Cross currency swaps (net-settled)	–	–	40,253
	1,906	15,049	42,222
	894,291	2,530,757	1,469,584

(1) Excludes rental received in advance and GST/VAT payable.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
31 December 2019			
Non-derivative financial liabilities			
Loans and borrowings	438,285	2,219,387	834,161
Trade and other payables[1]	192,119	–	–
Security deposits	93,157	38,107	21,597
Lease liabilities	37,509	187,546	1,156,108
	761,070	2,445,040	2,011,866
Derivative financial liabilities			
Interest rate swaps (net-settled)	161	16,623	837
Cross currency swaps (net-settled)	–	14,157	12,758
Forward contract	37	–	–
	198	30,780	13,595
	761,268	2,475,820	2,025,461
31 March 2019			
Non-derivative financial liabilities			
Loans and borrowings	692,972	1,770,062	1,131,857
Trade and other payables [1]	121,080	–	–
Security deposits	46,690	66,523	13,398
	860,742	1,836,585	1,145,255
Derivative financial liabilities			
Interest rate swaps (net-settled)	–	8,801	1,969
Cross currency swaps (net-settled)	–	–	40,253
	–	8,801	42,222
	860,742	1,845,386	1,187,477

(1) Excludes rental received in advance and GST/VAT payable.

The table below shows the contractual expiry by maturity of the Trust's corporate guarantee provided to the subsidiaries (Note 26(c)). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Trust			
31 December 2019			
Corporate guarantee	879,837	–	–
31 March 2019			
Corporate guarantee	898,897	–	–

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital management

The Group's and the Trust's objective when managing capital is to optimise Unitholders' value through the mixture of available capital sources which include debt, equity and convertible instruments. In addition, the Group and the Trust ensure the compliance with statutory and constitutional capital and distribution requirements, maintaining gearing ratio, interest expense coverage and other ratios within approved limits.

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management as well as financing policies regularly so as to optimise the Group's and the Trust's capital funding structure. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the Deposited Property.

As at 31 December 2019, the Aggregate Leverage of the Group is 35.1% (31 March 2019: 36.3%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

30. FAIR VALUE MEASUREMENT

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

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

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities of the Group measured at fair value at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2019				
Financial assets				
Derivative assets	–	38,786	–	38,786
Total financial assets	–	38,786	–	38,786
Non-financial assets				
Investment properties	–	–	12,743,792	12,743,792
Investment properties under development	–	–	182,057	182,057
Investment properties held for sale	–	–	98,400	98,400
Right-of-use assets	–	–	617,639	617,639
Total non-financial assets	–	–	13,641,888	13,641,888
Financial liabilities				
Derivative liabilities	–	(73,453)	–	(73,453)
Total financial liabilities	–	(73,453)	–	(73,453)
31 March 2019				
Financial assets				
Derivative assets	–	32,971	–	32,971
Total financial assets	–	32,971	–	32,971
Non-financial assets				
Investment properties	–	–	11,143,937	11,143,937
Investment properties under development	–	–	91,595	91,595
Total non-financial assets	–	–	11,235,532	11,235,532
Financial liabilities				
Derivative liabilities	–	(64,120)	–	(64,120)
Total financial liabilities	–	(64,120)	–	(64,120)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Assets and liabilities measured at fair value (continued)

The following table shows an analysis of each class of assets and liabilities of the Trust measured at fair value at the end of the reporting period: (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
31 December 2019				
Financial assets				
Derivative assets	–	37,404	–	37,404
Total financial assets	–	37,404	–	37,404
Non-financial assets				
Investment properties	–	–	9,061,600	9,061,600
Investment properties under development	–	–	147,469	147,469
Investment properties held for sale	–	–	98,400	98,400
Right-of-use assets	–	–	617,639	617,639
Total non-financial assets	–	–	9,925,108	9,925,108
Financial liabilities				
Derivative liabilities	–	(64,427)	–	(64,427)
Total financial liabilities	–	(64,427)	–	(64,427)
31 March 2019				
Financial assets				
Derivative assets	–	31,192	–	31,192
Total financial assets	–	31,192	–	31,192
Non-financial assets				
Investment properties	–	–	8,769,500	8,769,500
Investment properties under development	–	–	91,595	91,595
Total non-financial assets	–	–	8,861,095	8,861,095
Financial liabilities				
Derivative liabilities	–	(55,966)	–	(55,966)
Total financial liabilities	–	(55,966)	–	(55,966)

30. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair value of interest rate swaps, forward contracts and cross currency swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties, investment properties under development and investment properties held for sale

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

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The fair value of investment properties of the Group and the Trust was $12,743.8 million (31 March 2019: $11,143.9 million) and $9,061.6 million (31 March 2019: $8,769.5 million) as at 31 December 2019 respectively. The fair value of investment properties under development of the Group and the Trust was $182.1 million (31 March 2019: $91.6 million) and $147.5 million (31 March 2019: $91.6 million) as at 31 December 2019 respectively. The fair value of investment property held for sale for the Group and the Trust was $98.4 million as at 31 December 2019.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurement (continued)*

Investment properties, investment properties under development and investment properties held for sale (continued)

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
	Group	
Capitalisation Approach	Singapore • Capitalisation rates of 5.25% to 7.25% (31 March 2019: 5.00% to 7.00%) Australia • Capitalisation rates of 5.00% to 6.75% (31 March 2019: 5.00% to 6.75%) UK • Equivalent yield of 4.42% to 8.15% (31 March 2019: 4.30% to 8.00%) US • Capitalisation rates of 5.75% to 7.25% (31 March 2019: Not applicable)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price per sq m ("psm") increased.
Discounted Cash Flow Method	Singapore • Discount rates of 7.00% to 8.00% (31 March 2019: 7.00% to 8.25%) • Terminal yields of 5.50% to 7.75% (31 March 2019: 5.25% to 7.25%) Australia • Discount rates of 6.50% to 7.75% (31 March 2019: 6.80% to 7.50%) • Terminal yields of 5.25% to 7.00% (31 March 2019: 5.50% to 7.00%) US • Discount rates of 7.00% to 8.50% (31 March 2019: Not applicable) • Terminal yields of 6.50% to 7.00% (31 March 2019: Not applicable)	
Direct Comparison Method	Singapore • Adjusted price (psm) of $1,102 to $8,244 (31 March 2019: $1,563 to $9,289)	

30. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Level 3 fair value measurements (continued)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurement (continued)*

Investment properties, investment properties under development and investment properties held for sale (continued)

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
	Trust	
Capitalisation Approach	• Capitalisation rates of 5.25% to 7.25% (31 March 2019: 5.00% to 7.00%)	The estimated fair value would increase if the capitalisation rate, discount rate and terminal yield decreased. The estimated fair value would increase if the price psm increased.
Discounted Cash Flow Method	• Discount rates of 7.00% to 8.00% (31 March 2019: 7.00% to 8.25%)	
	• Terminal yields of 5.50% to 7.75% (31 March 2019: 5.25% to 7.25%)	
Direct comparison Method	• Adjusted price (psm) of $1,102 to $8,244 (31 March 2019: $1,563 to $9,289)	

Right-of-use assets

The right-of-use assets are stated at fair value approximate the value of lease liabilities at each balance sheet date.

The Group discounted lease payments using the applicable incremental borrowing rates to measure the value of lease liabilities. The weighted average incremental borrowing rates applied are 4.22% for 15 years' leases, 4.55% for 20 years' leases and 5.05% for 30 years leases as at 31 December 2019 and 1 April 2019.

The fair value of right-of-use assets of the Group and the Trust was $617.6 million as at 31 December 2019.

(ii) *Movements in Level 3 assets and liabilities measured at fair value*

The reconciliation for investment properties, investment properties under developments and right-of-use assets measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 4, Note 5 and Note 7 respectively.

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of the Group and the Trust's other non-current assets and liabilities not measured at fair value for which fair value is disclosed:

	Fair value determined using significant unobservable inputs (Level 3) Total $'000	Carrying amount $'000
Group		
31 December 2019		
Asset		
Finance lease receivables	61,166	48,331
Liabilities		
Security deposits	64,050	65,210
Lease liabilities	580,130	580,130
Medium term notes - gross	1,803,114	1,795,636
31 March 2019		
Asset		
Finance lease receivables	62,008	50,554
Liabilities		
Security deposits	74,681	82,167
Medium term notes – gross	1,889,104	1,889,936
Trust		
31 December 2019		
Asset		
Finance lease receivables	61,166	48,331
Liabilities		
Security deposits	59,296	59,704
Lease liabilities	580,130	580,130
Medium term notes - gross	1,803,114	1,795,636
31 March 2019		
Asset		
Finance lease receivables	62,008	50,554
Liabilities		
Security deposits	72,714	79,921
Medium term notes – gross	1,889,104	1,889,936

30. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed (continued)

Interest rates used to discount the estimated cash flows were as following:

	Group and Trust	
	31/12/2019	**31/3/2019**
	%	**%**
Finance lease receivables	1.85	2.48
Security deposits	2.90	3.00
Lease liabilities	4.22 – 5.05	–
Medium term notes	1.58 – 3.89	1.58 – 4.37

Determination of fair value

Finance lease receivables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at market interest rate for instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

Security deposits

The fair value of security deposits is calculated based on the present value of future cash outflows, discounted at the market interest rate at the reporting date.

Lease liabilities

The fair value of lease liabilities are calculated based on the present value of future cash out flows, discounted at the Group's incremental borrowing rates.

Medium term notes

The fair value the medium term notes is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of instruments with similar maturity, repricing and credit risk characteristics at the reporting date.

Other non-current loans and borrowings

The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

Other financial assets and liabilities

The fair values of all other financial assets and liabilities are calculated based on the present value of future principal, discounted at the market interest rate of the instruments at the reporting date.

(f) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amount of the Group and the Trust's current financial assets and liabilities approximate their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

31. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Chief Executive Officer, the Group's Chief Operating Decision Maker ("CODM") reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 Operating Segments.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance. In addition, the CODM monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, performance fee, trust expenses, finance income, finance costs and related assets and liabilities.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Property rental income	217,433	281,211	43,769	57,886	129,937	167,048	60,751	82,742	174,921	211,386	626,811	800,273
Other income	27,450	35,585	3,311	3,499	19,446	27,673	7,663	7,657	14,376	11,484	72,246	85,898
Gross revenue	244,883	316,796	47,080	61,385	149,383	194,721	68,414	90,399	189,297	222,870	699,057	886,171
Property operating expenses	(64,055)	(98,830)	(10,511)	(14,230)	(32,448)	(42,201)	(18,420)	(28,149)	(35,945)	(53,182)	(161,379)	(236,592)
Segment net property income	180,828	217,966	36,569	47,155	116,935	152,520	49,994	62,250	153,352	169,688	537,678	649,579
Net property income margin	73.8%	68.8%	77.7%	76.8%	78.3%	78.3%	73.1%	68.9%	81.0%	76.1%	76.9%	73.3%

31. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

	Business & Science Park Properties, and Suburban Offices		Integrated Development, Amenities & Retail Properties		High-Specifications Industrial Properties & Data Centres		Light Industrial Properties & Flatted Factories		Logistics & Distribution Centres		Total	
	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Unallocated												
– Gain on disposal on investment properties											3,220	5,088
– Finance income											8,159	10,448
– Finance costs											(121,556)	(126,488)
– Other net expenses											(58,969)	(73,147)
Net income											368,532	465,480
Unallocated net change in fair value of financial derivatives											(3,784)	22,197
Net change in fair value of right-of-use assets	(1,253)	–	–	–	(719)	–	(1,039)	–	(1,657)	–	(4,668)	–
Net change in fair value of investment properties	35,272	16,821	5,719	(9,006)	4,728	(1,142)	(3,315)	7,798	5,655	14,833	48,059	29,304
Share of joint venture's results											409	493
Total return for the year before tax											408,548	517,474
Unallocated tax expenses											(20,677)	(14,391)
Total return for the year											387,871	503,083

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 December 2019						
Assets and liabilities						
Segment assets	6,124,608	729,492	2,366,294	1,052,017	3,449,277	13,721,688
Unallocated assets						142,447
Total assets						13,864,135
Segment liabilities	407,250	20,763	149,207	145,387	231,290	953,897
Unallocated liabilities:						
– loans and borrowings						4,611,648
– others						187,352
Total liabilities						5,752,897
Other segmental information						
Capital expenditure:						
– investment properties	21,725	10,146	14,190	3,133	7,787	56,981
– investment properties under development	30,014	–	4,660	–	–	34,674
Provision impairment loss on doubtful receivables	–	–	–	–	16	16

31. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities (continued)

	Business & Science Park Properties, and Suburban Offices $'000	Integrated Development, Amenities & Retail Properties $'000	High-Specifications Industrial Properties & Data Centres $'000	Light Industrial Properties & Flatted Factories $'000	Logistics & Distribution Centres $'000	Total $'000
Group						
31 March 2019						
Assets and liabilities						
Segment assets	4,108,375	724,305	2,247,948	954,443	3,283,698	11,318,769
Unallocated assets						95,054
Total assets						11,413,823
Segment liabilities	83,789	21,898	44,732	30,694	67,889	249,002
Unallocated liabilities:						
– loans and borrowings						4,097,791
– others						121,037
Total liabilities						4,467,830
Other segmental information						
Capital expenditure:						
– investment properties	21,566	10,146	14,190	3,133	12,911	61,946
– investment properties under development	91,595	–	–	–	16,790	108,385
Write-off of receivables	–	–	–	–	30	30
Reversal of impairment loss on doubtful receivables	(9)	–	–	–	(1)	(10)

31. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of properties. Segment assets are based on the geographical location of the assets. Information regarding the Group's geographical segments is presented in the tables below.

	Singapore		Australia		UK		US		Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019	Nine months ended 31/12/2019	12 months ended 31/3/2019
Group										
External revenue	571,032	747,661	88,894	116,676	32,661	21,834	6,470	–	699,057	886,171
	31/12/2019	**31/3/2019**	**31/12/2019**	**31/3/2019**	**31/12/2019**	**31/3/2019**	**31/12/2019**	**31/3/2019**	**31/12/2019**	**31/3/2019**
Non-current assets[(1)]	9,826,862	8,861,197	1,609,249	1,560,980	797,730	813,457	1,309,801	–	13,543,642	11,235,634

(1) Exclude financial assets

32. EVENTS AFTER BALANCE SHEET DATE

The Trust signed the Sales and Purchase Agreement with Hao Mart Pte Ltd on 24 February 2020 to sell 25 Changi South Street 1, a light industrial property in Singapore, for $20.3 million. The divestment is expected to be completed in March 2020.

STATISTICS OF UNITHOLDINGS

As at 26 February 2020

ISSUED AND FULLY PAID-UP UNITS

3,618,187,918 units (Voting rights: one vote per unit)
Market Capitalisation: S$11,578,201,338 (based on closing price of S$3.20 as at 26 February 2020)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	69	0.44	2,078	0.00
100 – 1,000	2,043	12.89	1,479,546	0.04
1,001 – 10,000	9,602	60.56	44,681,140	1.24
10,001 – 1,000,000	4,112	25.93	143,987,156	3.98
1,000,001 and above	29	0.18	3,428,037,998	94.74
Total	**15,855**	**100.00**	**3,618,187,918**	**100.00**

Country	No. of Unitholders	%	No. of Units	%
Singapore	15,226	96.03	3,608,954,147	99.74
Malaysia	395	2.49	6,712,625	0.19
Others	234	1.48	2,521,146	0.07
Total	**15,855**	**100.00**	**3,618,187,918**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	846,556,418	23.40
2	DBS NOMINEES (PRIVATE) LIMITED	713,022,164	19.71
3	CAPITALAND SINGAPORE (BP&C) PTE LTD	599,722,315	16.58
4	DBSN SERVICES PTE. LTD.	468,244,095	12.94
5	HSBC (SINGAPORE) NOMINEES PTE LTD	359,934,991	9.95
6	RAFFLES NOMINEES (PTE.) LIMITED	201,561,147	5.57
7	ASCENDAS FUNDS MANAGEMENT (S) LIMITED	93,663,917	2.59
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	55,246,340	1.53
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,401,325	0.37
10	DB NOMINEES (SINGAPORE) PTE LTD	11,676,335	0.32
11	UOB KAY HIAN PRIVATE LIMITED	5,773,331	0.16
12	PHILLIP SECURITIES PTE LTD	5,489,902	0.15
13	MERRILL LYNCH (SINGAPORE) PTE. LTD.	5,173,035	0.14
14	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,943,081	0.14
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,846,138	0.13
16	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	4,817,792	0.13
17	OCBC SECURITIES PRIVATE LIMITED	4,117,960	0.11
18	ABN AMRO CLEARING BANK N.V.	3,787,205	0.10
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,638,350	0.10
20	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,526,627	0.10
	Total	**3,409,142,468**	**94.22**

STATISTICS OF UNITHOLDINGS

As at 21 January 2020

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2020

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by Ascendas Reit are as follows:

	No. of Units		Contingent Awards of Units[1] under the Manager's	
Name of Directors	**Direct Interest**	**Deemed Interest**	**Performance Unit Plan**	**Restricted Unit Plan**
Lim Hock San	–	–	–	–
William Tay Wee Leong	46,400	–	0 to 118,914[(2)]	0 to 133,777[(2)(3)]
Chan Pengee Adrian	–	–	–	–
Chong Chiet Ping	–	–	–	–
Lim Sau Hoong	–	–	–	–
Wong Yew Meng	–	–	–	–
Daniel Cuthbert Ee Hock Huat	23,200	–	–	–
Manohar Khiatani	–	–	–	–
Lim Cho Pin Andrew Geoffrey	12,760	–	–	–

Notes:

(1) This refers to the number of Units which are the subject of contingent awards granted but not released under the Manager's Performance Unit Plan ("PUP") and Restricted Unit Plan ("RUP"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.

(2) The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for PUP and RUP.

(3) On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of RUP, will also be released.

STATISTICS OF UNITHOLDINGS

As at 26 February 2020

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 26 FEBRUARY 2020

Based on the information available to the Manager, as at 26 February 2020, the unitholdings of Substantial Unitholders of Ascendas Reit are as follows:

	Direct Interest		Deemed Interest	
Name of Substantial Unitholders	**No. of Units**	**%**	**No. of Units**	**%**
Temasek Holdings (Private) Limited (Temasek)	–	–	781,369,640[(1)]	21.59
Tembusu Capital Pte. Ltd. (Tembusu)	–	–	695,486,232[(2)]	19.22
Bartley Investments Pte. Ltd. (Bartley)	–	–	693,386,232[(3)]	19.16
Mawson Peak Holdings Pte. Ltd. (Mawson)	–	–	693,386,232[(3)]	19.16
Glenville Investments Pte. Ltd. (Glenville)	–	–	693,386,232[(3)]	19.16
TJ Holdings (III) Pte. Ltd. (TJHIII)	–	–	693,386,232[(3)]	19.16
CLA Real Estate Holdings Pte. Ltd.[(4)] (CLA)	–	–	693,386,232[(3)]	19.16
CapitaLand Limited (CL)	–	–	693,386,232[(5)]	19.16
Ascendas Pte Ltd (APL)	–	–	693,386,232[(5)]	19.16
CapitaLand Singapore (BP&C) Pte. Ltd.[(6)] (CSBPC)	599,722,315	16.57	–	–
BlackRock, Inc. (BlackRock)	–	–	225,933,093[(7)]	6.24
The PNC Financial Services Group, Inc. (PNC)	–	–	225,933,093[(8)]	6.24

(1) Temasek is deemed to have an interest in the Units in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
(2) Tembusu is deemed to have an interest in the Units in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
(3) Temasek holds 100% equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJHIII, which holds 100% equity interest in CLA. CLA holds approximately 50.89% of the issued shares in CL. Each of Tembusu, Bartley, Mawson, Glenville and TJHIII is deemed to have an interest in the Units in which CLA is deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
(4) CLA Real Estate Holdings Pte. Ltd. was formerly known as Ascendas-Singbridge Pte. Ltd.
(5) CL and APL are deemed interested in the Units held by CSBPC and Ascendas Funds Management (S) Limited.
(6) CapitaLand Singapore (BP&C) Pte. Ltd. was formerly known as Ascendas Land (Singapore) Pte Ltd.
(7) BlackRock is deemed interested in the Units held by various funds managed by BlackRock investment advisors.
(8) PNC is deemed interested in the Units held by BlackRock, Inc. through its interest in BlackRock.

PUBLIC FLOAT

Based on the information available to the Manager, approximately 72.16% of the Units in Ascendas Reit were held in the hands of the public as at 26 February 2020. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been compiled with.

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	Nature of relationship	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	**The controlling shareholder of the Manager and the controlling Unitholder of Ascendas Reit and its related companies**		
– Acquisition of properties		1,665,262	–
– Acquisition fees		16,536[1]	–
– Carpark income		186	–
– Divestment fees		135[2]	–
– Lease rental, service charge and utilities income		46,189	–
– Base management fees		40,349[2]	–
– Marketing fees paid during the year		7,992	–
– Property service fees		24,499	–
– Receipts/recovery of expenses paid on behalf and reimbursables		580	–
HSBC Institutional Trust Service (Singapore) Limited and its related companies	**The Trustee of Ascendas Reit and its related companies**		
– Trustee fees		1,575	–
		1,803,303	–

(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 December 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.

ADDITIONAL INFORMATION

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. 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.

FEES PAID TO THE MANAGER AND THE PROPERTY MANAGERS

Asset/Fund management fees	Nine months ended 31/12/2019 $'000	12 months ended 31/03/2019 $'000
– Base fee	40,349	52,523
Total fees paid to the Manager	40,349	52,523
% of Total amount available for distribution (before all fees)	9.26%	10.81%
% of Total assets	0.29%	0.46%
– Lease management fee	5,638	7,067
– Property management fee	12,250	14,067
Total fees paid to the Property Managers	17,888	21,134
% of Total amount available for distribution (before all fees)	4.11%	4.35%
% of Total assets	0.13%	0.18%
Trustee's fee	1,861	2,415
Total fees paid to the Trustee	1,861	2,415
% of Total amount available for distribution (before all fees)	0.43%	0.50%
% of Total assets	0.01%	0.02%
Major transactional fees		
– Acquisition fee	16,536	9,305
– Divestment fee	135	229
– Development management fee	–	840
Total transactional fees paid to Manager	16,671	10,374
% of Total assets	0.12%	0.09%
– Project management fee	1,721	1,771
Total transactional fees paid to the Property Managers	1,721	1,532
% of Total assets	0.01%	0.02%

LISTING OF ASCENDAS REIT NEW UNITS

An aggregate of 501.9million new Units were issued during the year bringing the total number of Units on issue to 3,612.7 million as at 31 December 2019.

GLOSSARY

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
AMUK	CapitaLand International Management (UK) Ltd
AMUS	CapitaLand International USA LLC
ARA	Ascendas REIT Australia
Ascendas Reit	Ascendas Real Estate Investment Trust
Ascendas-Singbridge	Ascendas-Singbridge Pte Ltd
ASPL	Ascendas Services Pte Ltd
AUD	Australian Dollars
BBSW	Bank Bill Swap Rate
BBSY	Bank Bill Swap Bid Rate
BCA	Building and Construction Authority
Board	Board of Directors of the Manager
CapitaLand	CapitaLand Limited and its subsidiaries
CBP	Changi Business Park
CCS	Cross Currency Swaps
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIS	The Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
CODM	Chief Operating Decision Maker
COF	Cost of Funds
COVID-19	Coronavirus Disease, 2019
CPF	Central Provident Fund
DPU	Distribution per Unit
ECL	Expected Credit Loss
EESG	Economic, Environmental, Social and Governance
EY	Ernst & Young
FMCG	Fast Moving Consumer Goods
FRS	Singapore Financial Reporting Standards
FY18/19	Financial Year from 1 April 2018 to 31 March 2019
FY2019	Financial Year from 1 April 2019 to 31 December 2019
GBP	British Pound
GDP	Gross Domestic Product
GFA	Gross Floor Area which includes net lettable area and common areas, such as common corridors
GRI	Global Reporting Initiative
Group	Ascendas Reit and its subsidiaries
GST	Good and Services Tax
HKD	Hong Kong Dollar
HQ	Headquarter
IBP	International Business Park
IDAR	Integrated Development, Amenities & Retail
IIRC	International Integrated Reporting Council
Interbank GIRO	General Interbank Recurring Order
IP	Investment Properties
IPO	Initial Public Offering
IPT	Interested Person Transaction

GLOSSARY

IR	Integrated Reporting
IRAS	Inland Revenue Authority of Singapore
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JPY	Japanese Yen
JTC	JTC Corporation
M & C	Maintenance and Conservancy
Manager	Ascendas Funds Management (S) Limited, as the Manager of Ascendas Reit
MAS	Monetary Authority of Singapore
MNCs	Multinational corporations
MTN	Medium Term Note
NAV	Net Asset Value
NLA/Net Lettable Area	Consists of the total gross floor area less the common areas, such as corridors, amenities' area and management offices
NPI	Net Property Income
Property Funds Appendix	Appendix 6 of the CIS Code issued by the MAS in relation to REITs
PUP	Performance Unit Plan
R&D	Research and development
RAP	Statement of Recommended Accounting Practice
REIT	Real Estate Investment Trust
REITAS	REIT Association of Singapore
RUP	Restricted Unit Plan
SGD	Singapore dollar
Singapore Property Manager	Ascendas Services Pte Ltd
SGX-ST	Singapore Exchange Securities Trading Ltd
SGX-ST Listing Rules	The Listing Manual of SGX-ST
SSAs	Singapore Standards on Auditing
SSEA	Singapore and South East Asia
SOR	Swap Offer Rate
SRS	Supplementary Retirement Scheme
Sq m	Square metres
TERP	Theoretical Ex-Rights Price
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)
US	United States of America
USD	United States Dollars
WALE	Weighted Average Lease to Expiry

APPENDIX

Total Return and Distribution	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]	FY 2019[3]
Gross Revenue (S$ million)	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	699.1
Net Property Income (S$ million)	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	537.7
Total Amount Available for Distribution (S$ million)	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	375.4
Distribution per Unit (cents)	11.680[4]	12.750[4]	14.130[4]	15.180[4]	13.100	13.230[4]	13.560	13.740[4]	14.240	14.600	15.357[4]	15.743[4]	15.988	16.035	11.490

As at	31 Mar 2006	31 Mar 2007	31 Mar 2008	31 Mar 2009	31 Mar 2010	31 Mar 2011	31 Mar 2012	31 Mar 2013	31 Mar 2014[1]	31 Mar 2015[1,2]	31 Mar 2016[1,2]	31 Mar 2017[1,2]	31 Mar 2018[1,2]	31 Mar 2019[1]	31 Dec 2019
Number of Properties in Portfolio	64	77	84	89	93	93	102	103	105	107	133	131	131	171	200
Total Assets (S$ million)	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	13,864
Number of Units in Issue (million units)	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	3,613
Net Asset Value per Unit (S$)[5]	1.34	1.49	1.84	1.61	1.57	1.76	1.88	1.94	2.02	2.08	2.06	2.06	2.12	2.13	2.16
Total Gross Borrowings (S$ million)[6]	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	4,653
Aggregate Leverage[7]	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%	35.1%

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) The Group changed its financial year end from 31 March to 31 December. Therefore, FY2019 is a nine-month period from 1 April 2019 to 31 December 2019.
(4) Distribution per Unit after performance fees.
(5) Prior to distribution of distributable income.
(6) 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.
(7) Includes total borrowings and deferred payments on acquisition of properties but excludes fair value adjustments of the collateral loan.

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$431.8 million (40.9% over cost of development).

	Development	Sector	Development Cost (S$ million)	Revaluation as at 31 December 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	81.5	Feb-07
3	Hansapoint@CBP	Business & Science Park Properties	26.1	119.9	Jan-08
4	15 Changi North Way	Logistics & Distribution Centres	36.2	44.8	Jul-08
5	Pioneer Hub	Logistics & Distribution Centres	79.3	116.0	Aug-08
6	1,3 & 5 Changi Business Park Crescent	Business & Science Park Properties	200.9	337.3	Feb-09, Sep-09, Dec-10
7	71 Alps Avenue	Logistics & Distribution Centres	25.6	23.7	Sep-09
8	38A Kim Chuan Road	High-Specifications Industrial Properties and Data Centres	170.0	176.7[1]	Dec-09
9	90 Alps Avenue	Logistics & Distribution Centres	37.9	57.0	Jan-12
10	FoodAxis @ Senoko[2]	Light Industrial Properties and Flatted Factories	57.8	92.7	Feb-12
11	Nexus @one-north	Business & Science Park Properties	181.3	194.0	Sep-13
12	DBS Asia Hub Phase 2	Business & Science Park Properties	21.8	N.A.[3]	Apr-15
13	Schneider Electric Building[4]	High-Specifications Industrial Properties and Data Centres	45.2	91.8	Jun-17
14	20 Tuas Avenue 1	Logistics & Distribution Centres	61.4	87.3	Apr-18
	Total (excluding divested properties)		**1,054.9**	**1,486.7**	

DIVESTED DEVELOPMENT PROJECTS

	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$176.7million. Ascendas Reit has recorded the property at S$176.7 million comprising S$126.4 million in land and building, and S$50.3 million in M&E equipment.

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

(3) Valuation for DBS Asia Hub Phase 2 is not available. The entire property was valued at S$191.0 million.

(4) Schneider Electric Building was acquired on 27 February 2006. It was subsequently redeveloped and leased to a single-tenant.

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