



**BECAUSE
TOMORROW
MATTERS**

ANNUAL REPORT

**20
20**



Underpinning the breadth of CapitaLand's activities is our continuous dialogue with our stakeholders which helps to shape our business as we aim to build sustainable communities. We place significance on our conversations and share our story with care and consideration for all involved. This annual report is part of that process and the motif we have chosen for this year's report reflects our focus on maintaining communication with our stakeholders with transparency and clarity.



OUR LONG-STANDING STRATEGY OF MAINTAINING A DIVERSIFIED PORTFOLIO ACROSS MULTIPLE COUNTRIES, ASSET TYPES AND CUSTOMER INDUSTRIES, RESULTED IN A STABLE CASH FLOW FOR THE REIT.

DR BEH SWAN GIN
CHAIRMAN



**BECAUSE
TOMORROW
MATTERS**



**BECAUSE WE ARE
CONSTANTLY LEVERAGING
ON EMERGING TRENDS IN
TODAY'S HIGHLY DIGITISED
WORLD, WE REMAIN
RESILIENT AND PAVE THE
WAY FORWARD TO ENHANCE
STAKEHOLDER VALUE.**

505 Brannan Street, San Francisco, United States



“



510 Townsend Street, San Francisco, United States

**BECAUSE OF OUR PRUDENT
CAPITAL MANAGEMENT
STRATEGY, WE HAVE THE
CONFIDENCE AND FLEXIBILITY
TO SEIZE NEW OPPORTUNITIES
AS THEY ARISE.**





**BECAUSE OF OUR
EXPERIENCE AND EXPERTISE,
WE CAN NAVIGATE
CHALLENGES EFFECTIVELY
AND CONTINUE TO MAKE
THE RIGHT INVESTMENTS
THAT WILL GENERATE
SUSTAINABLE RETURNS.**



254 Wellington Road, Melbourne, Australia



The Workshop @ Lavender, Aperia, Singapore



WHO WE ARE

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\$13.7 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.

VISION

To be a leading global real estate investment trust

MISSION

To deliver predictable distributions and achieve long-term capital stability for Unitholders



14 CHAIRMAN'S MESSAGE

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.

CONTENTS

OVERVIEW

10
HIGHLIGHTS OF FY2020

12
FINANCIAL HIGHLIGHTS

14
CHAIRMAN'S MESSAGE

17
IN CONVERSATION WITH CEO

19
ASCENDAS REIT'S STRUCTURE

20
BUSINESS MODEL

23
WHAT ASCENDAS REIT INVESTS IN

24
SUSTAINABILITY HIGHLIGHTS

26
SIGNIFICANT EVENTS

17

IN CONVERSATION WITH CEO



LEADERSHIP

28

BOARD OF DIRECTORS

33

THE ASCENDAS REIT TEAM

35

THE ASSET & PROPERTY MANAGERS

PERFORMANCE

36

THE MANAGER'S REVIEW OF FY2020

62

INVESTOR RELATIONS

PORTFOLIO

66

ASCENDAS REIT'S PORTFOLIO

71

BUSINESS & SCIENCE PARK PROPERTIES
(SINGAPORE)

76

INTEGRATED DEVELOPMENT,
AMENITIES & RETAIL PROPERTIES
(SINGAPORE)

78

HIGH-SPECIFICATIONS INDUSTRIAL
PROPERTIES AND DATA CENTRES
(SINGAPORE)

82

LIGHT INDUSTRIAL PROPERTIES AND
FLATTED FACTORIES (SINGAPORE)

86

LOGISTICS & DISTRIBUTION CENTRES
(SINGAPORE)

90

SUBURBAN OFFICES (AUSTRALIA)

92

LOGISTICS & DISTRIBUTION CENTRES
(AUSTRALIA)

98

LOGISTICS & DISTRIBUTION CENTRES
(UNITED KINGDOM)

104

BUSINESS PARK & OFFICE PROPERTIES
(UNITED STATES)

CORPORATE DIRECTORY

108

CORPORATE DIRECTORY

GOVERNANCE

110

CORPORATE GOVERNANCE

144

ENTERPRISE RISK MANAGEMENT

FINANCIAL STATEMENTS AND OTHER INFORMATION

150

FINANCIAL REPORT FY2020

253

STATISTICS OF UNITHOLDINGS

256

ADDITIONAL INFORMATION

258

GLOSSARY

260

APPENDIX

BUILDING ON ASCENDAS REIT'S STRONG FOUNDATIONS

DIVERSIFIED PORTFOLIO

Investment Properties



S\$13.7 billion
+6.7% Y-O-Y

● Singapore	66%
● United States	15%
● Australia	13%
● United Kingdom	6%

RESILIENCE

Prudent Capital Management
Aggregate leverage

32.8%

Maintained

A3 Credit Rating



AND INVESTING STRATEGICALLY FOR THE FUTURE... BECAUSE TOMORROW MATTERS

◆ **FULLY OCCUPIED OFFICES**
IN TIER-ONE US
TECHNOLOGY CITY
OF SAN FRANCISCO

◆ **BUSINESS PARK PROPERTY LOCATED**
IN ONE-NORTH, SINGAPORE, A
VIBRANT PRECINCT HOUSING MEDIA,
INFOCOMM TECHNOLOGY AND
BIOMEDICAL SCIENCES INDUSTRIES



(from left to right)

510 Townsend Street, San Francisco, US | 505 Brannan Street, San Francisco, US | Galaxis, Singapore
254 Wellington Road, Melbourne, Australia | 1-5 Thomas Holt Drive, Sydney, Australia | MQX4, Sydney, Australia
500 Green Road, Brisbane, Australia | Lot 7 Kiara Crescent, Sydney, Australia

SUSTAINABILITY

Established Green Finance Framework and issued

- › S\$100 million Green Bond
- › S\$300 million Green Perpetual Securities (Asia's first real estate green perpetual securities)



Going Green

- › **39** green certified properties
- › **10,385 MW** hours of solar energy generated from solar farms on six Singapore properties



◆ **SUBURBAN OFFICES THAT ARE WELL-SUITED FOR CORPORATE HEADQUARTERS IN KEY AUSTRALIAN CITIES**

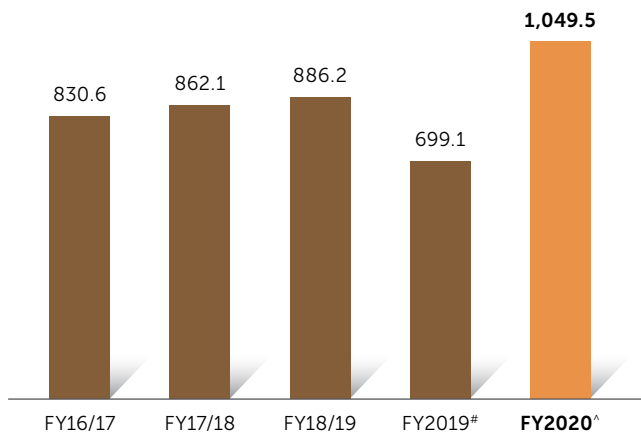
◆ **NEW LOGISTICS PROPERTIES IN AUSTRALIA (UNDER DEVELOPMENT), EXPECTED TO BENEFIT FROM STRONG E-COMMERCE DEMAND**



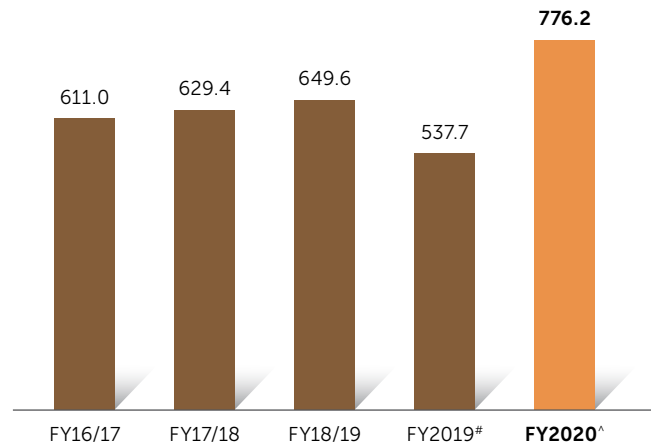
HIGHLIGHTS OF FY2020

FINANCIAL HIGHLIGHTS

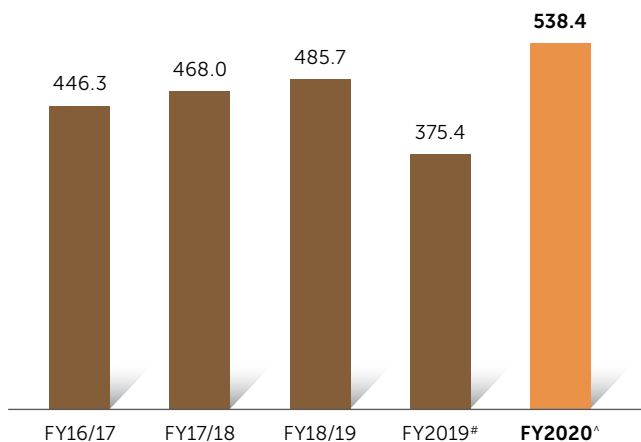
GROSS REVENUE (S\$ million)



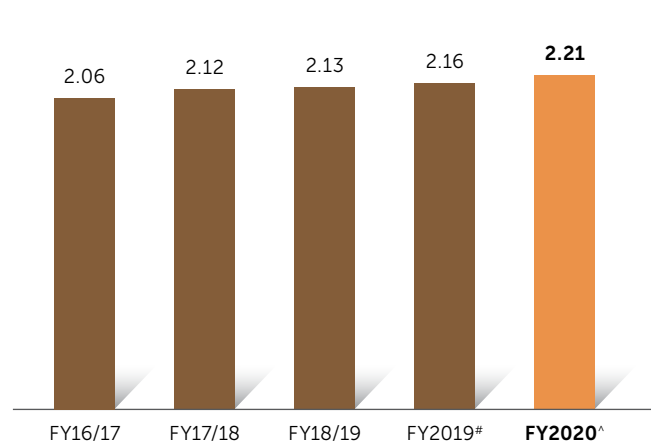
NET PROPERTY INCOME (S\$ million)



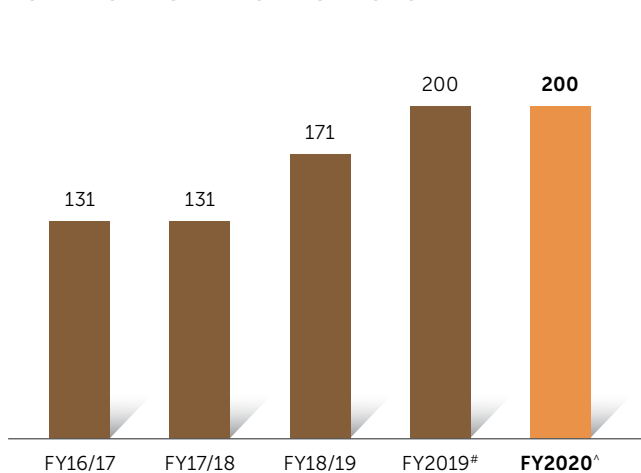
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION (S\$ million)



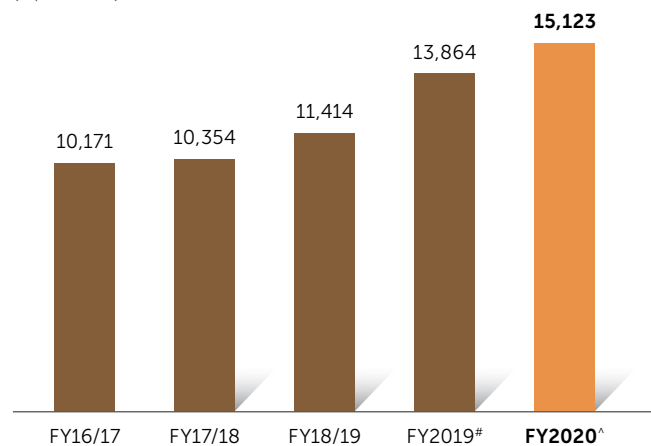
NET ASSET VALUE PER UNIT¹ (S\$)



NUMBER OF PROPERTIES IN PORTFOLIO

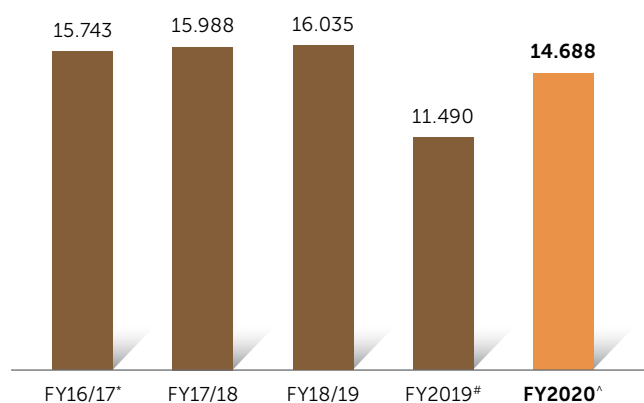


TOTAL ASSETS (S\$ million)



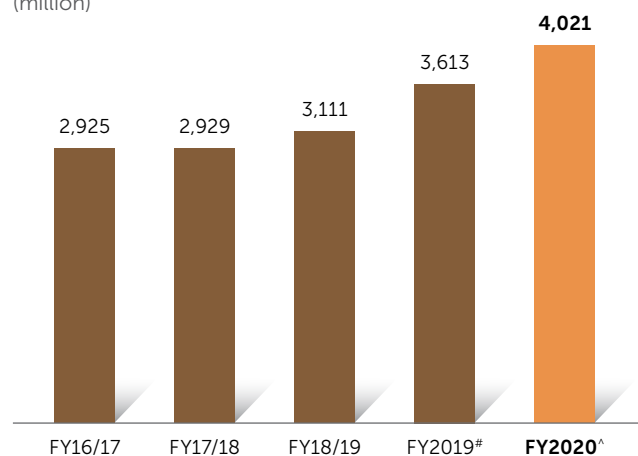
DISTRIBUTION PER UNIT

(Singapore cents)



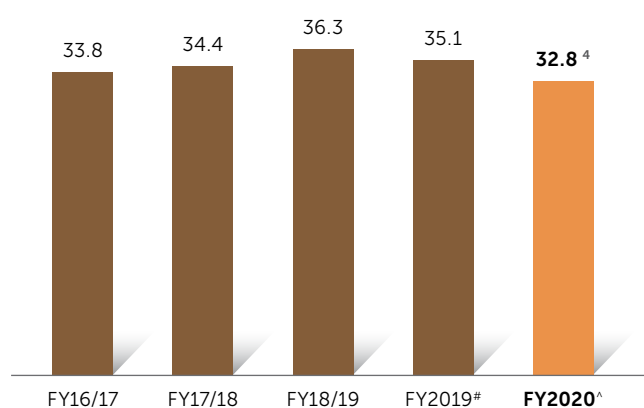
NUMBER OF UNITS IN ISSUE

(million)



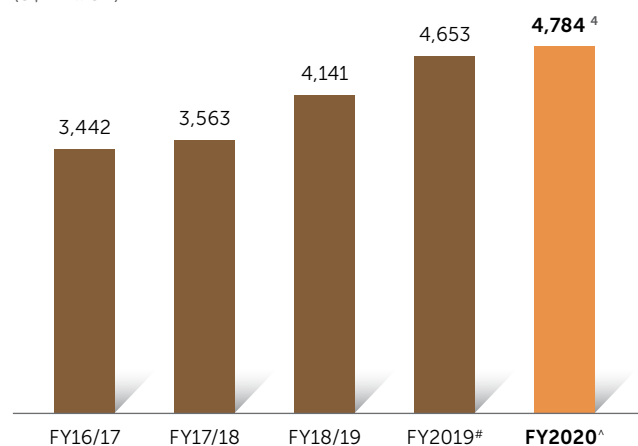
AGGREGATE LEVERAGE ²

(%)



TOTAL GROSS BORROWINGS ^{2,3}

(S\$ million)



Notes:

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.

^ FY2020 refers to a 12-month period from 1 January 2020 to 31 December 2020.

* Distribution Per Unit (DPU) after performance fee.

¹ Prior to distribution of distributable income.

² Excludes the effects of the Singapore Financial Reporting Standard 116 Leases (FRS 116).

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.

⁴ Includes interests in joint venture.

CHAIRMAN'S MESSAGE

Dear Unitholders,

2020 was a year of many unknowns and extra-ordinary disruptions. COVID-19 affected not only Singapore, but every country in the world. Needless to say, due to travel and movement restrictions, and the decline in economic activity globally, the real estate business was significantly affected.

Fortunately, Ascendas Reit managed to navigate through this difficult period with limited impact. Our long-standing strategy of maintaining a diversified portfolio across multiple countries, asset types and customer industries, resulted in a stable cash flow for the Reit.

FY2020 PERFORMANCE

Ascendas Reit's portfolio comprises business space¹ (48%), industrial properties (27%) and logistics properties (25%) located in Singapore, the United States (US), Australia and the United Kingdom (UK). Portfolio occupancy rate stood at a healthy 91.7% as at 31 December 2020 and average rent reversion was a positive 3.8% for leases renewed during FY2020.

Despite the challenging operating environment, steady contributions from our properties helped achieve distribution per unit of 14.688 cents in FY2020.



DR BEH SWAN GIN
Chairman
& Non-Executive
Independent Director

¹ Business space includes business & science park properties, suburban offices and offices.

We supported affected customers with S\$17.8 million in rent rebates (or 1.7% of total gross revenue) and will continue to work closely with all customers to ride out this uncertain period together. We also offered rent deferment and restructured rent payments for more than 60 customers in Singapore and our overseas markets.

Our prudent approach to capital management not only ensured that we had access to adequate liquidity in this uncertain business environment, but also enabled us to execute our acquisition plans. We successfully raised S\$1.2 billion of equity, expanded our total investment portfolio by 6.7% year-on-year to S\$13.7 billion, and closed the year with a healthy aggregate leverage of 32.8%.

BUILDING AN EVEN MORE RESILIENT PORTFOLIO

Ascendas Reit strategically acquired properties in the US, Australia and Singapore in FY2020.

We announced acquisitions of four income-producing properties for S\$1.16 billion with 141,312 sq m of net lettable area that are currently more than 97% leased. We also announced acquisitions of three properties for S\$251.2 million with 71,134 sq m of net lettable area when they are fully developed.

These acquisitions comprised two offices in San Francisco (US), two suburban offices in Sydney (Australia), two logistics developments in Melbourne and Sydney (Australia) as well as a 25% stake in a business park property in Singapore.

We are also repositioning some properties in Singapore to capture demand from growth sectors such as infocomm technology, advanced manufacturing, healthcare and research laboratories. For example, UBIX, originally two light industrial properties in Ubi Road is being repositioned into a high-specifications industrial property. The property has direct access to the Ubi MRT station and will offer larger and more efficient floor plates which can house entire company operations under one roof when completed later this year. iQuest@IBP, a business park property in International Business Park, Jurong, will have its plot ratio maximised and will offer a premium business environment with lifestyle amenities such as a gym, F&B, collaborative spaces and green features.

As the income-producing properties and future developments come online, they will enable Ascendas Reit to continue growing its distributions.

We will build on this foundation for an even stronger future and continue creating value for Unitholders.

BECAUSE TOMORROW MATTERS

We have increased the number of green certified properties in our portfolio from 22 in 2018 to 35 in 2019 and 39 to-date. To demonstrate our commitment to sustainability, six out of the seven properties that we invested in FY2020 have green certifications or are targeting to achieve them upon completion of the developments.

Plans are underway for some of our properties to make a gradual switch to renewable energy. Common areas at Neuros and Immunos, located at one-north in Singapore, are now 100% powered by clean energy.

We have also been preparing to pursue green financing for a while. After assembling a sizeable portfolio of green properties and establishing the Green Finance Framework, we took the opportunity to kickstart our green financing plan when some loans came due for refinancing in FY2020. A S\$100 million green bond and S\$300 million green perpetual securities were issued to partially refinance some green properties in our portfolio. We are pleased to be the first real estate company in Asia to issue green perpetual securities.


We will continue to step up our efforts to reduce Ascendas Reit's



Read more about Ascendas Reit's acquisitions and redevelopment projects in The Manager's Review of FY2020 on pages 41 to 51.



Read more about Ascendas Reit's sustainability efforts in the Integrated Sustainability Report FY2020 available at ir.ascendas-reit.com/sustainability_reports.html

CHAIRMAN'S MESSAGE

environmental footprint. We will be incorporating more green initiatives into our core business strategy; for example, in areas of property development, asset improvement and financing. This is an important commitment on our part to contribute to the conservation of the environment.

LOOKING AHEAD

The recovery from COVID-19 is expected to be uneven across geographies and industry sectors. We will continue to develop and strengthen our business to deliver value to Unitholders.

BOARD RENEWAL

We would like to express our sincere thanks to Mr Lim Hock San who has retired as Chairman, as well as Ms Lim Sau Hoong and Mr Wong Yew Meng, who have both retired as independent directors. The Board and management team have benefited greatly from their invaluable insights, wisdom and guidance.

In November 2020, we welcomed Mr Chinniah Kunnasagaran as independent director. Mr Chinniah has considerable investment experience across North America, Europe and Asian regions. His experience and expertise will help strengthen the Board.

With these changes, the Board will consist of eight members, of which five are independent directors.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank each and every member of the Manager and the Asset and Property Managers for their hard work, dedication and perseverance.

We appreciate our Unitholders, customers and business partners for their continuing support and for working together with us.

We look forward to a gradual recovery in the global economy in 2021 and the exciting opportunities ahead for Ascendas Reit.

Dr Beh Swan Gin

Chairman

18 March 2021

IN CONVERSATION WITH CEO

1. Looking back on FY2020, what do you consider as some of Ascendas Reit's achievements?

Despite the uncertainty in FY2020, Ascendas Reit distributed fully the taxable income available for distribution to Unitholders which amounted to 14.688 cents. We did not withhold any dividends at any point in time.

FY2020 revenue crossed the S\$1 billion mark. The rise can be traced back to investments made in FY2019 where 28 business park properties in the US and two business park properties in Singapore were acquired, as well as a suburban office in Melbourne, Australia and two office properties in San Francisco, US which were acquired in FY2020. Their contributions helped to cushion the impact from COVID-19, whereby we assisted tenants with S\$17.8 million of rental rebates, and the lower occupancies experienced at some properties.

We are pleased to have acquired S\$1.4 billion worth of very good quality properties, bringing total investment properties to S\$13.7 billion (+6.7%). We stayed on course, remained disciplined and continued

to deepen our investments in existing markets. The outcome for Ascendas Reit is a more resilient portfolio in four developed markets (Singapore, the US, Australia and the UK) backed by a strong customer base.

Green financing was another milestone achieved. Following the establishment of the Green Finance Framework in August 2020, Ascendas Reit issued its first green bond (S\$100 million) and green perpetual securities (S\$300 million). We intend to do our part to mitigate climate change by improving energy efficiency, reducing water consumption, reducing greenhouse gas emissions or having other positive environmental impact.

2. Why did you acquire S\$1.4 billion of properties given the uncertainties in FY2020?

On the positive side, COVID-19 opened up some investment opportunities for us.

We acquired seven properties totalling S\$1.4 billion. They are in excellent locations in the US (S\$768.0 million), Australia (S\$535.2 million) and Singapore (S\$104.6 million) with strong connectivity to key transport networks and ecosystems.

Tenants include renowned companies such as Stripe and Pinterest which are high quality technology companies in the US, as well as Metcash and Foxtel which are leading wholesale distribution and media companies in Australia respectively, just to name a few.



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

IN CONVERSATION WITH CEO

Long-term lease commitments by these strong tenants will help to mitigate near term uncertainties. The long leases from these acquisitions have improved our portfolio weighted average lease expiry to 4.1 years from 3.9 years a year ago. In addition, the proportion of freehold land has also increased to 34.2% from 29.3%.

Three properties in Australia are currently under development. It is envisaged that these properties will ride on the impending economic recovery when completed in the next one to two years.

All-in, these hard-won accretive acquisitions are expected to generate stable distributions for Unitholders.

3. Did the COVID-19 pandemic cause any stress on your financial position?

Fortunately for Ascendas Reit, our financial position was not stressed by the COVID-19 pandemic. Our revenue stream was stable despite having to provide tenants with S\$17.8 million in rental rebates.

Around 50% of monthly gross revenue is contributed by customers from resilient sectors such as financial services, government, data centres and biomedical industries, which helped to provide stable income streams. Higher-risk customers, such as those from the retail, hospitality & leisure and aviation sectors make up less than 15% of monthly gross revenue.

I am proud that Ascendas Reit is in a very strong financial position.

4. The Singapore portfolio recorded negative reversions in some segments in FY2020. How do you expect the portfolio to perform in the coming year?

About 21% of the Singapore portfolio rental income is due for renewal this year. In view of current market

uncertainties and excess supply of certain industrial properties in Singapore, we expect overall renewal rates to be in the low single-digit positive range.

We believe our diverse customer base (more than 1,230 tenants) and industry exposure (over 20 industries) will help Ascendas Reit maintain a stable performance.

5. What is the outlook for Ascendas Reit in the next 2-3 years?

Our priority is to keep building a stronger and profitable portfolio for the longer term.

We will further scale up in Singapore, the US, Australia and the UK, and at the same time unlock value from our existing portfolio to optimise returns. We will stick to what we know best. We continue to look for properties in business parks, logistics and data centres subsegments that are expected to benefit from economic drivers such as digitisation, e-commerce and healthcare.

As at 31 December 2020, Singapore accounted for 66% of total investment properties of S\$13.7 billion and overseas markets account for the remaining 34%. Although Ascendas Reit is a Singapore-centric Reit, we may occasionally experience some short-term deviation when we take the opportunity to buy good quality and accretive properties overseas.

6. What is the progress of your sustainability efforts?

We want to do our part, no matter how small, to mitigate the negative effects of climate change. We have identified some Environmental, Social and Governance (ESG) matters and have been working to address them.

Some examples include:

- > **'Greening' our portfolio:** There are currently 39 green certified

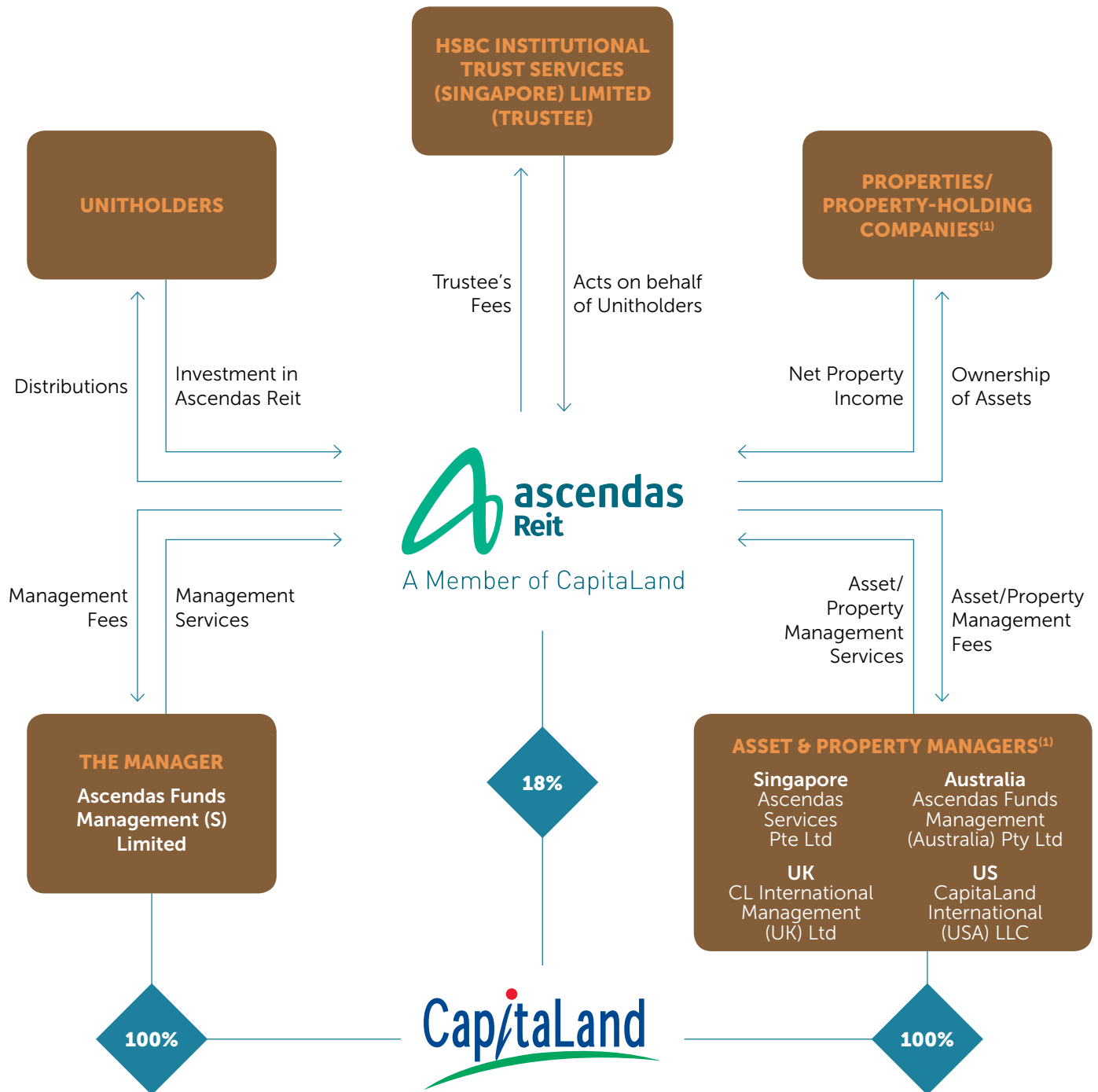
properties in our portfolio. In Singapore, 34 properties have attained BCA Green Mark certifications, of which 19 have secured at least a BCA Green Mark Gold^{PLUS} certification, the second highest award level. Today, Ascendas Reit has the largest number of BCA Green Mark properties amongst Singapore Reits.

In addition, we are committed to ensure that new properties we acquire or new developments we undertake will achieve green certifications. If this is not achievable immediately, we will set aside capital expenditure to enhance the properties to attain green certifications in the future.

- > **Generating and using renewable energy:** In Singapore, Neuros and Immunos' common areas have been 100% powered by renewable energy generated from our solar farms. We will extend this to Nexus@one-north and Nucleos (located in Singapore) by FY2022.
- > **Encouraging the transition to Electric Vehicles (EV):** To encourage a higher adoption of electric cars in Singapore, we have already installed 40 EV charging lots across our Singapore properties, the largest number by a Singapore REIT, and will continue to roll out more installations across our portfolio.
- > **Collaboration on smart building solutions:** Singapore's Minister for Communications and Information, Mr S Iswaran officially opened Southeast Asia's first industry-led lab for smart cities solutions development at Ascendas Reit's property, The Galen in Singapore Science Park 2. We will collaborate with innovators to co-create and test projects at our properties, allowing us to deliver innovative smart building solutions to our customers.

ASCENDAS REIT'S STRUCTURE

As at 18 March 2021



(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 capitals¹ and employs a three-pronged strategy to drive its business activities.



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



More details can be found in Ascendas Reit's Integrated Sustainability Report FY2020, available at ir.ascendas-reit.com/sustainability_reports.html.

BUSINESS MODEL

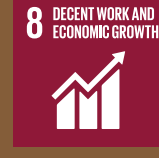
VISION

To be a leading global real estate investment trust

MISSION

To deliver predictable distributions and achieve long-term capital stability for Unitholders

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



- 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.
- 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.
- Sustainability context:** The Manager manages ESG material issues in its business activities. For FY2020, 10 'Critical' ESG material issues and five 'Moderate and emerging material issues' have been identified (more details can be found on page 25).

BUSINESS MODEL

THREE-PRONGED STRATEGY



WHAT ASCENDAS REIT INVESTS IN



BUSINESS & SCIENCE PARK PROPERTIES, SUBURBAN OFFICES AND 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, the suburban offices comprise high-quality office space located in precincts outside the central business districts. The properties are well-served by public transportation and surrounding amenities include F&B and shopping malls.

The US business park properties are located within corporate campus environments. These campuses house a critical mass of established, growth and start-up companies, and are in proximity to top research universities and institutions, contributing to the vibrant innovation ecosystems. The US offices are located in a leading submarket with a high concentration of technology tenants.

> 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 and electronics.

Australia: Government departments, data centres and regional corporate HQs.

US: Technology, financial, medical and healthcare related companies.



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 locations with a more comprehensive range of amenities to house their corporate HQ and conduct their businesses under one roof. Tenants include 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. These include data centres which house 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 floor height. In Singapore, the warehouses include single-storey or multi-storey facilities with vehicular ramp access and multi-storey facilities with heavy duty cargo lift access.

In Australia, the properties are high-grade, functional and large scale distribution facilities located in close proximity to major transport infrastructure in core submarkets of Sydney, Melbourne, Brisbane and Perth.

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

> Typical Customers

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

SUSTAINABILITY HIGHLIGHTS



COMMITMENT TO THE ENVIRONMENT



RENEWABLE ENERGY

Largest no. of public Electric Vehicle (EV) charging points in Singapore by a Singapore REIT (S-REIT): **40**

8.1 megawatt-peak (MWp)
10,385 MWh of power generated in 2020
Largest combined solar installation in Singapore for a real estate company which also contributed to Singapore's 350MWp solar deployment target in 2020



Solar installation at 40 Penjuru Lane, Singapore



GREEN FINANCING

Established **Green Finance Framework**

Issued maiden S\$100 million Green Bond and S\$300 million Green Perpetual Securities (first green perpetual securities in Asia)



GREEN BUILDINGS

Largest number of BCA Green Mark properties amongst S-REITs: **34**

Total portfolio comprises **39** Green certified properties

LogisTech is the **first industrial building** in Singapore awarded Green Mark Platinum Super Low Energy (SLE) status



PREMIUM QUALITY PRODUCTS AND SERVICES



EMBRACING INNOVATION AND TECHNOLOGY

Smart Urban Co-Innovation Lab located at The Galen was officially launched as **Southeast Asia's first industry-led lab** for smart cities solutions development



Official opening of Smart Urban Co-Innovation Lab, located at The Galen, Singapore



APPRECIATION FOR FRONTLINERS

Fortnightly treats comprising fresh-cut fruits, pastries, energy drinks and Vitamin C tablets presented to over **1,100** frontline staff and outsourced partners in recognition of their hard work and dedication during the Circuit Breaker Period in Singapore



AWARD HIGHLIGHTS

Asia Pacific Property Awards 2020-21 Best Public Service Interior – Singapore: ONE@Changi City



ONE@ChangiCity, Singapore



NURTURING COMMUNITY



COVID-19 SUPPORT MEASURES

Customers: Supported affected customers with **S\$17.8 million** in rent rebates

Employees: Implemented precautionary measures to safeguard the safety and total well-being of employees including work-from-home, online engagements and activities such as e-learning

Suppliers: Provided temporary lodging (regulated under the Singapore Ministry of Manpower's Temporary Occupation License for Factory/Office Space) at Ascendas

Reit's properties for about **80** technicians to ensure business continuity and to mitigate the impact of dormitory lockdowns operations



COMMUNITY INITIATIVE

Over **269** volunteer hours clocked during the #BYOBclean initiative where employees distributed free hand sanitisers to the public



Distribution of hand sanitisers at The Star Vista, Singapore

Ascendas Reit sponsored the **venues** at Aperia and 31 International Business Park (Singapore) to facilitate the packing of festive essential care packs which were distributed to **>1,600 beneficiaries**



GRESB¹ PUBLIC DISCLOSURE

Achieved **A** rating and **ranked 1st** amongst industrial S-REIT peers

1 GRESB is an investor led organisation providing standardised and validated Environmental, Social and Governance (ESG) data.

Ascendas Reit places sustainability at the core of what it does. As a responsible real estate trust, Ascendas Reit contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

Its standalone Integrated Sustainability Report 2020 has been prepared in accordance with the Singapore Exchange Securities Trading Limited’s (SGX-ST) Listing Manual Rules 711A and 711B, Global Reporting Initiative (GRI) Standards: Core option, and GRI’s Construction & Real Estate Sector Supplement (CRESS). The report has also incorporated elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council, and Sustainable Development Goals (SDGs) of the United Nations.



More details on policies, practices, targets and performance relating to Ascendas Reit’s material issues can be found in the Integrated Sustainability Report 2020, available at ir.ascendas-reit.com/sustainability_reports.html.

In FY2020, Ascendas Reit aligned its sustainability objectives and strategies with CapitaLand, its Sponsor. It is committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio operations and project development. Ascendas Reit also considers innovation as a key driver to ensure commercial viability without compromising the environment for future generations. The Manager works closely with the Asset & Property Managers in carrying out these strategies and relevant activities across its portfolio where possible.

A materiality reassessment was conducted during the year, reviewing CapitaLand’s ESG issues with that of Ascendas Reit’s existing nine material issues. Considering the context of emerging issues such as the COVID-19 pandemic, business environment and strategy, all material issues of CapitaLand were deemed to be applicable and relevant to the operating context of Ascendas Reit.

PRIORITISATION OF ESG MATERIAL ISSUES

Environment	Social/Labour Practices	Governance
Critical		
<ul style="list-style-type: none"> › Energy efficiency › Climate change and emissions reduction › Water management 	<ul style="list-style-type: none"> › Occupational health and safety › Employment › Stakeholder engagement › Supply chain management 	<ul style="list-style-type: none"> › Compliance › Business ethics › Products and services*
Moderate and emerging		
<ul style="list-style-type: none"> › Building materials › Construction and operational waste › Biodiversity 	<ul style="list-style-type: none"> › Diversity › Human rights 	

* This includes customer health and safety.

Committed to reduce environmental footprint

Sustainability remains key to the business strategy of Ascendas Reit. Building on the momentum to reduce carbon footprint through the use of renewables, Ascendas Reit was honoured to have contributed to achieving Singapore’s 2020 national solar deployment target of 350 MWp through rooftop solar installation at 40 Penjuru Lane. Ascendas Reit also has the most number of BCA Green Mark building certifications in its portfolio among S-REITs. In 2020, LogisTech became the first industrial building in Singapore to receive the BCA Green Mark Platinum Super Low Energy Award.

FY2020 was marked by lockdowns and a rapid shift towards digitalisation with many employees working from home. Consequently, the total energy and water consumption across Ascendas Reit’s properties in all markets decreased against 2019. The Manager has also started tracking and reporting waste data and will continue to implement measures aimed at waste reduction.

In FY2020, Ascendas Reit launched its Green Finance Framework, a natural extension to its sustainability and capital management strategies. The Framework sets out the overarching guidelines for its issuances of green bonds and green loans. Ascendas Reit raised S\$100 million through its first green bond and another S\$300 million through green perpetual securities during the year.

Social responsibility particularly important during COVID-19

Right from the onset of the pandemic, Ascendas Reit increased the frequency of thorough disinfection and sanitation measures and strictly followed all precautionary measures in accordance with the guidelines in all its operating markets. Digital platforms and technological innovations, such as contactless technology and mobile applications were also leveraged to support the workplace community at its business parks. To ensure business continuity in building operations and to mitigate the impact of the dormitory lockdown, temporary lodging was provided for about 80 technicians at Ascendas Reit’s properties, regulated under the Singapore Ministry of Manpower’s Temporary Occupation License for Factory/ Office Space.

Committed to support the vulnerable in the community most affected by COVID-19, more than 150 CapitaLand staff volunteers packed and distributed festive essential care packs to over 1,600 beneficiaries under North East Community Development Council’s (CDC) CARE Team programme and South West CDC’s Love-in-a-Bento @ South West programme. Ascendas Reit supported the initiatives by sponsoring the venues at Aperia and 31 International Business Park for the packing. In early 2020, employees of the Manager also volunteered in the #BYOBclean initiative to distribute free hand sanitisers to the community at various CapitaLand malls in Singapore.

SIGNIFICANT EVENTS

JANUARY 2020

23rd

- › Completed the divestment of Wisma Gulab, a high-specifications property in Singapore, for S\$88.0 million.

31st

- › 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 and the additional number of Units issued which was entitled to the full distributions for the final quarter of FY2019.

FEBRUARY 2020

4th

- › Completed the divestment of 202 Kallang Bahru, a light industrial property in Singapore, for S\$17.0 million.

MARCH 2020

6th

- › Completed the divestment of 25 Changi South Street 1, a light industrial property in Singapore, for S\$20.3 million.

31st

- › Completed the acquisition of 25% interest in Galaxis, a business park property in Singapore, for S\$104.6 million.

APRIL 2020

28th

- › Announced First Quarter FY2020 Business Updates. Achieved healthy portfolio occupancy rate of 91.7% and positive portfolio rent reversion of 8.0% year-to-date.

JUNE 2020

29th

- › Ascendas Reit's Annual General Meeting was held virtually and all resolutions were approved by Unitholders.



Ascendas Reit's Annual General Meeting

JULY 2020

1st

- › Completed the land acquisition for a logistics property to be constructed at Lot 7, Kiara Crescent for S\$21.1 million. The expected completion date of the development is in 3Q 2021.

6th

- › Retirement of Mr Lim Hock San as Non-Executive Independent Director and Chairman of the Board.
- › Appointment of Dr Beh Swan Gin as Non-Executive Independent Director and Chairman of the Board and member of the Investment Committee.

23rd

- › Announced results for the six months ended 30 June 2020: On a comparative basis, Net property income grew by 11.2% y-o-y

AUGUST 2020

11th

- › Established a S\$7 billion Euro Medium Term Securities Programme.

26th

- › Issued Ascendas Reit's **Maiden Green Bond** of S\$100 million under its newly established Green Finance Framework.



- › Ascendas Reit's Green Finance Framework is available at www.ascendas-reit.com/en/sustainability/green-financing.html

SEPTEMBER 2020

11th

- › Completed the acquisition and development of a suburban office building at 254 Wellington Road in Melbourne, Australia.

17th

- › Issued S\$300 million subordinated green perpetual securities at an initial distribution rate of 3.0% per annum, the first green perpetual securities to be issued by a real estate company in Asia. It was awarded the Best Singapore Bond at the IFR Asia Awards 2020 and the Best Subordinated Perpetual Bond & Most Innovative Deal of the Year at the 14th Annual Alpha Southeast Asia Best Deal & Solution Awards 2020.



18th

- › Ascendas Reit was recognised at the Alpha Southeast Asia Corporate Institutional Investor Awards 2020 for Most Consistent Dividend Policy, Most Organised Investor Relations, Best CFO in Singapore, and Best Strategic Corporate Social Responsibility.

OCTOBER 2020

26th

- › Announced third quarter FY2020 Business Updates. Achieved healthy portfolio occupancy rate of 91.9% and positive portfolio rent reversion of 4.2% year-to-date.

30th

- › Retirement of Mr Wong Yew Meng and Ms Lim Sau Hoong as a Non-Executive Independent Directors of Board.
- › Appointment of Mr Chinniah Kunnasagaran as a Non-Executive Independent Director of the Board and a member of the Audit and Risk Committee and Investment Committee.

NOVEMBER 2020

10th

- › Launched an equity fund raising exercise. Ascendas Reit eventually raised a total of S\$1,196.5 million through a private placement and a preferential offering. The proceeds were used to fund the acquisitions of two office properties in San Francisco (acquired on 21 November 2020), a suburban office property in Australia (acquired on 13 January 2021) and 11 data centres in Europe (acquired on 17 March 2021).

17th

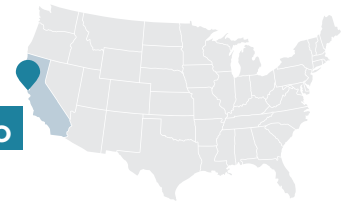
- › Ascendas Reit achieved GRESB Public Disclosure Level score of A and was ranked first amongst its Singapore industrial REIT peer group.

21st

- › Completed the acquisition of two office properties at **510 Townsend Street** and **505 Brannan Street**, in San Francisco, US, for

S\$768.0
million

San Francisco



DECEMBER 2020

8th

- › Ascendas Reit was awarded the Certificate of Excellence in Investor Relations at the IR Magazine Awards & Conference – South East Asia 2020.

23rd

- › Completed the land acquisition for a logistics property to be constructed at 500 Green Road, Crestmead, Brisbane, Australia at S\$69.1 million. The expected completion date of the development is in 4Q 2021.

JANUARY 2021

13th

- › Completed the acquisition of 1-5 Thomas Holt Drive in Macquarie Park, Sydney, Australia for S\$284.0 million.

FEBRUARY 2021

2nd

- › Announced results for the financial year ended 31 December 2020: On a comparative basis,

Net property income grew by

9.4% y-o-y.



DPU declined by 6.1% to

14.688 Singapore cents from 15.638 Singapore cents, partially due to the impact of COVID-19.

19th

- › Completed the land acquisition for a suburban office building (MQX4) to be developed at 1 Giffnock Avenue, Macquarie Park, Sydney, Australia for S\$161.0 million. The expected completion date of the development is in mid 2022.

OUR BOARD OF DIRECTORS



DR BEH SWAN GIN



WILLIAM TAY WEE LEONG



CHAN PENGEE, ADRIAN



CHONG CHIET PING



DANIEL CUTHBERT EE HOCK HUAT



CHINNIAH KUNNASAGARAN



MANOHAR KHATANI



LIM CHO PIN ANDREW GEOFFREY



Independence

A majority of Board members are independent



Diversity

A good combination of knowledge, skills and experience

DR BEH SWAN GIN, 53

CHAIRMAN

NON-EXECUTIVE INDEPENDENT DIRECTOR

- › M.B.,B.S., Medicine, National University of Singapore
- › Sloan Fellow, Master of Science in Management, Stanford University's Graduate School of Business
- › Advanced Management Programme, Business Administration and Management, Harvard Business School

Date of first appointment as a director:

6 July 2020

Length of service as a director (as at 31 December 2020):

5 months

Board committee served on

- › Investment Committee (Member)

Present directorship in other listed company

- › Singapore Exchange Limited

Present principal commitment

- › Singapore Economic Development Board (Chairman)

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

- › Singapore Technologies Engineering Ltd

Background and working experience

- › Chairman, Singapore Economic Development Board (From December 2014 to present)
- › Permanent Secretary, Ministry of Law (From July 2012 to November 2014)
- › Managing Director, Singapore Economic Development Board (From August 2008 to June 2012)

WILLIAM TAY WEE LEONG, 50

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 2020):

2 years 11 months

Board committee served on

- › Investment Committee (Member)

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)

OUR BOARD OF DIRECTORS

CHAN PENGEE, ADRIAN, 56

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 2020):

6 years 1 month

Board committee 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
- › First REIT Management Limited (f.k.a. 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

- › Global Investments Limited

Background and working experience

- › Senior Partner, Lee & Lee; Head of the Corporate Department (From 1989 to present)
- › Director of Hogan Lovells Lee & Lee (From 1 March 2001 to present)

CHONG CHIET PING, 67

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 2020):

5 years 2 months

Board committee served on

- › Audit and Risk Committee (Member)

Present directorship in other listed company

- › Nil

Present principal commitments

- › GreenMeadows Accelerator Pte. Ltd. (Executive Director)
- › Small World Accelerator Pte. Ltd. (Executive Director)
- › National Research Foundation (Technical Advisor)
- › Third Wave Power Pte. Ltd. (Director)
- › Nucleus Dynamics Pte. Ltd. (Director)
- › Smart Animal Husbandry Care Pte. Ltd. (Director)
- › Multi Water Holdings 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, Small World Accelerator Pte. Ltd. (From January 2018 to present)
- › Managing Partner, GreenMeadows Accelerator Pte. Ltd. (From April 2016 to present)
- › Managing Partner, Small World Group Incubator Pte. Ltd. (From December 2010 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)

DANIEL CUTHBERT EE HOCK HUAT, 68

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 2020):

2 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 commitment

- › 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 director in various companies over the past 10 years

Award

- › The Public Service Medal, 2003

CHINNIAH KUNNASAGARAN, 63

NON-EXECUTIVE
INDEPENDENT DIRECTOR

- › Bachelor of Engineering (Electrical), National University of Singapore
- › Master of Business Administration, University of California Berkeley
- › Chartered Financial Analyst (CFA), CFA Institute

Date of first appointment as a director:

1 November 2020

Length of service as a director (as at 31 December 2020):

2 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)
- › Edelweiss Financial Services Limited, India
- › Nirlon Limited, India

Present principal commitments

- › Changi Airport International Pte. Ltd. (Director)
- › Azalea Asset Management Pte. Ltd. (Director)
- › Greenko Energy Holding, Mauritius (Director)
- › Hindu Endowments Board (Board Member)
- › Keppel Asia Infra Fund (GP) Pte. Ltd. (Investment Committee Member)
- › Pavilion Capital International Pte. Ltd. (Consultant)

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

- › Nil

Background and working experience

- › Head, GIC Global Infrastructure Group (From 2012 to 2013)
- › Co-Head, Portfolio, Strategy and Risk Group GIC Special Investments Pte. Ltd. (From 2009 to 2013)
- › Various appointments at GIC Private Limited (From 1989 to 2013)

OUR BOARD OF DIRECTORS

MANOHAR KHIATANI, 61

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 2020):

7 years 6 months

Board committees served on

- › Audit and Risk Committee (Member)
- › Investment Committee (Chairman)

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)
- › Singapore Economic Development Board (Special Advisor to Chairman)
- › 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 directorships in other listed companies held over the preceding three years

- › Ascendas Hospitality Fund Management Pte Ltd (manager of Ascendas Hospitality Real Estate Investment Trust¹)
- › Ascendas Hospitality Trust Management Pte Ltd (trustee-manager of Ascendas Hospitality Business Trust¹)

Background and working experience

- › Senior Executive Director, CapitaLand Group (From July 2019 to present)
- › Deputy Group CEO, Ascendas-Singbridge Pte. Ltd. (From January 2016 to June 2019)
- › President & Chief Executive Officer, Ascendas Pte Ltd (From May 2013 to December 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 Board (From May 1999 to February 2007)

1 Delisted from the official list of the Singapore Exchange Securities Trading Limited on 3 January 2020.

LIM CHO PIN ANDREW GEOFFREY, 51

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 2020):

1 year 2 months

Board committee served on

- › 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 Integrated Commercial Trust Management Limited (manager of CapitaLand Integrated Commercial Trust)
- › CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)
- › CapitaLand China Trust Management Limited (manager of CapitaLand China Trust)

Present principal commitments

- › Accounting for Sustainability Circle of Practice (Member)
- › CapitaLand Group (Group Chief Financial Officer)
- › Institute of Singapore Chartered Accountants' CFO Committee (Member)
- › Sport Singapore (Singapore Sports Council) (Director and Chairman of Audit Committee)

Past directorships in other listed companies held over the preceding three years

- › CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust¹)
- › CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust) (From 1 May 2017 to 9 October 2019)

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)

1 Delisted from the official list of the Singapore Exchange Securities Trading Limited on 3 November 2020.

THE ASCENDAS REIT TEAM



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 25 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.



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.



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.



>26 years

Average
experience of
Management Team

THE ASCENDAS REIT TEAM



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.



SERENA TEO

HEAD, PORTFOLIO MANAGEMENT

Serena oversees portfolio management for Ascendas Reit's properties in Singapore, Australia, Europe 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 about 25 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 (Honours) degree from the National University of Singapore.

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 markets that Ascendas Reit operates in, 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:



THE MANAGER'S REVIEW OF FY2020

As at 31 December 2020, Ascendas Reit is the largest business space and industrial REIT listed on the SGX-ST with total assets and market capitalisation of S\$15.1 billion and S\$12.0 billion respectively.

FINANCIAL AND CAPITAL MANAGEMENT HIGHLIGHTS

Sustainable Returns to Unitholders

- › Gross revenue rose by 13.6% y-o-y to S\$1,049.5 million mainly due to the full year contribution by properties in the United States (US) and Singapore properties acquired in December 2019. The newly completed suburban office, 254 Wellington Road in Melbourne, Australia in September 2020, and acquisition of the two office properties in San Francisco, US, acquired in November 2020 also contributed to the higher gross revenue.
- › This was partially offset by S\$17.8 million of rent rebate recorded in FY2020 as part of Ascendas Reit's assistance to tenants amidst the challenges caused by the COVID-19 pandemic. There was also a decline in revenue from lower occupancies in certain properties during the year.
- › The total amount available for distribution rose 6.7% y-o-y to S\$538.4 million. This was partially offset by the increase in non-property operating expenses relating to the new acquisitions and higher net finance costs as a result of higher average debt balances.
- › DPU in FY2020 decreased by 6.1% to 14.688 cents. Excluding the one-off distribution of rollover adjustments from prior years amounting to S\$7.8 million in 1H 2019, DPU would have decreased by 4.5% y-o-y.



GROSS REVENUE

+13.6%¹

FY2020: S\$1,049.5 million
2019²: S\$924.1 million



TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION

+6.7%¹

FY2020: S\$538.4 million
2019²: S\$504.4 million



NET PROPERTY INCOME (NPI)

+9.4%^{1,3}

FY2020: S\$776.2 million
2019²: S\$709.5 million



DISTRIBUTION PER UNIT (DPU)

-6.1%¹

FY2020: 14.688 Singapore cents
2019²: 15.638 Singapore cents

Prudent Capital Management

- › Maintained A3 credit rating from Moody's
- › Aggregate leverage remained healthy at 32.8%
- › Weighted average all-in borrowing cost improved to 2.7% per annum (p.a.)
- › Weighted average term of debt stable at 3.7 years
- › High level of natural currency hedge for overseas investments: ~70% for Australia, ~100% for the United Kingdom (UK) and ~60% for the US
- › 78.1% of borrowings are at fixed interest rates for a weighted average duration of 3.5 years
- › Good access to debt and equity markets, and kickstart of green financing plan:
 - Secured S\$266.9 million (US\$198.0 million) 5-year onshore bank loan
 - Established a S\$7.0 billion Euro Medium Term Securities Programme
 - Issued a S\$100.0 million 10-year green bond
 - Issued S\$300.0 million green perpetual securities (Asia's first real estate green perpetual securities)
 - Refinanced existing S\$276.5 million (A\$282.1 million) onshore bank loan with a 5-year onshore bank loan
- Raised S\$1,196.5 million of gross proceeds through:
 - S\$800.0 million private placement in November 2020 at S\$3.026 per Unit i.e. 39% premium to net asset value per Unit (NAV per Unit) of S\$2.17 (as at 30 September 2020)
 - S\$396.5 million preferential offering in December 2020 at S\$2.960 per Unit i.e. 36% premium to NAV per Unit of S\$2.17 (as at 30 September 2020)



AGGREGATE LEVERAGE

31 December 2020: 32.8%
31 December 2019: 35.1%



WEIGHTED AVERAGE ALL-IN BORROWING COST

31 December 2020: 2.7% p.a.
31 December 2019: 2.9% p.a.



WEIGHTED AVERAGE TERM OF DEBT

31 December 2020: 3.7 years
31 December 2019: 4.0 years

¹ Variance against 12 months ended 31 December 2019.

² Refers to 1 January 2019 to 31 December 2019.

³ In order to present the comparative information in a consistent manner, the Group has re-stated the net property income for the period from 1 January 2019 to 31 December 2019 by applying the principles of FRS 116 since 1 January 2019.

INVESTMENT AND OPERATIONAL HIGHLIGHTS

Disciplined Value-Adding Investment

- › Completed S\$973.2 million worth of acquisitions and announced a further S\$535.2 million worth of investments which are expected to complete in the next two years
- › Completed acquisitions included:
 - 25% stake in Galaxis, Singapore, for S\$104.6 million
 - Two office properties (510 Townsend Street and 505 Brannan Street) in San Francisco, US, for a combined purchase consideration of S\$768.0 million
 - A suburban office located at 254 Wellington Road, in Melbourne, Australia for a total cost of S\$100.6 million.
- › Announced acquisitions which will be completed post FY2020:
 - Two suburban office properties in Macquarie Park, Sydney, Australia
- 1 - 5 Thomas Holt Drive for S\$284.0 million (acquisition was completed on 13 January 2021)
- MQX4, currently under development, for S\$161.0 million (expected completion in mid-2022)
- Two modern logistic properties in Australia, both under development
 - Lot 7 Kiora Crescent located in Sydney for S\$21.1 million (expected completion in 3Q 2021)
 - 500 Green Road located in Brisbane for S\$69.1 million (expected completion in 4Q 2021)
- › Divested three Singapore properties, Wisma Gulab (190 Macpherson Road), 202 Kallang Bahru and 25 Changi South Street 1, which generated sale proceeds of S\$125.3 million
- › Total valuation of 197 properties⁴ was S\$13.7 billion. Capitalisation rate was 6.01% for Singapore, 5.79%⁵ for US, 5.62% for Australia and 5.81%⁶ for the UK as at 31 December 2020.



TOTAL ASSETS

+9.1%⁷

As at 31 December 2020: S\$15.1 billion

As at 31 December 2019: S\$13.9 billion



PORTFOLIO CAPITALISATION RATE

	FY2020:	FY2019:
Singapore portfolio	6.01%	6.02%
US portfolio	5.79%	6.27%
Australia portfolio	5.62%	5.88%
UK portfolio	5.81% ⁶	5.82% ⁶

Portfolio Diversification

- › Overall portfolio occupancy remained high at 91.7%
- › Achieved positive rental reversion of 3.8% for leases renewed in FY2020
- › Completed a total of seven asset enhancement initiatives (AEIs) in Singapore and Australia



PORTFOLIO OCCUPANCY

As at 31 December 2020: 91.7%

As at 31 December 2019: 90.9%



PORTFOLIO RENTAL REVERSION

FY2020: 3.8%

FY2019: 6.0%

⁴ Excludes 25 & 27 Ubi Road 4 and iQuest@IBP which were under-going redevelopment as at 31 December 2020.

⁵ Valuations for the two office properties in San Francisco, US, were as at 15 October 2020.

⁶ Refers to equivalent yield, which reflects the current level of return on property investments in the UK.

⁷ Variance against 31 December 2019.

THE MANAGER'S REVIEW OF FY2020

FINANCIAL AND CAPITAL MANAGEMENT REVIEW

Financial Performance of FY2020 (1 January to 31 December 2020 (12 Months)) Versus FY2019 (1 April 2019 to 31 December 2019 (9 Months))

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

	FY2020 (1 January 2020 to 31 December 2020)	FY2019 (1 April 2019 to 31 December 2019)	Variance
Number of Properties	200	200	–
Gross Revenue (S\$ million)	1,049.5	699.1	50.1%
NPI (S\$ million)	776.2	537.7	44.4%
Total Amount Available for Distribution (S\$ million)	538.4	375.4	43.4%
DPU for the Financial year (Singapore cents)	14.688	11.490	27.8%
Applicable number of Units (million)	3,666	3,267	12.2%

Gross revenue of S\$1,049.5 million for the Group in FY2020 was 50.1% higher than S\$699.1 million achieved in FY2019, mainly due to the additional three months in FY2020, as well as the full year contributions from the US business park portfolio (28 properties) and two Singapore business park properties, which were acquired in December 2019. The newly completed suburban office, 254 Wellington Road in Melbourne (Australia), as well as the two office properties recently acquired in San Francisco (US) also contributed to the higher gross revenue.

NPI increased 44.4% y-o-y to S\$776.2 million, mainly due to the additional three months in FY2020.

The increase in NPI is in line with the increase in the gross revenue.

Total amount available for distribution for FY2020 was S\$538.4 million largely due to contributions from new acquisitions in the US and Singapore, as well as the completion of the property in Australia. FY2020 DPU of 14.688 Singapore cents was about 27.8% higher than FY2019.

Included in the amount available for distribution was approximately S\$4.4 million (DPU of 0.121 Singapore cents) of income support in relation to certain properties, that was received and paid to Unitholders in FY2020.

Financial Performance FY2020 (1 January 2020 to 31 December 2020) versus 12 months ended 31 December 2019 (1 January 2019 to 31 December 2019)

To provide a more meaningful review of Ascendas Reit's financial performance, the results of FY2020 are presented against the corresponding 12-month period ended 31 December 2019.

	12 months ended 31 December 2020 (FY2020)	12 months ended 31 December 2019	Variance
Number of Properties	200	200	–
Gross Revenue (S\$ million)	1,049.5	924.1	13.6%
NPI (S\$ million)	776.2	709.5	9.4%
Total Amount Available for Distribution (S\$ million)	538.4	504.4	6.7%
DPU for the Financial year (Singapore cents)	14.688	15.638	-6.1%
Applicable number of Units (million)	3,666	3,226	13.6%

Gross revenue for FY2020 rose by 13.6% y-o-y to S\$1,049.5 million. The increase was mainly due to the full year contribution by the portfolio of 28 business park properties in the US and two business park properties in Singapore, which were acquired in December 2019. The newly completed suburban office, 254 Wellington

Road in Melbourne (Australia), as well as the two office properties recently acquired in San Francisco (US) also contributed to the higher gross revenue.

This was partially offset by S\$17.8 million of rent rebate recorded in FY2020 as part of Ascendas Reit's assistance

to tenants amidst the challenges caused by the COVID-19 pandemic. There was also a decline in revenue from lower occupancies in certain properties during the year.

FY2020 net property income rose by 9.4% y-o-y to S\$776.2 million in tandem with the increase in gross revenue.

The total amount available for distribution in FY2020 rose 6.7% y-o-y to S\$538.4 million, which was partially offset by the increase in non-property operating expenses relating to new acquisitions and higher net finance costs mainly due to higher average debt balances. DPU in FY2020 decreased by 6.1% to 14.688 cents. Excluding the one-off distribution of rollover adjustments from prior years amounting to S\$7.8 million in 1H 2019, DPU would have decreased by 4.5% y-o-y.

Included in the amount available for distribution was approximately S\$4.4 million (DPU of 0.121 Singapore cents) of income support in relation to certain properties, that was received and paid to Unitholders in FY2020.

CAPITAL MANAGEMENT

Our prudent capital management not only ensured adequate liquidity during the uncertain business environment, but also enabled us to execute our acquisition plans.

Ascendas Reit's capital profile is sound. Aggregate leverage is healthy at 32.8%. Ascendas Reit is well-positioned to seize investment opportunities when they arise given the large debt headroom of about S\$5.0 billion before aggregate leverage reaches Monetary Authority of Singapore's (MAS) regulated aggregate leverage limit of 50.0%.

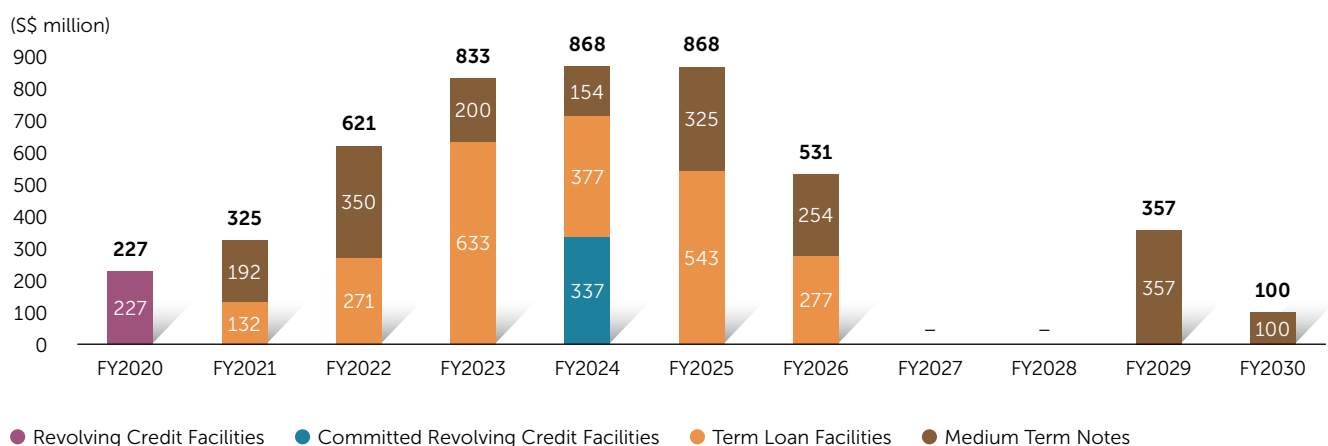
The Manager continues to keep a well spread debt maturity profile to minimise refinancing risks. Weighted average term of debt is 3.7 years. Weighted average all-in borrowing cost improved to 2.7% per annum.

A high level of natural hedge is put in place for all overseas investments to minimise the effects of adverse exchange rate fluctuations. About 70% of investment properties are funded by AUD-denominated debt in Australia, about 100% in the UK and approximately 60% in the US.

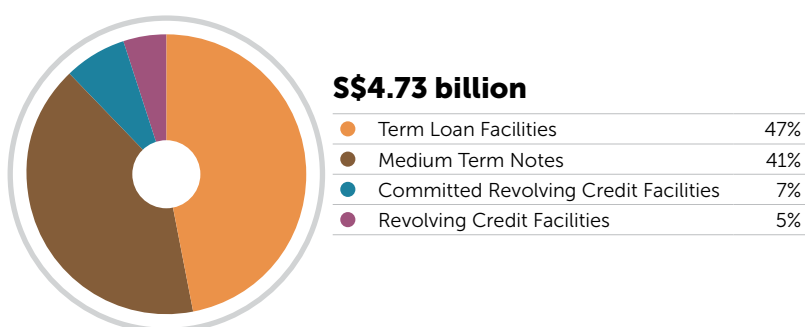
To minimise the impact from the volatility of interest rate movements, approximately 78.1% of Ascendas Reit's borrowing are fixed with a weighted average term of 3.5 years.

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

DEBT MATURITY PROFILE (AS AT 31 DECEMBER 2020)



BREAKDOWN OF DEBT (AS AT 31 DECEMBER 2020)



THE MANAGER'S REVIEW OF FY2020

Key Debt Funding Indicators

Indicators	As at 31 December 2020	As at 31 December 2019
Aggregate Leverage ⁽¹⁾⁽²⁾⁽³⁾	32.8%	35.1%
Total Debt (S\$ million) ⁽¹⁾⁽²⁾⁽³⁾	4,784	4,653
Fixed Debt as a % of Total Debt	78.1%	75.8%
Weighted Average All-in Borrowing Cost (p.a)	2.7%	2.9%
Weighted Average Term of Debt Outstanding (years)	3.7	4.0
Weighted Average Term of Fixed Debt Outstanding (years)	3.5	3.3
Interest Cover Ratio ⁽⁴⁾	4.3x	5.1x
Total Debt / EBITDA	7.3x	7.5x
Unencumbered Properties as % of Total Investment Properties ⁽⁵⁾	91.7%	91.8%

(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) Excludes the effects of FRS 116.

(3) In accordance with Property Funds Appendix, Ascendas Reit's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage. The ratio of total gross borrowings (including perpetual securities) to total net assets is 54.8%.

(4) Based on the trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), divided by the trailing 12 months interest, expense and borrowing-related fees.

(5) Total investment properties exclude properties reported as finance lease receivables.

On 11 August 2020, Ascendas Reit established a S\$7.0 billion Euro Medium Term Securities Programme in order to further diversify its sources of funding and reach out to a wider investor base. Under this programme, it issued S\$100.0 million 10-year notes at 2.65% p.a. on 26 August 2020. Ascendas Reit also issued S\$300.0 million Green subordinated perpetual securities at an initial distribution rate of 3.0% p.a., with the first distribution reset rate falling on 17 September 2025. The Green subordinated perpetual securities is the first real estate Green perpetual securities in Asia.

In FY2020, Ascendas Reit successfully raised gross proceeds of approximately S\$1,196.5 million via a S\$800.0 million private placement in November 2020 and a S\$396.5 million preferential offering in December 2020.

Through the private placement, a total of 264,376,000 new Units were issued at a price of S\$3.026, representing a discount of approximately 5.7% to the volume weighted average price (VWAP) of S\$3.2096 per Unit on the SGX-ST

for the preceding Market Day. This is approximately a 39% premium to the NAV per Unit as at 30 September 2020.

Through the preferential offering, a total of 133,948,782 new Units were issued based on a ratio of 37 Preferential Offering Units for every 1,000 existing Units in Ascendas Reit. The Units were issued at a price of S\$2.960, representing a discount of approximately 7.8% to the VWAP of S\$3.2096 per Unit on the SGX-ST and a premium of approximately 36% to the NAV per Unit as at 30 September 2020. The preferential offering Units were oversubscribed by 146.9% upon its close on 1 December 2020.

The proceeds used were in accordance with the stated use and in accordance with the percentage allocated in the relevant announcement in relation to the fund raising for each of the disclosure on the private placement and the preferential offering. The balance S\$612.5 million of proceeds have been used to partially fund the acquisition of 11 data centres in Europe on 17 March 2021.

Use of Gross Proceeds from Private Placement in November 2020 and Preferential Offering in December 2020 (as at 31 December 2020)

Intended Use of Proceeds	Announced Use of Proceeds (S\$ million)	Actual Use of Proceeds (S\$ million)	Balance of Proceeds (S\$ million)
To partially fund the acquisition of two office properties in San Francisco and the associated costs	390.0	390.0	–
To partially fund the acquisition of a suburban office property located in Sydney and the associated costs	180.0	180.0	–
To partially fund the acquisition of a portfolio of data centres in Europe and the associated costs	612.5	–	612.5 ⁽¹⁾
To pay the fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Equity Fund Raising	14.0	14.0	–
Total	1,196.5	584.0	612.5⁽¹⁾

(1) The balance S\$612.5 million of proceeds have been used to partially fund the acquisition of 11 data centres in Europe on 17 March 2021.

INVESTMENTS

Despite the uncertain global economic climate brought about by the COVID-19 pandemic, the Manager stood steadfast in its strategy to further diversify and improve the quality of its portfolio to achieve a stable and predictable income stream with long-term growth prospects. Ascendas Reit completed the acquisitions of four properties worth S\$973.2 million and announced the acquisitions of a further four properties worth S\$535.2 million which are expected to be completed within the next two years.

Completed acquisitions include a 25% interest in Galaxis, a business park property in Singapore for S\$104.6 million in March 2020. It is strategically located in the heart of Fusionopolis cluster in Singapore's one-north precinct, a well-established hub for infocomm technologies, media, physical sciences and engineering R&D industries.

In September 2020, practical completion of 254 Wellington Road, Melbourne, Australia was achieved. The suburban office building is well-located within Melbourne's desirable south eastern suburb of Mulgrave and was designed to achieve the 5 Star Green Star Design & As-Built rating and 5 Star NABERS Energy rating.

The acquisition of two office properties located in 510 Townsend Street and 505 Brannan Street, San Francisco, US, was completed in November 2020 for S\$768.0 million⁸ (US\$560.2 million). Both LEED platinum-certified properties were constructed in 2017 and are well located

in the technology city within South of Market (SoMa), a top performing submarket in San Francisco.

The announced acquisitions that will be completed post FY2020 include MQX4, a suburban office property to be developed in Sydney's Macquarie Park for S\$161.0 million⁹ (A\$167.2 million). Dubbed as Sydney's premier innovation location, Macquarie Park is a well-established business precinct occupied by national and international corporate headquarters across the pharmaceutical, technology, electronics and telecommunications industries. The property's expected completion date is approximately mid-2022. Subsequently in December 2020, Ascendas Reit announced its further expansion in Sydney's Macquarie Park with the acquisition of 1 – 5 Thomas Holt Drive for S\$284.0 million¹⁰ (A\$288.9 million). The suburban office property is approximately 250 metres away from MQX4 and the acquisition was completed on 13 January 2021.

In addition, Ascendas Reit announced the acquisitions of two Australian logistics properties, Lot 7 Kiora Crescent located in Sydney for S\$21.1 million¹¹ (A\$23.5 million) and 500 Green Road located in Brisbane for S\$69.1 million¹⁰ (A\$70.3 million). Both properties are under development and are expected to complete in 3Q 2021 and 4Q 2021 respectively.

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

8 S\$ amount was based on exchange rate of US\$1.000: S\$1.3709 as at 30 September 2020.

9 S\$ amount was based on exchange rate of A\$1.000: S\$0.9628 as at 31 July 2020.

10 S\$ amount was based on exchange rate of A\$1.000: S\$0.9830 as at 30 September 2020.

11 S\$ amount was based on exchange rate of A\$1.000: 0.8996 as at 31 May 2020.

THE MANAGER'S REVIEW OF FY2020

The Manager completed seven asset enhancement initiatives across Singapore and Australia in FY2020 for S\$34.2 million. Three more asset enhancement initiatives worth S\$26.1 million are in the works and they are expected to complete between 2021 and 2022.

In view of construction delays brought about by the Singapore Government's measures to curb the spread

of COVID-19, the development of Grab's headquarters for S\$182.6 million which was originally expected to complete in 4Q 2020 has been delayed to 3Q 2021. Similarly, the redevelopment of Ubix (formerly known as 25 & 27 Ubi Road 4) for S\$35.0 million and iQuest@IBP for S\$84.3 million have been delayed and are expected to complete in 4Q 2021 (previously 2Q 2021) and 1Q 2023 (previously 3Q 2022) respectively.

Investments in FY2020

Property	Country	Price (S\$ million)	Valuation as at Acquisition (S\$ million)	Occupancy as at Acquisition (%)	Completion Date
Completed Acquisitions		973.2			
Galaxis (25% stake) 254 Wellington Road	Singapore	104.6 ⁽¹⁾	650.0 ⁽²⁾	99.6	31 Mar 20
505 Brannan Street	Australia (Melbourne)	100.6	100.6 ⁽³⁾	100.0 ⁽⁴⁾	11 Sep 20
510 Townsend Street	United States (San Francisco)	269.4	275.5 ⁽⁵⁾	100.0	21 Nov 20
	United States (San Francisco)	498.6	510.0 ⁽⁵⁾	100.0	21 Nov 20
Announced Acquisitions in FY2020 (Completions post FY2020)		535.2			
1-5 Thomas Holt Drive, Macquarie Park	Australia (Sydney)	284.0	284.0 ⁽⁶⁾	100.0 ⁽⁷⁾	13 Jan 21
Lot 7 Kiora Crescent, Yennora	Australia (Sydney)	21.1	26.4 ⁽⁸⁾	100.0 ⁽⁹⁾	3Q 2021
500 Green Road, Crestmead	Australia (Brisbane)	69.1	69.1 ⁽¹⁰⁾	100.0 ⁽¹¹⁾	4Q 2021
MQX4, Macquarie Park	Australia (Sydney)	161.0	161.0 ⁽¹²⁾	100.0 ⁽¹³⁾	Mid-2022
Total		1,508.4			

(1) Based on 25% of the issued share capital of Ascendas Fusion 5 Pte Ltd (AF5PL), the holding entity for Galaxis. The purchase price was adjusted for net liabilities.

(2) S\$650 million is based on 100% asset value. The valuation dated 26 March 2020 was commissioned by HSBC Institutional Trust Services (Singapore) Limited (as trustee of Ascendas Reit) and was carried out by CBRE Pte Ltd using the Income Capitalisation and Discounted Cash Flow approaches.

(3) The valuation dated 1 August 2019 was commissioned by the Manager and The Trust Company (Australia) Limited, in its capacity as trustee of Ascendas Business Park Trust No. 2, and was carried out by Urbis Valuations Pty Ltd, using the capitalisation and discounted cashflow methods.

(4) Physical occupancy is 65.2% (space leased to Nissan). From practical completion date, the vendor will provide a three-year rental guarantee for any remaining vacant space.

(5) The valuation dated 15 October 2020 was commissioned by the Manager and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit), and was carried out by Newmark Knight Frank Valuation & Advisory, LLC, using sales comparison and income capitalisation approaches.

(6) The valuation dated 1 December 2020 was commissioned by the Manager and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas REIT Australia) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.

(7) Includes two-year rental guarantee provided by the vendor for vacant space.

(8) The valuation dated 30 June 2020 was commissioned by Ascendas Funds Management (Australia) Pty Ltd and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas Longbeach Trust No. 10), and was carried out by Knight Frank NSW Valuation & Advisory Pty Ltd using the capitalisation and discounted cash flow methods.

(9) Includes 9.5-month rental guarantee provided by the vendor for vacant space.

(10) The valuation as at 10 November 2020 was commissioned by the Manager and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas REIT Australia) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.

(11) Includes 2.5-year rental guarantee provided by the vendor for vacant space.

(12) The valuation dated 1 July 2020 was commissioned by the Manager and The Trust Company (Australia) Limited (in its capacity as trustee of Ascendas Business Park Trust No. 3) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.

(13) Includes three-year rental guarantee provided by vendor for vacant space.

Completed Asset Enhancement Initiatives in FY2020

Property	Country	Cost (S\$ million)	Completion Date
Asset Enhancement Initiatives			
The Capricorn	Singapore	6.0	Feb 2020
Plaza 8 (Part of 1, 3 & 5 Changi Business Park Crescent)	Singapore	8.5	Mar 2020
The Galen	Singapore	7.0	Apr 2020
484 - 490 & 494 - 500 Great Western Highway	Australia (Sydney)	1.4	Apr 2020
52 & 53 Serangoon North Avenue 4	Singapore	8.5	Jul 2020
197 - 201 Coward Street	Australia (Sydney)	1.6	Sep 2020
Aperia	Singapore	1.2	Oct 2020
Total		34.2	

On-going Development, Redevelopment and Asset Enhancement Initiatives

Property	Country	Cost (S\$ million)	Estimated Completion Date
Development		182.6	
Grab's Headquarters (Built-to-suit business park property)	Singapore	182.6 ⁽¹⁾	3Q 2021
Redevelopments		119.3	
Ubix (formerly 25 & 27 Ubi Road 4)	Singapore	35.0	4Q 2021
iQuest@IBP	Singapore	84.3	1Q 2023
Asset Enhancement Initiatives		26.1	
100 & 108 Wickham Street	Australia (Brisbane)	10.1	1Q 2021
21 Changi South Avenue 2	Singapore	4.7	2Q 2021
Changi Logistics Centre	Singapore	11.3	2Q 2022
Total		328.0	

(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.

THE MANAGER'S REVIEW OF FY2020

COMPLETED ACQUISITIONS**Galaxis (25% stake), Singapore**

The acquisition of 25% stake in Galaxis from MBK Real Estate Asia Pte Ltd was completed in March 2020. Strategically located at the heart of Fusionopolis with direct access to one-north MRT station, the property comprises a 17-storey building with business park and office space, a two-storey retail and F&B podium, a five-storey building with work lofts and a two-storey basement car park. The property has a BCA Green Mark Platinum rating. It is also 5-minute drive to Ayer Rajah Expressway and a 15-minute drive to the Central Business District.

**254 Wellington Road, Melbourne, Australia**

254 Wellington Road was acquired from ESR FPA (Wellington Road) Pty Limited in September 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 square metres (sq m) and sits on freehold land. It is expected to achieve 5 Star NABERS Energy Rating and 5 Star Green Star Design & As Built rating. 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 kilometres (km) south east of the Melbourne Central Business District.

Nissan has leased 65.2% of the space for a 10-year lease period and the property will serve as its head office and training centre with emphasis on electric vehicles.

**510 Townsend Street, San Francisco, United States**

510 Townsend Street was acquired from ARE-San Francisco No.47 LLC in November 2020. Newly completed in 2017, the seven-storey office building is LEED Platinum-certified and features an attractive brick façade, expansive floor plates and soaring ceiling heights as well as a roof deck with a large urban garden. It sits on a freehold land area of 5,504 sq m and has a net lettable area of 27,437 sq m.



505 Brannan Street, San Francisco, United States

505 Brannan Street was acquired from B505 Industries LCC in November 2020. It is a six-storey building with 68 car park spaces developed over a freehold land area of 2,377 sq m. It has a net lettable area of 13,935 sq m. Newly completed in 2017, the building has a glass and steel exterior, light-filled two-storey lobby, expansive ceiling heights, a landscaped passageway, and a roof deck with panoramic views of the city.

ANNOUNCED ACQUISITIONS (COMPLETIONS POST FY2020)



1-5 Thomas Holt Drive, Sydney, Australia

1-5 Thomas Holt Drive was acquired from AMP Capital on 13 January 2021. The modern campus style property comprises three suburban office blocks with a net lettable area of 39,188 sq m and sits on freehold land in the well-established business precinct of Macquarie Park. The development is equipped with tenant-friendly amenities such as a café, two tennis courts, a swimming pool, BBQ area and a total of 1,107 car park spaces, one of the highest car parking ratios for a suburban office property in Macquarie Park. 1 & 3 Thomas Holt buildings have been awarded with the 5 Star NABERS Energy rating.



Artist's Impression

Lot 7 Kiora Crescent, Sydney, Australia

Lot 7 Kiora Crescent was acquired from Larapinta Project Pty Ltd and its estimated practical date of completion is in 3Q 2021. Designed to be a functional and efficient logistics warehouse for a wide range of users, it would sit on a freehold land of approximately 26,632 sq m and have an approximate net lettable area of 13,100 sq m. The property is well located in the established inner-western Sydney industrial precinct of Yennora, an area that enjoys renewed growth given its proximity to central western Sydney and the trend towards last mile logistics.

THE MANAGER'S REVIEW OF FY2020

Artist's Impression

500 Green Road, Brisbane, Australia

500 Green Road was acquired from Goodman Limited and its estimated practical completion is in 4Q 2021. Well located along Brisbane's south corridor, Crestmead is known for being an established hub for interstate, intrastate and metropolitan distribution. The property is well designed with a flexible and highly efficient layout to cater to warehouse sizes from 9,000 sq m to 38,000 sq m with high ceiling, electric roller door, wide awning coupled with full LED lighting and rooftop solar panels. It is expected to achieve a 5 Star Green Star Design & As Built rating upon completion.



Artist's Impression

MQX4, Macquarie Park, Sydney, Australia

MQX4 was acquired from Frasers Property Industrial and Winten Property Group and its estimated practical completion is in mid-2022. Designed as a nine-storey building comprising eight levels of office space, ground floor retail and 204 car park spaces, it is targeted to achieve a 6 Star Green Star Design & As-Built rating and 5.5 Star NABERS Energy rating. MQX4 is well-located in the heart of Macquarie Park with direct access to the Macquarie Park Metro station. With the opening of the Sydney Metro City Line in 2024, this will further reduce travel time to the CBD to 20 minutes. It is also located in a well-established business precinct that is home to corporate headquarters across resilient industries such as the pharmaceutical, technology, electronics and telecommunications sectors.

COMPLETED ASSET ENHANCEMENT INITIATIVES



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 have been refurbished to create a holistic look and feel. The works were completed in February 2020.



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 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 refurbishments to the building entrance, lift lobbies and common corridors to create a premium look and feel. New collaborative spaces and meeting rooms have been created at the main lobby for customers' use. Enhancement work to the common area also features a reflection pond. The AEI was completed in April 2020.

THE MANAGER'S REVIEW OF FY2020



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 roof sheeting. The works were completed in April 2020.



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 involved replacing the canopy at the drop-off point and upgrading existing toilets. At 53 Serangoon North Avenue 4, the plot ratio was fully maximised. The 5th level was converted 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 works were completed in July 2020.





197 – 201 Coward Street, Sydney, Australia

197 – 201 Coward Street is a suburban office property in Sydney, Australia and it comprises two blocks of eight-storey towers. The property is located in a commercial precinct 10 km south of the Sydney Central Business District, less than 2 km from the Sydney international and domestic airports. The property was acquired from Frasers Property Australia in September 2016. AEI works include new end-of-trip facilities, landscaping of external garden beds and an outdoor seating area in front of the café. The works were completed in September 2020.



Aperia, Singapore

Aperia is an integrated development comprising two Business 1 towers and a 3-storey retail and F&B podium in Singapore. It is located at the fringe of the Central Business District and within walking distance to Lavender MRT station. The property was acquired from PLC 8 Development Pte Ltd in August 2014. Enhancement works to the tower lift lobby and common corridors were carried out to create a premium look and feel. A children's playground was also added in the common area as part of the AEI project. Works were completed in October 2020.



THE MANAGER'S REVIEW OF FY2020

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 facade 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 3Q 2021.



Artist's Impression

UBIX (formerly 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 (GFA) 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 cafe, collaborative workspaces and end-of-trip facilities to promote a vibrant 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 4Q 2021.



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. Plot ratio will be maximised, resulting in an additional 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 1Q 2023.

ASSET ENHANCEMENT INITIATIVES: ON-GOING



21 Changi South Avenue 2, Singapore

21 Changi South Avenue 2 is a 4-storey warehouse building with an ancillary showroom and a separate single-storey warehouse. It was acquired from Sim Siang Choon Hardware (S) Pte Ltd in March 2008. Enhancement work include the construction of a new substation for power upgrade from 1 MVA to 3 MVA, air conditioning installation, fire sprinkler upgrade at designated floors of the warehouse and a new service lift. The estimated completion date is in 2Q 2021.

THE MANAGER'S REVIEW OF FY2020



100 and 108 Wickham Street, Brisbane, Australia

100 and 108 Wickham Street are suburban office buildings located in the fringe of Brisbane's Central Business District and within the vibrant suburb of Fortitude Valley. The freehold properties were acquired from 100W Pty Ltd in September 2017 and December 2017 respectively. As part of continual upgrading, enhancement works include an upgrade of furnishing in the ground floor lobby and creation of collaboration spaces. The central courtyard will be refreshed with added landscaping and seating and architectural canopies will be added to integrate and unify the identity of both buildings. Works are expected to complete in 1Q 2021.



Changi Logistics Centre, Singapore

Changi Logistics Centre is made up of a four-storey warehouse with an eight-storey office building.

The property was acquired from Changi International Logistics Centre Limited in March 2004.

Enhancement works include upgrading of power transformer, warehouse spaces to comply to the latest fire code requirements, external facade painting and modernisation of toilets, cargo and passenger lifts. The AEI works is targeted to complete around 2Q 2022.

DIVESTMENTS

During the financial year, the Manager completed the divestments of three Singapore properties.

Wisma Gulab, a high-specifications industrial property, was sold for S\$88.0 million to Heap Seng Group Pte Ltd on 23 January 2020, 202 Kallang Bahru, a light industrial property, was sold for S\$17.0 million to Work Plus Store (Kallang Bahru) Pte Ltd on 4 February 2020,

and 25 Changi South Street 1, a light industrial property, was sold for S\$20.3 million to Hao Mart Pte Ltd on 6 March 2020. The total sales proceeds from the three divestments were S\$125.3 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 Divestments in FY2020

Property	Country	Sales Price (S\$ million)	Valuation (S\$ million) ⁽¹⁾	Buyer	Completion Date
Divestments⁽²⁾					
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.

(2) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the properties.

OPERATIONS REVIEW

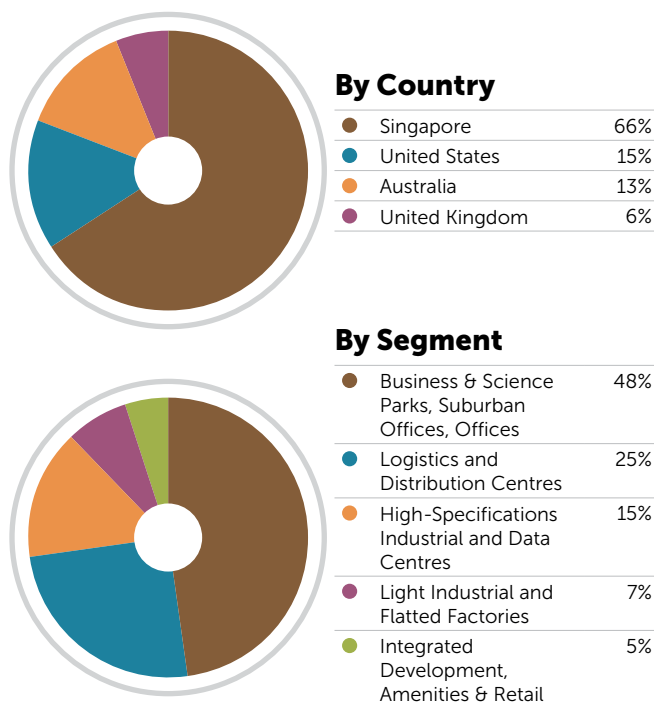
Portfolio Management & Performance

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

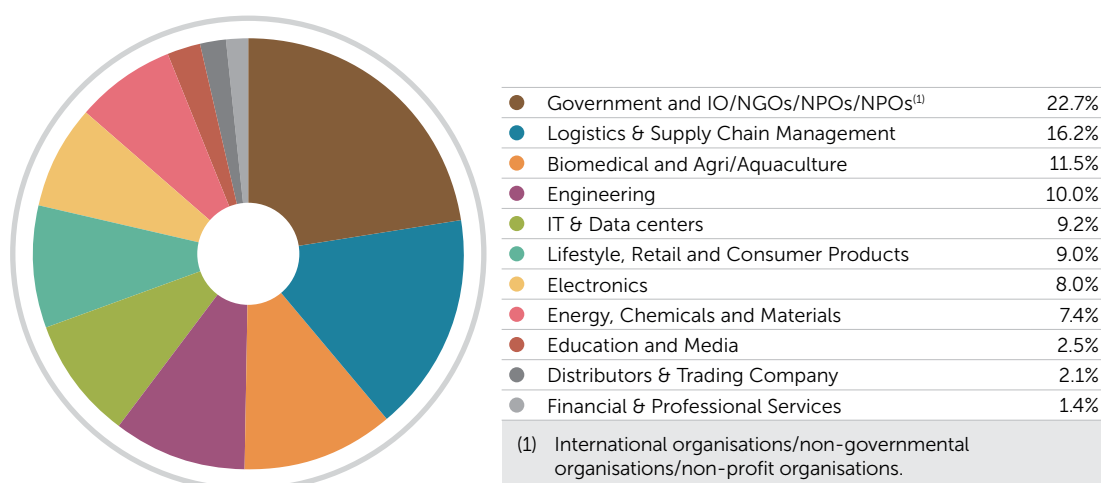
As at 31 December 2020, Ascendas Reit has 96 properties (66% by asset value) in Singapore, 30 properties (15% by asset value) in the US, 36 properties (13% by asset value) in Australia and 38 properties (6% by asset value) in the UK.

In FY2020, sources of new demand continued to be broad based ranging from conventional space requirements for Government, Logistics & Supply Chain Management, Biomedical and Agriculture/Aquaculture, Engineering, IT & Data Centers and Lifestyle, Retail and Consumer Products.

WELL-DIVERSIFIED PORTFOLIO BY ASSET VALUE (AS AT 31 DECEMBER 2020)



SOURCES OF NEW DEMAND IN SINGAPORE BY GROSS REVENUE (FY2020)



THE MANAGER'S REVIEW OF FY2020

Positive Rental Reversion

Average rental reversions in Singapore ranged from -7.9% to +13.5% across the various property segments. Whilst the High-Specifications Industrial and Logistics & Distribution Centres segments registered negative rent reversions, the Business & Science Parks, Light Industrial and Flatted Factories and IDAR segments registered positive reversions. Overall, the Singapore portfolio achieved a positive 3.1% rent reversion for renewed leases in multi-tenant buildings during FY2020.

In Australia, both the Suburban Offices and Logistics and Distribution Centres segments outperformed with an average rental reversion of +14.0%, surpassing previous year's reversion of +1.0%. In the US, Business Parks achieved +16.6% in rental reversion.

The weighted average rental reversion for Ascendas Reit's total portfolio was +3.8% for all the renewed leases in multi-tenant buildings signed during the year.

PORTFOLIO ACHIEVED POSITIVE RENTAL REVERSION IN FY2020

Multi-tenant Buildings	Percentage Change in Renewal Rates ⁽¹⁾	
	FY2020	FY2019
Singapore	3.1%	6.2%
Business & Science Parks	7.2%	9.2%
High-Specifications Industrial and Data Centres	-2.6%	3.3%
Light Industrial and Flatted Factories	1.3%	2.1%
Logistics & Distribution Centres	-7.9%	4.9%
Integrated Development, Amenities & Retail (IDAR)	13.5%	0.7%
United States	16.6%	N.A.⁽²⁾
Business Parks and Offices	16.6%	N.A. ⁽²⁾
Australia	14.0%	1.0%
Suburban Offices	15.7%	1.9%
Logistics & Distribution Centres	13.6%	-9.9%
Total Portfolio⁽³⁾:	3.8%	6.0%

(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.

(3) There were no leases in multi-tenant buildings due for renewal during FY2019 and FY2020 in the UK.

Lease Structure and Profile

About 32.1% of Ascendas Reit's portfolio comprises long-term leases in single-tenant properties. These leases provide stability in earnings growth. The remaining 67.9% 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 the US, majority of the leases have annual escalations of between 2.5% to 4% p.a. and for Australia, average rent escalation is around 3% p.a.. 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.

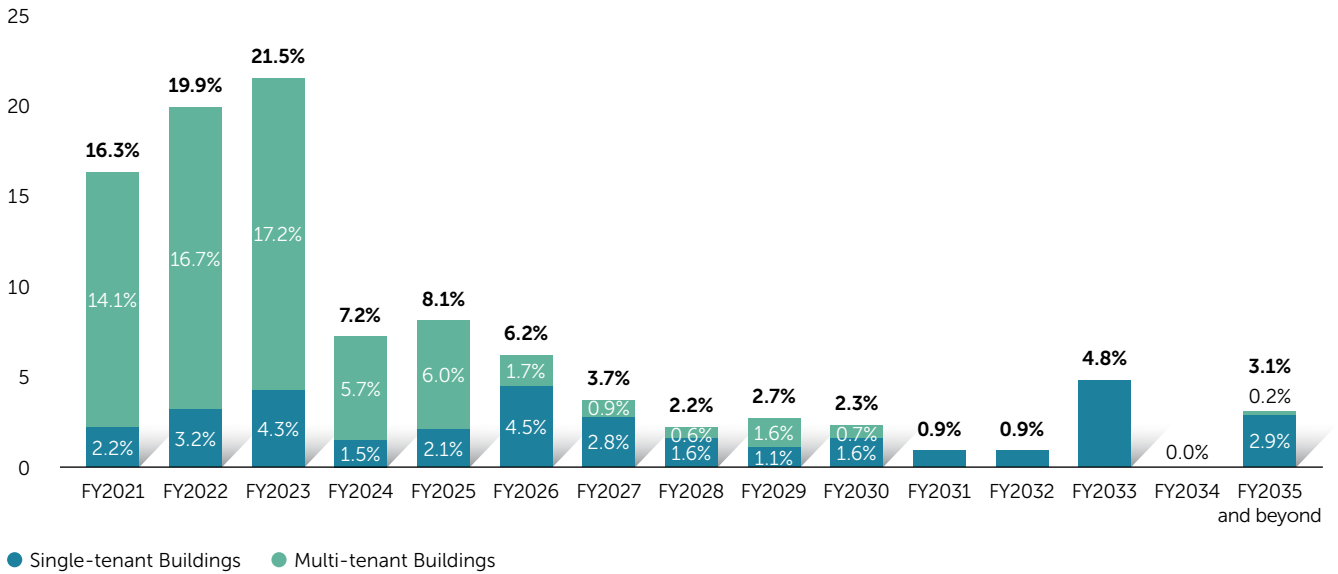
The weighted average lease to expiry (WALE) for the portfolio was 4.1 years as at 31 December 2020. Specifically, the WALE in Singapore was at 3.5 years, the US was 5.1 years, Australia was 4.1 years and the UK was 8.8 years.

Weighted average lease term of new leases signed in the 12 months ending 31 December 2020 was 3.7 years and they accounted for 7.4% of total gross rental income for FY2020.

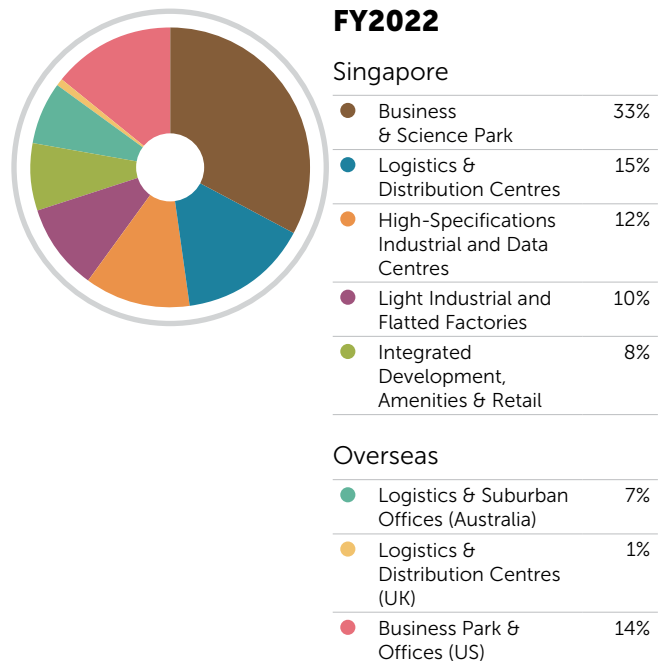
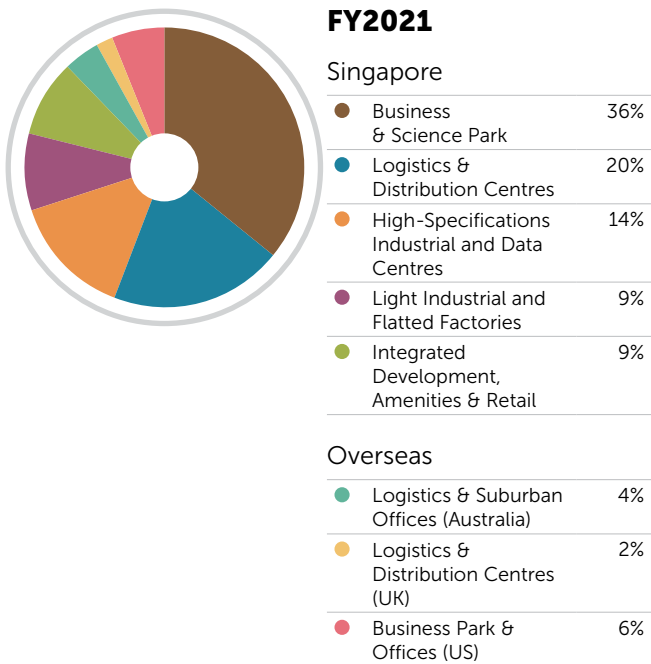
About 16.3% of Ascendas Reit's gross rental income is due for renewal in FY2021, of which 2.2% are leases of single-tenant buildings and 14.1% are leases of multi-tenant buildings. The Manager is proactively working on the renewal of these leases.

**ASCENDAS REIT'S PORTFOLIO LEASE EXPIRY PROFILE
(AS 31 DECEMBER 2020)**

% of Ascendas Reit's Gross Rental Income



**BREAKDOWN OF EXPIRING LEASES FOR FY2021 AND FY2022 BY GROSS RENTAL INCOME
(AS AT 31 DECEMBER 2020)**



THE MANAGER'S REVIEW OF FY2020

Occupancy

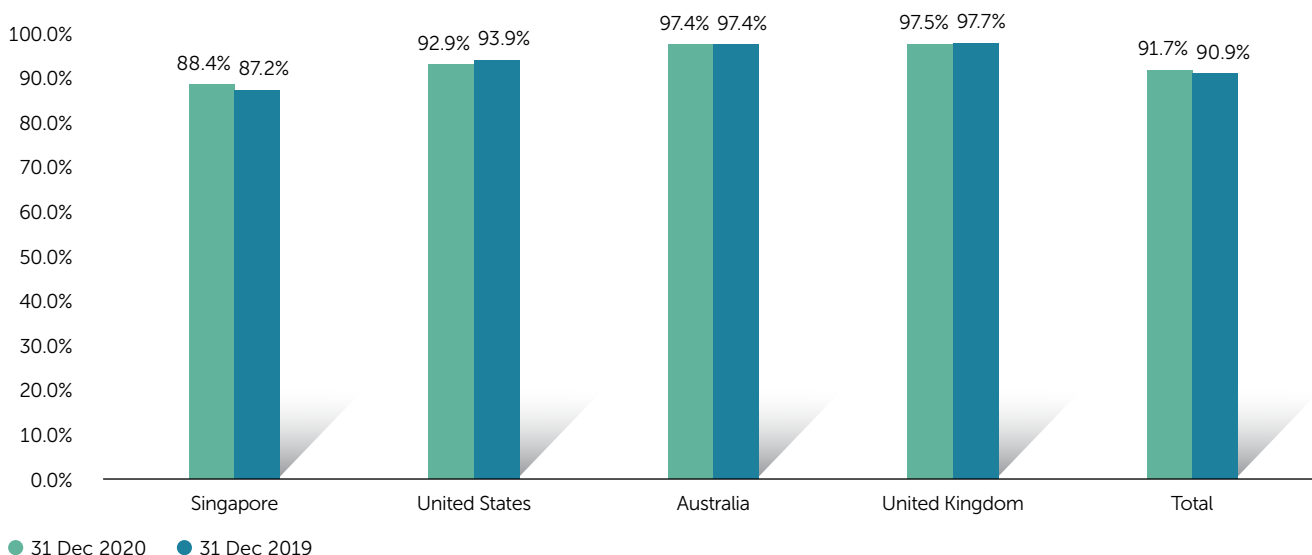
As at 31 December 2020, Ascendas Reit's overall portfolio occupancy rate stood at 91.7% (from 90.9% as at 31 December 2019).

The occupancy rate of the Singapore portfolio climbed to 88.4% from 87.2% (as at 31 December 2019) mainly attributable to the higher occupancy for Business & Science Park properties, namely, Cintech II (31 December 2019: 64.2% versus 31 December 2020: 100%), Techquest (31 December 2019: 56.2% versus 31 December 2020: 100%), and The Galen (31 December 2019: 64.2% versus 31 December 2020: 80.3%). In addition, the improvement in occupancy was observed for logistics and distribution centres,

namely, 40 Penjuru Lane (31 December 2019: 80.6% versus 31 December 2020: 98.8%) and Changi Logistics Centre (31 December 2019: 62.9% versus 31 December 2020: 74.6%). The divestments of Wisma Gulab (0% occupancy rate), 202 Kallang Bahru (0% occupancy rate) and 25 Changi South Street 1 (16.5% occupancy rate) as well as the decommissioning of iQuest@IBP (29.9% occupancy rate) for redevelopment in 1Q 2020 also contributed to improvement in the Singapore portfolio occupancy rate.

The overseas portfolio occupancy rates remained high at 97.4% for Australia (97.4% as at 31 December 2019), 97.5% for the UK (97.7% as at 31 December 2019) and 92.9% for the US (93.9% as at 31 December 2019).

OVERVIEW OF PORTFOLIO OCCUPANCY



SINGAPORE PORTFOLIO OCCUPANCY

	As at 31 December 2020	As at 31 December 2019	Change
Total Singapore Portfolio GFA (sq m)	3,001,293⁽¹⁾⁽²⁾⁽³⁾	3,061,210 ⁽¹⁾	-2.0%
Singapore Portfolio Occupancy (Same Store) ⁽⁴⁾	88.4%	88.8%	-0.4%
Singapore Multi-tenant Building Occupancy (Same Store) ⁽⁵⁾	86.3%	85.4%	0.9%
Overall Singapore Portfolio Occupancy	88.4%	87.2%	1.2%
Singapore Multi-tenant Building Occupancy	85.4%	83.4%	2.0%

(1) Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which were decommissioned for redevelopment since June 2019

(2) Excludes Wisma Gulab which was divested on 23 January 2020; 202 Kallang Bahru divested on 4 February 2020 and 25 Changi South Street 1 divested on 6 March 2020.

(3) Excludes iQuest@IBP which was decommissioned for redevelopment since January 2020.

(4) Same store portfolio occupancy rate for 31 December 2019 is computed with the same list of properties as at 31 December 2020, excluding new investments completed in the last 12 months and divestments.

(5) Same store multi-tenant building occupancy rate for 31 December 2019 is computed with the same list of properties as at 31 December 2020, excluding new investments completed in the last 12 months, divestments and changes in classification of certain buildings from single-tenant to multi-tenant buildings or vice-versa.

UNITED STATES PORTFOLIO OCCUPANCY

	As at 31 December 2020	As at 31 December 2019	Change
Total United States Portfolio GFA (sq m)	357,065	313,059	14.1%
United States Portfolio Occupancy (Same Store) ⁽¹⁾	91.9%	93.9%	-2.0%
Overall United States Portfolio Occupancy	92.9%	93.9%	-1.0%

(1) Same store portfolio occupancy rates for 31 December 2019 is computed with the same list of properties as at 31 December 2020, excluding new investments completed in the last 12 months.

AUSTRALIA PORTFOLIO OCCUPANCY

	As at 31 December 2020	As at 31 December 2019	Change
Total Australian Portfolio GFA (sq m)	828,197	792,039 ⁽¹⁾	0.5%
Australian Portfolio Occupancy (Same Store) ⁽²⁾	97.3%	97.4%	-0.1%
Overall Australian Portfolio Occupancy	97.4%	97.4%	0.0%

(1) Takes into account the decommissioning of partial space at 484-490 Great Western Highway and 494-500 Great Western Highway to facilitate AEI works to improve leasing outcomes.
(2) Same store portfolio occupancy rates for 31 December 2019 is computed with the same list of properties as at 31 December 2020, excluding new investments completed in the last 12 months.

UNITED KINGDOM PORTFOLIO OCCUPANCY

	As at 31 December 2020	As at 31 December 2019	Change
Total UK Portfolio GFA (sq m)	509,908	509,907	0.0%
Overall UK Portfolio Occupancy	97.5%	97.7%	-0.2%

Customer Credit & Concentration Risk Management

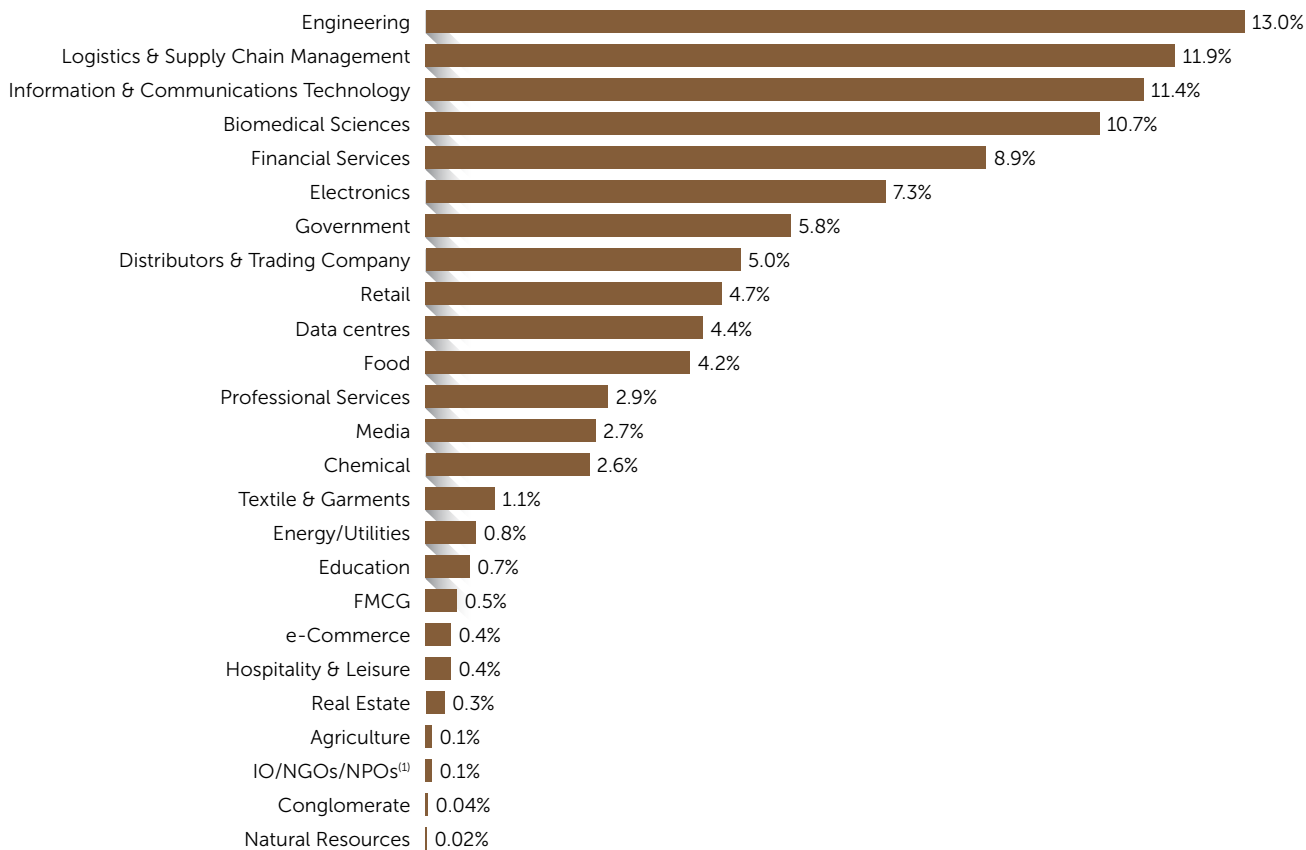
To minimise customer credit risk, a credit evaluation process has been established to assess the creditworthiness of Ascendas Reit's customers. Based on standard industry practice in Singapore, one month's worth of gross rental is usually held as security deposit for each year's lease. However, for long-term leases in single-tenant properties, a larger sum of security deposit may be held. This is dependent on the length of the lease, the credit risks of such customers and commercial negotiation. The weighted average security deposit for the portfolio is approximately 5.9 months of rental income.

With a customer base of around 1,457 local and international companies, rigorous and conscientious effort has been put in to manage accounts receivables. About 91.2% of rental receipts in Singapore 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 20.4% 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 4.2% of Ascendas Reit's monthly gross revenue, offering income diversity within the portfolio.

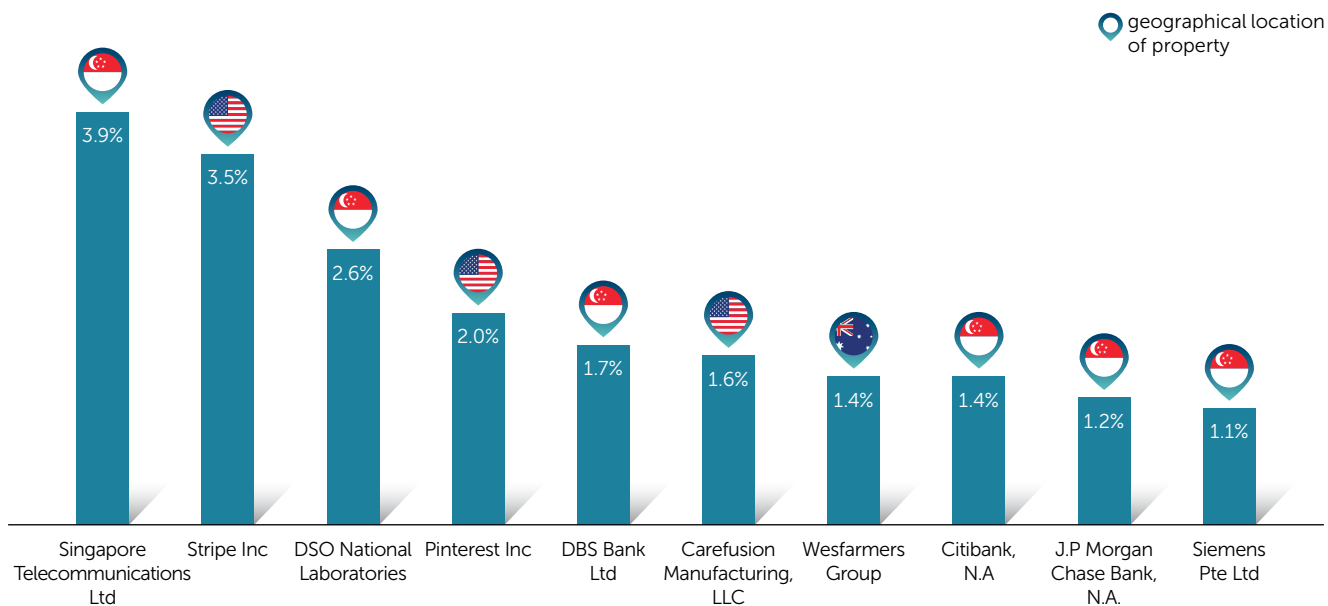
THE MANAGER'S REVIEW OF FY2020

CUSTOMER'S INDUSTRY DIVERSIFICATION BY RENTAL INCOME (AS AT 31 DECEMBER 2020)



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

TOP 10 CUSTOMERS BY MONTHLY GROSS REVENUE (AS AT 31 DECEMBER 2020)



Annual Revaluation

It is a mandatory requirement to revalue the portfolio once a year. The total valuation of Ascendas Reit's 197 properties (excluding three properties under redevelopment) was S\$13,707.7 million as at 31 December 2020. This comprised S\$9,017.2 million (66%) of investment properties in Singapore, S\$2,083.9 million¹² (15%) in the US, S\$1,824.4 million (13%) in Australia and S\$782.2 million (6%) in the UK. Same-store valuation¹³ of S\$12.83 billion as at 31 December 2020 was stable compared to S\$12.70 billion

as at 31 December 2019. This underlines the resilient nature of the portfolio, maintaining its valuation despite the challenges posed by the pandemic. For more details on the movement in valuation of the investment properties, please refer to pages 71 to 107.

Weighted average land lease to expiry for the portfolio of properties (excluding freehold properties) was 47.6 years. 91.7% 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 2020)	Singapore (\$ million)	United States (\$ million)	Australia (\$ million)	United Kingdom (\$ million)	Total (\$ million)	Total (%)
≤30 years left	1,133.3	–	–	–	1,133.3	8.3
≤60 years left	6,775.1	–	–	–	6,775.1	49.4
>60 years left	1,108.8	–	–	–	1,108.8	8.1
Freehold ⁽¹⁾	–	2,083.9	1,824.4	782.2	4,690.5	34.2
Total	9,017.2⁽²⁾	2,083.9	1,824.4	782.2	13,707.7	100.0%

LAND LEASE EXPIRY PROFILE BY PROPERTY TYPE

Land Tenure Expiry as at 31 December 2020	Business & Science Parks/ Suburban Offices/ 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	–	–	3	239.4	6	173.9	6	578.5	2	141.5	17	1,133.3
≤40 years left	5	496.7	8	765.6	15	662.6	11	447.4	–	–	39	2,372.3
≤50 years left	14	2,188.7	7	557.4	1	42.6	4	141.1	–	–	26	2,929.8
≤60 years left	5	889.0	–	–	–	–	–	–	1	584.0	6	1,473.0
>60 years left	2	562.3	3	546.5	–	–	–	–	–	–	5	1,108.8
Freehold ⁽¹⁾	34	2,535.2	–	–	–	–	70	2,155.3	–	–	104	4,690.5
Total	60⁽³⁾	6,671.9⁽³⁾	21	2,108.9	22⁽⁴⁾	879.1⁽⁴⁾	91	3,322.3	3	725.5	197	13,707.7

(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, 27 Ubi Road 4 and iQuest@IBP which are undergoing redevelopment as at 31 December 2020.

(3) Excludes iQuest@IBP which is undergoing redevelopment as at 31 December 2020.

(4) Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which are undergoing redevelopment as at 31 December 2020.

12 Valuations of the two office properties in San Francisco, US, were as at 15 October 2020.

13 Same-store valuation comprises 194 properties, excluding divested, newly acquired properties and properties under redevelopment during FY2020.

THE MANAGER'S REVIEW OF FY2020

OUTLOOK

In January 2021, the International Monetary Fund (IMF) projected a return to global growth of 5.5% in 2021 from an estimated contraction of 3.5% in 2020. However, the recent resurgence of COVID-19 and new strains of the virus in many countries have triggered repeated lockdowns and restrictions. The IMF has cautioned that global economic recovery could be affected even if the distribution of COVID-19 vaccines takes place successfully.

Singapore

In Singapore, the economy contracted 5.4% y-o-y in 2020 as a result of weak economic activity caused by the COVID-19 pandemic. The Ministry of Trade and Industry (MTI) expects a slow and uneven recovery amongst major advanced and developing economies in 2021. However, given the low base in 2020, the Singapore economy is projected to return to growth at between "4.0% to 6.0%" in 2021 (source: MTI).

Despite the difficult environment, the occupancy rate for Ascendas Reit's Singapore properties remained healthy at 88.4%. During the financial year, Ascendas Reit provided rent waivers to its tenants, amounting to approximately S\$17.2 million (2.3% of FY2020 Singapore gross revenue). This amount is in addition to the Singapore Government's property tax rebates and cash grants which were fully passed through to eligible tenants. Read more about Ascendas Reit's response to COVID-19 in its Integrated Sustainability Report FY2020 at ir.ascendas-reit.com/sustainability_reports.html.

Demand is expected to remain subdued as companies are likely to stay cautious and continue to put their business and expansion plans on hold on the back of an uncertain economic outlook. Excess supply in some industrial property segments is also expected to curb rental growth.

United States

In 2020, the US economy recorded a contraction of 3.5% y-o-y compared with a growth of 2.2% y-o-y in 2019 (source: US Bureau of Economic Analysis). The spike in COVID-19 infections towards the end of 2020 presents a key risk to economic recovery in 2021.

The Federal Reserve held US interest rates between 0% to 0.25% to enable the economy to weather the recent challenges. The US GDP is expected to expand by 5.1% y-o-y in 2021 (source: IMF).

In the US, S\$70,000 of rent rebates were provided to tenants affected by COVID-19 in 2020.

On the acquisition front, two office properties located in San Francisco were acquired in November 2020, lifting the US portfolio value by 59% y-o-y to S\$2.1 billion. Ascendas Reit's US portfolio is located in the US technology cities of San Francisco, San Diego, Raleigh and Portland and is well-positioned to benefit from the growing technology and healthcare sectors. The strength of the US portfolio is also underpinned by its long WALE of 5.1 years and the high proportion of leases with rent escalation clauses of between 2.5% to 4.0% p.a..

Australia

Australia's economy contracted 1.1% in 2020 (source: Australian Bureau of Statistics). The Reserve Bank of Australia expects the positive momentum to continue into 2021 with an estimated GDP growth of 3.5%.

The Reserve Bank lowered the cash interest rate to 0.1% from 0.25% in November 2020 to provide more support to employment and economic activity amidst the COVID-19 outbreak.

The overall impact of COVID-19 on the Australian portfolio has been mild to-date, amounting to less than

S\$0.6 million in FY2020. The portfolio continues to deliver stable performance due to good locations in the key cities of Sydney, Melbourne and Brisbane, WALE of 4.1 years and average rent escalations of approximately 3% p.a..

The Australian portfolio value is expected to grow by 29% to S\$2.4 billion after taking into account announced acquisitions (completions post FY2020). They include (1) two logistics properties under development in Sydney and Brisbane, which will expand Ascendas Reit's footprint in key distribution markets benefiting from robust e-commerce demand in Australia, and (2) two suburban office properties, located in Macquarie Park, Sydney, which will allow Ascendas Reit to take advantage of decentralisation trends as companies seek office space in affordable satellite hubs.

United Kingdom

In 2020, the UK economy contracted by 9.9% y-o-y, the largest annual decline in UK GDP on record. The second half of the year showed some signs of improvement with fourth quarter GDP growth estimated to have increased by 1.0% q-o-q and a record third quarter GDP growth of 16.1% (source: Office for National Statistics (ONS)). UK's economy is forecast to deliver a growth of 4.5% y-o-y in 2021 (source: IMF).

Due to the disruptions from COVID-19, rental payment frequency for some tenants were changed from quarterly to monthly in advance and some rents have been deferred to provide cashflow relief to tenants. As at 31 December 2020, all tenants have honoured their rent payments.

On 1 January 2021, the UK formally separated from the European Union (EU). A free trade deal was secured, which avoided the introduction of tariffs or quotas on goods traded between the UK and the EU. Ascendas Reit's UK portfolio has a long WALE of 8.8 years, which will help to mitigate any uncertainties that may arise as businesses adjust to the new regime.

The proportion of internet sales in the UK remained consistently above 26% of total retail sales in the second half of 2020, higher than the previous year's record of 21.6% achieved in November 2019. This strong e-commerce penetration trend is expected to continue benefiting the logistics sector that all of Ascendas Reit's UK properties are in (source: ONS).

Conclusion

Many countries are faced with a surge in coronavirus infection and it may take time to successfully roll out their vaccination programmes. The pace of business recovery globally is expected to vary across sectors and remain uncertain. The Manager will continue to exercise prudence, maintain a strong balance sheet and proactively manage its portfolio to deliver sustainable returns for its Unitholders.



Read more about the economic outlook of Ascendas Reit's markets and the industrial property market trends in the Independent Market Study Report 2020, which is available at: ir.ascendas-reit.com/ar.html

INVESTOR RELATIONS

PROACTIVELY ENGAGE UNITHOLDERS

Ascendas Reit is committed to regular, timely and effective communication to Unitholders and the investment community. The IR policy which outlines the communication principles and communication channels is published under Investor Relations section on Ascendas Reit's website (ir.ascendas-reit.com/ir_policy.html)

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.

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

Due to COVID-19 and safe distancing measures which set in after Singapore's Circuit Breaker period, investor meetings were held virtually. During the financial year, the Manager met with more than 900 investors and analysts online.

At the 2020 Annual General Meeting (AGM) held virtually, Ascendas Reit's financial and operational performance, business outlook and plans were presented to the Unitholders. Despite the limitations of a virtual meeting, Unitholders were able submit their questions ahead of the meeting and view the 'live' webcast of the AGM proceedings conveniently via their computers or mobile devices. The minutes of the AGM and responses to Unitholder's questions are available on Ascendas Reit's website.

As part of its retail investor outreach programme, the Manager participated in the Julius Baer web seminar which garnered a turnout of more than 50 representatives from the private banking sector.

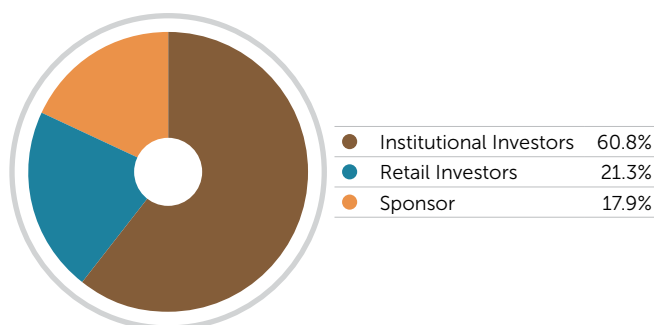
In line with revised regulatory requirements by the Monetary Authority of Singapore (MAS) and across the CapitaLand group, Ascendas Reit has adopted a half-yearly financial reporting. For the 1st and 3rd quarter, the Manager will continue to provide business updates and hold investor briefings.

TIMELY AND ACCURATE DISCLOSURE

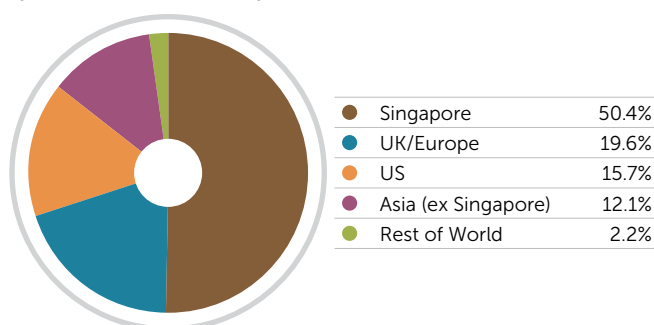
All material information about Ascendas Reit are made available on a timely basis via announcements, press releases, presentations and webcasts, and published on SGX-ST website and on Ascendas Reit's website. The information is also accessible on mobile devices. Unitholders and the investment community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

Ascendas Reit was awarded certificate of excellence in investor relations at the IR Magazine Awards South East Asia 2020.

UNITHOLDER PROFILE BY UNITHOLDER TYPE (AS AT DECEMBER 2020)



UNITHOLDER PROFILE BY GEOGRAPHY (AS AT DECEMBER 2020)



UNITHOLDERS' ENQUIRIES

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

168 Robinson Road
 #30-01 Capital Tower
 Singapore 068912
 Phone : (65) 6713 2888 Fax : (65) 6713 2999
 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.

INVESTOR & MEDIA RELATIONS ACTIVITIES FY2020

1ST QUARTER

- › Media & Analysts' Results Briefing for Full Year FY2019 Financial Results
- › Full Year FY2019 Post Results Investors' Lunch co-hosted by Morgan Stanley
- › DBS Pulse of Asia Conference 2020 (Singapore)

2ND QUARTER

- › Analysts briefing for 1st Quarter 2020 Business Update
- › 1st Quarter 2020 Business Update with Investors co-hosted by UBS
- › 1st Quarter 2020 Business Update with Taiwanese Investors co-hosted by DBS, SGX and Cathay Securities
- › Bank of America APAC Financial and Real Estate Equity and Credit Conference (Singapore)
- › Citi Asia Pacific Property Conference 2020 (Singapore)
- › Ascendas Reit Annual General Meeting 2020
- › Morgan Stanley Virtual ASEAN Best Conference (Singapore)

3RD QUARTER

- › Media & Analysts' Results Briefing for 1st Half 2020 Financial Results
- › 1st Half 2020 Post Results Briefing with Investors
- › Julius Baer Web seminar, Think Tank: Ascendas Reit: A leader's perspective on Asia REITs
- › Citi-REITAS-SGX C-Suite Singapore REITs & Sponsor Forum (Singapore)
- › CapitaLand Group Corporate Day (Singapore)
- › Macquarie Virtual Conference (Singapore)
- › Daiwa Pan Asia REIT Conference (Singapore)
- › 27th Annual CITIC CLSA Investor Forum (Singapore)
- › Bank of America Global Real Estate Conference (Singapore)
- › HSBC Private Banking Singapore REITs Virtual Conference (Singapore)
- › UBS OneASEAN Virtual Conference (Singapore)

4TH QUARTER

- › 3rd Quarter 2020 Business Update with Investors
- › Media & Analysts Briefing on the Acquisition of Office Properties in San Francisco (US) and Equity Fund Raising
- › Morgan Stanley Virtual Asia Pacific Summit (Singapore)

INVESTOR RELATIONS

FINANCIAL CALENDAR

	FY2020	FY2021 (Subject to changes)
1 st quarter business update (period ended 31 March)	28 April 2020	April 2021
Annual Unitholders' Meeting	29 June 2020	29 April 2021
1 st half financial result announcement (period ended 30 June)	23 July 2020	August 2021
Distribution payment (1 January to 30 June)	27 August 2020	August 2021
3 rd quarter business update (period ended 30 September)	26 October 2020	October 2021
Full Year financial result announcement (period ended 31 December)	2 February 2021	January 2022
Distribution payment (1 July to 31 December)	11 December 2020 9 March 2021 ⁽¹⁾	March 2022

(1) Distributions for the period 1 July 2020 to 18 November 2020 was paid on 11 December 2020 and distributions for the period 19 November 2020 to 31 December 2020 was paid on 9 March 2021.

ASCENDAS REIT UNIT PRICE PERFORMANCE

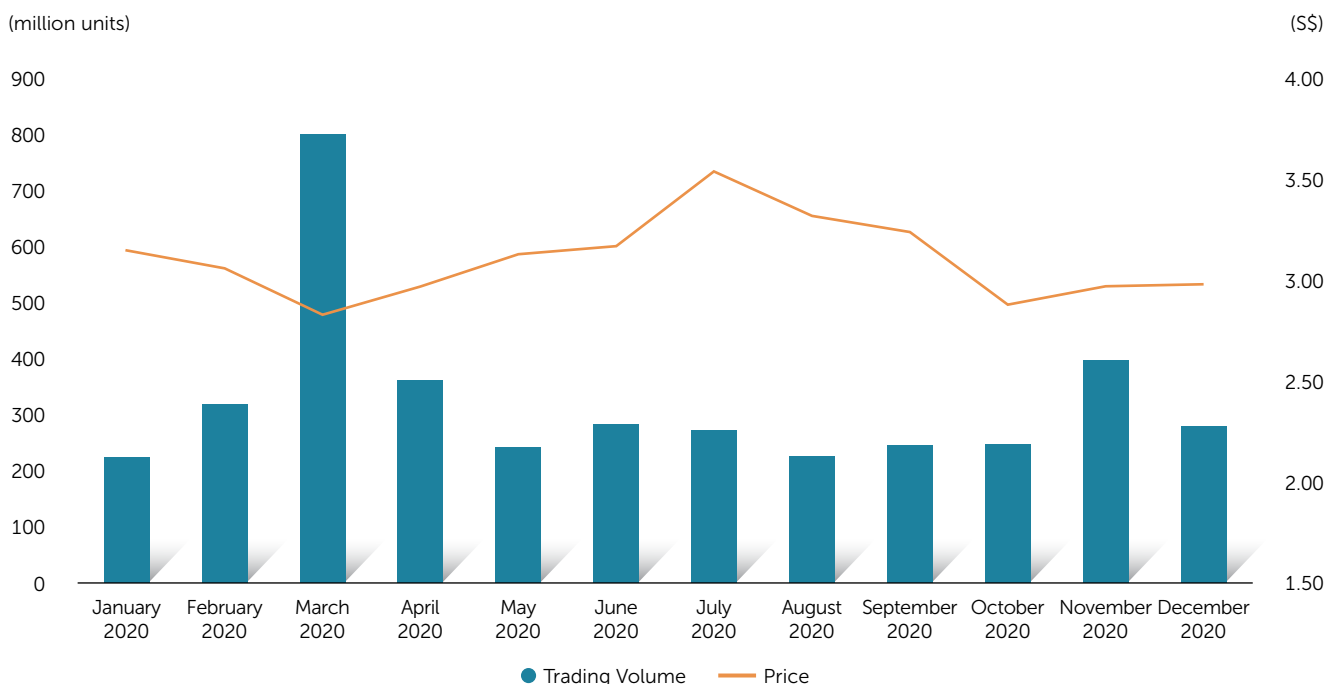
	FY16/17	FY17/18	FY18/19	FY2019	FY2020
Opening price (S\$)	2.38	2.53	2.65	2.87	2.97
Closing price (S\$)	2.52	2.63	2.91	2.97	2.98
High (S\$)	2.56	2.84	2.92	3.21	3.57
Low (S\$)	2.20	2.52	2.48	2.86	2.29
Trading volume (million units)	2,730	2,273	2,502	2,424 ⁽¹⁾	3,892
% of S-REIT trading volume	12.8%	8.5%	9.1%	8.1%	7.0%
Net asset value per Unit (S\$ million) ⁽²⁾	2.06	2.12	2.13	2.16	2.21
Market capitalisation (S\$ million) ⁽³⁾	7,370	7,702	9,053	10,730	11,982

(1) Based on nine months (1 April 2019 to 31 December 2019) trading volume.

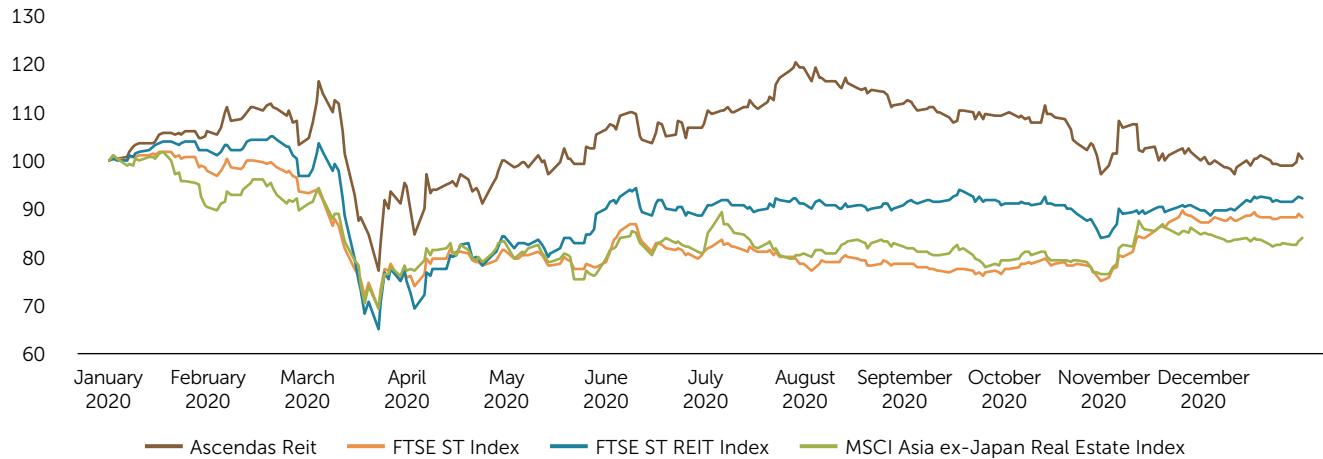
(2) Prior to distribution of distributable income.

(3) Based on last trading date of the respective financial year.

ASCENDAS REIT MONTHLY TRADING PERFORMANCE IN FY2020



ASCENDAS REIT UNIT PRICE PERFORMANCE IN FY2020 VS MAJOR INDICES

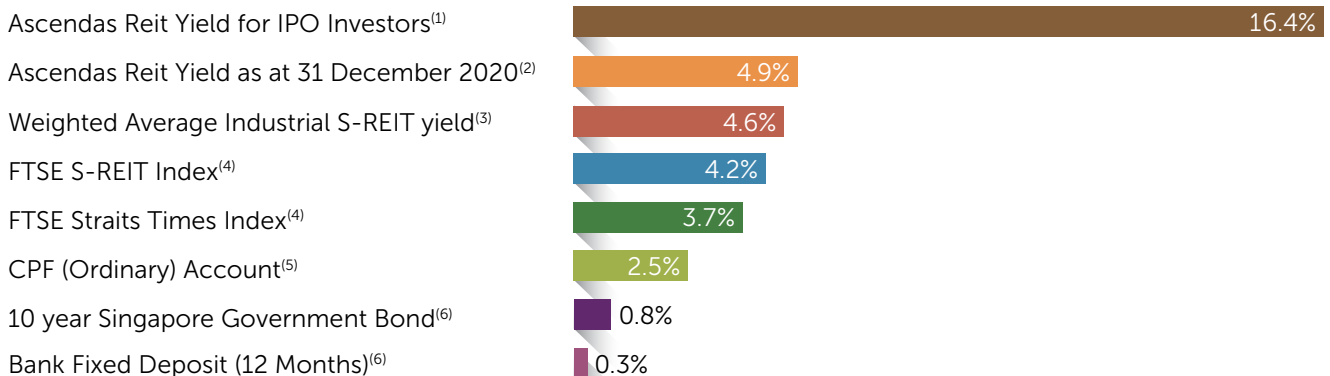


TOTAL UNITHOLDER RETURN

	1-year (from 1 January 2020 to 31 December 2020)	5-year (from 1 January 2016 to 31 December 2020)	Since listing (from 19 November 2002 to 31 December 2020)
Adjusted closing unit price on the last trading day prior to the commencement of the period / Unit issue price at listing	S\$2.97	S\$2.23	S\$0.8961
Capital appreciation	0.3%	33.6%	232.6%
Distribution yield	4.9%	34.7%	274.5%
Total return as at 31 December 2020	5.2%⁽¹⁾	68.3%⁽¹⁾	507.1%⁽²⁾

(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 14.688 cents for the period from 1 January 2020 to 31 December 2020.
- (2) Based on Ascendas Reit's closing price of S\$2.98 per unit as at 31 December 2020 and DPU of 14.688 cents for the period from 1 January 2020 to 31 December 2020.
- (3) Based on Ascendas Reit's internal research and Bloomberg.
- (4) Based on dividend yield computed by Bloomberg as at 31 December 2020.
- (5) Based on interest paid on Central Provident Fund (CPF) ordinary account as at 31 December 2020. Source: CPF Website
- (6) Based on bond yields and rates published on the Monetary Authority of Singapore (MAS) website as at 31 December 2020. Source: MAS Website

SINGAPORE**ASCENDAS REIT'S PORTFOLIO**

As at 31 December 2020

BUSINESS & SCIENCE PARK PROPERTIES

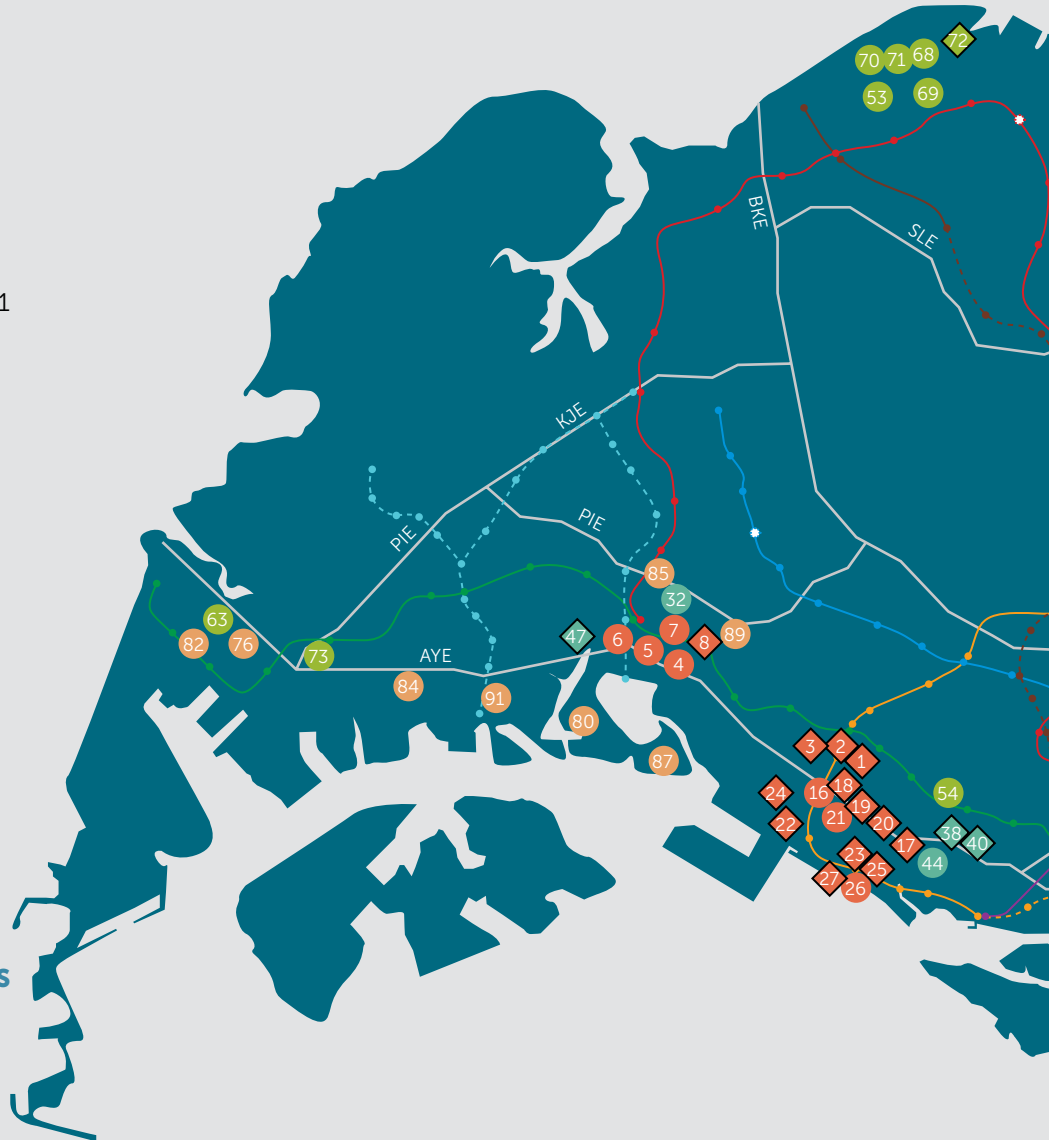
1. Neuros & Immunos
2. Nexus @one-north
3. Nucleos
4. Techquest
5. iQuest@IBP
6. Acer Building
7. 31 International Business Park
8. Nordic European Centre
9. Honeywell Building
10. 1 Changi Business Park Avenue 1
11. Hansapoint
12. 1,3 & 5 Changi Business Park Crescent
13. DBS Asia Hub
14. 3 Changi Business Park Vista
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

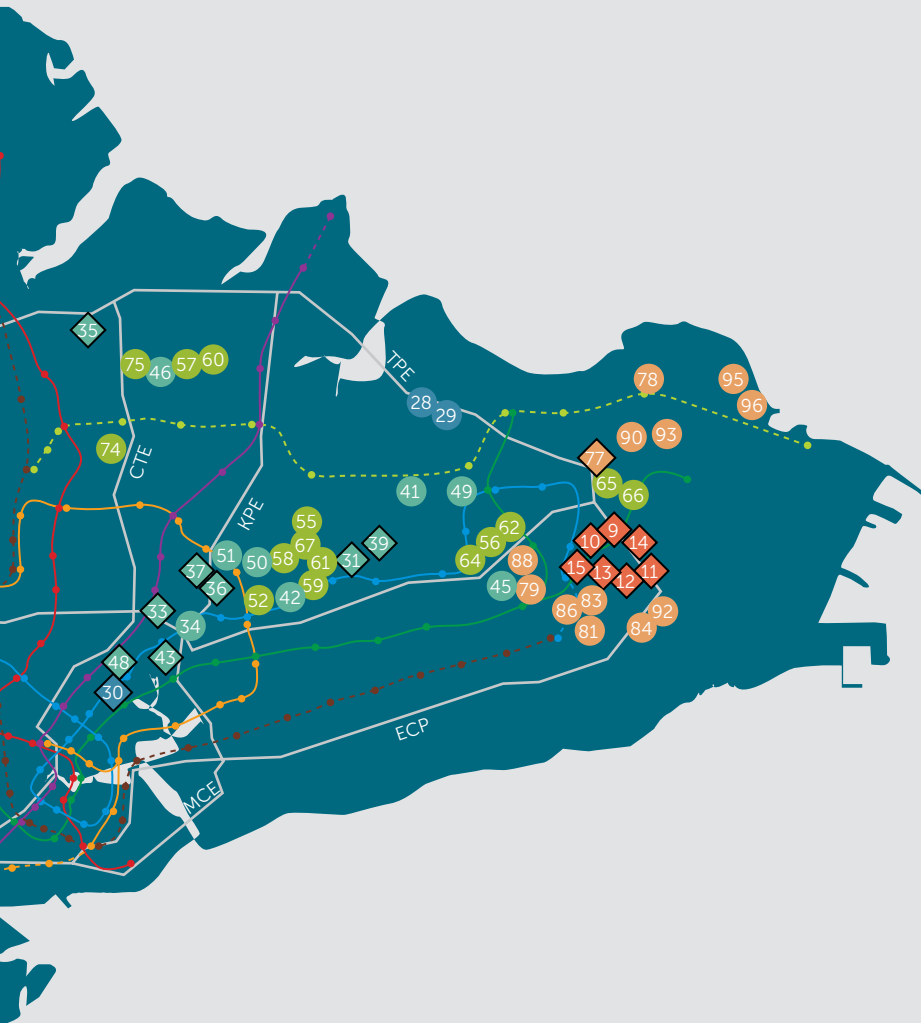
INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES

28. Courts Megastore
29. Giant Hypermart
30. Aperia

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES AND DATA CENTRES

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





Green Buildings
(Properties with BCA Green Mark Certifications as at 31 December 2020)

Operating Lines

- North South MRT Line
- East West MRT Line
- North East MRT Line
- Circle MRT Line
- Downtown Line

Future Lines

- - - Thomson-East Coast Line
- - - Downtown Line 3 Extension
- - - North East Line Extension
- - - Circle Line 6
- - - Jurong Region Line
- - - Cross Island Line

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

LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

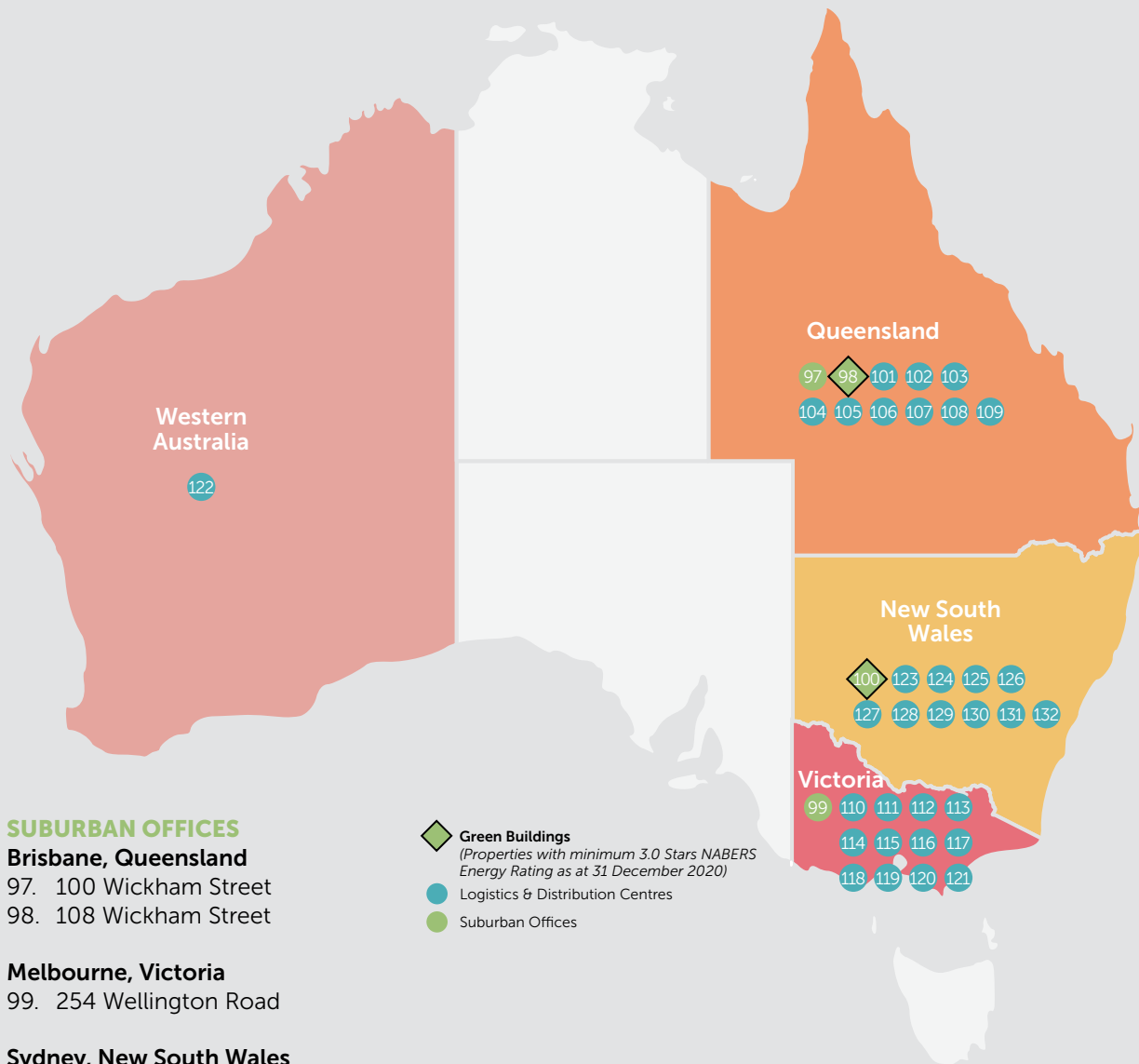
- | | |
|---------------------------------|----------------------------------|
| 52. Osim Headquarters | 64. 37A Tampines Street 92 |
| 53. 12 Woodlands Loop | 65. Hamilton Sundstrand Building |
| 54. 247 Alexandra Road | 66. Thales Building (I & II) |
| 55. 5 Tai Seng Drive | 67. Ubi Biz-Hub |
| 56.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

LOGISTICS & DISTRIBUTION CENTRES

- 76. 20 Tuas Avenue 1
- 77. LogisTech
- 78. Changi Logistics Centre
- 79. 4 Changi South Lane
- 80. 40 Penjuru Lane
- 81. Xilin Districentre A&B
- 82. 20 Tuas Avenue 6
- 83. Xilin Districentre D
- 84. 9 Changi South Street 3
- 85. 5 Toh Guan Road East
- 86. Xilin Districentre C
- 87. 19 & 21 Pandan Avenue
- 88. 1 Changi South Lane
- 89. Logis Hub @ Clementi
- 90. 11 Changi North Way
- 91. 21 Jalan Buroh
- 92. 21 Changi South Avenue 2
- 93. 15 Changi North Way
- 94. Pioneer Hub
- 95. 71 Alps Avenue
- 96. 90 Alps Avenue

AUSTRALIA**ASCENDAS REIT'S PORTFOLIO**

As at 31 December 2020

**SUBURBAN OFFICES****Brisbane, Queensland**

97. 100 Wickham Street

98. 108 Wickham Street

Melbourne, Victoria

99. 254 Wellington Road

Sydney, New South Wales

100. 197-201 Coward Street

LOGISTICS & DISTRIBUTION CENTRES**Brisbane, Queensland**

101. 62 Sandstone Place

102. 62 Stradbroke Street

103. 82 Noosa Street

104. 92 Sandstone Place

105. 95 Gilmore Road

106. 77 Logistics Place

107. 99 Radius Drive

108. 1-7 Wayne Goss Drive

109. Cargo Business Park

**Green Buildings***(Properties with minimum 3.0 Stars NABERS Energy Rating as at 31 December 2020)*

Logistics & Distribution Centres



Suburban Offices

Melbourne, Victoria

110. 676-698 Kororoit Creek Road

111. 700-718 Kororoit Creek Road

112. 2-16 Aylesbury Drive

113. 9 Andretti Court

114. 14-28 Ordish Road

115. 31 Permas Way

116. 35-61 South Park Drive

117. 81-89 Drake Boulevard

118. 162 Australis Drive

119. 52 Fox Drive

120. 169-177 Australis Drive

121. 1314 Ferntree Gully Drive

Perth, Western Australia

122. 35 Baile Road

Sydney, New South Wales

123. 484-490 Great Western Highway

124. 494-500 Great Western Highway

125. 1 Distribution Place

126. 1-15 Kellet Close

127. 1A & 1B Raffles Glade

128. 5 Eucalyptus Place

129. 7 Grevillea Street

130. 16 Kangaroo Avenue

131. 94 Lenore Drive

132. 6-20 Clunies Ross Street

UNITED KINGDOM**ASCENDAS REIT'S PORTFOLIO**

As at 31 December 2020

LOGISTICS & DISTRIBUTION CENTRES**East England**

133. Market Garden Road

East Midlands

134. Common Road

135. Units 1-5, Export Drive

North West England

136. Astmoor Road

137. Transpennine 200

138. Leacroft Road

139. Hawleys Lane

140. 8 Leacroft Road

South East England

141. Howard House

142. Units 1-2, Tower Lane

143. Lodge Road

West Midlands

144. Eastern Avenue

145. Vernon Road

146. 1 Sun Street

147. The Triangle

148. Unit 103, Stonebridge Cross Business Park

149. Unit 302, Stonebridge Cross Business Park

150. Unit 401, Stonebridge Cross Business Park

151. Unit 402, Stonebridge Cross Business Park

152. Unit 404, Stonebridge Cross Business Park

153. Unit 1, Wellesbourne Distribution Park

154. Unit 2, Wellesbourne Distribution Park

155. Unit 3, Wellesbourne Distribution Park

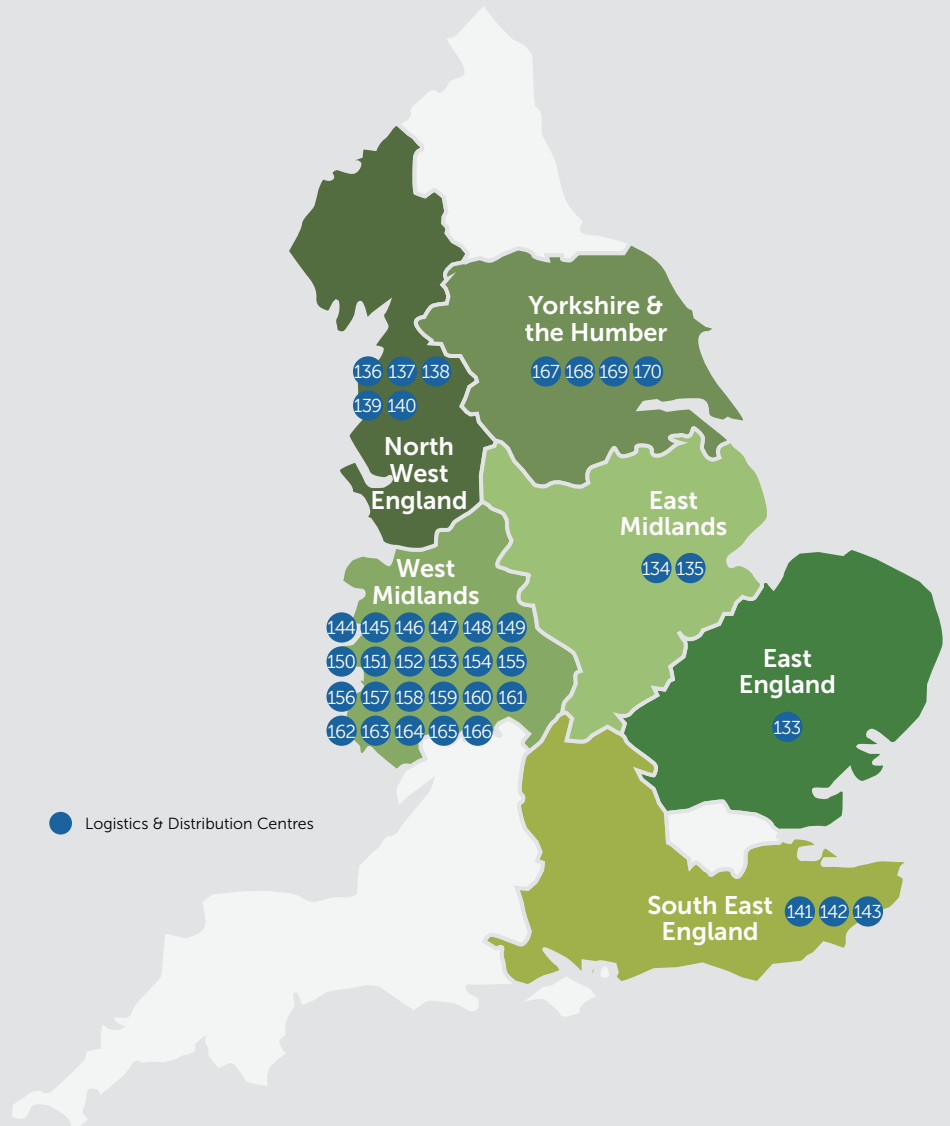
156. Unit 4, Wellesbourne Distribution Park

157. Unit 5, Wellesbourne Distribution Park

158. Unit 8, Wellesbourne Distribution Park

159. Unit 13, Wellesbourne Distribution Park

160. Unit 14, Wellesbourne Distribution Park



161. Unit 16, Wellesbourne Distribution Park

162. Unit 17, Wellesbourne Distribution Park

163. Unit 18, Wellesbourne Distribution Park

164. Unit 19, Wellesbourne Distribution Park

165. Unit 20, Wellesbourne Distribution Park

166. Unit 21, Wellesbourne Distribution Park

Yorkshire and the Humber

167. 12 Park Farm Road

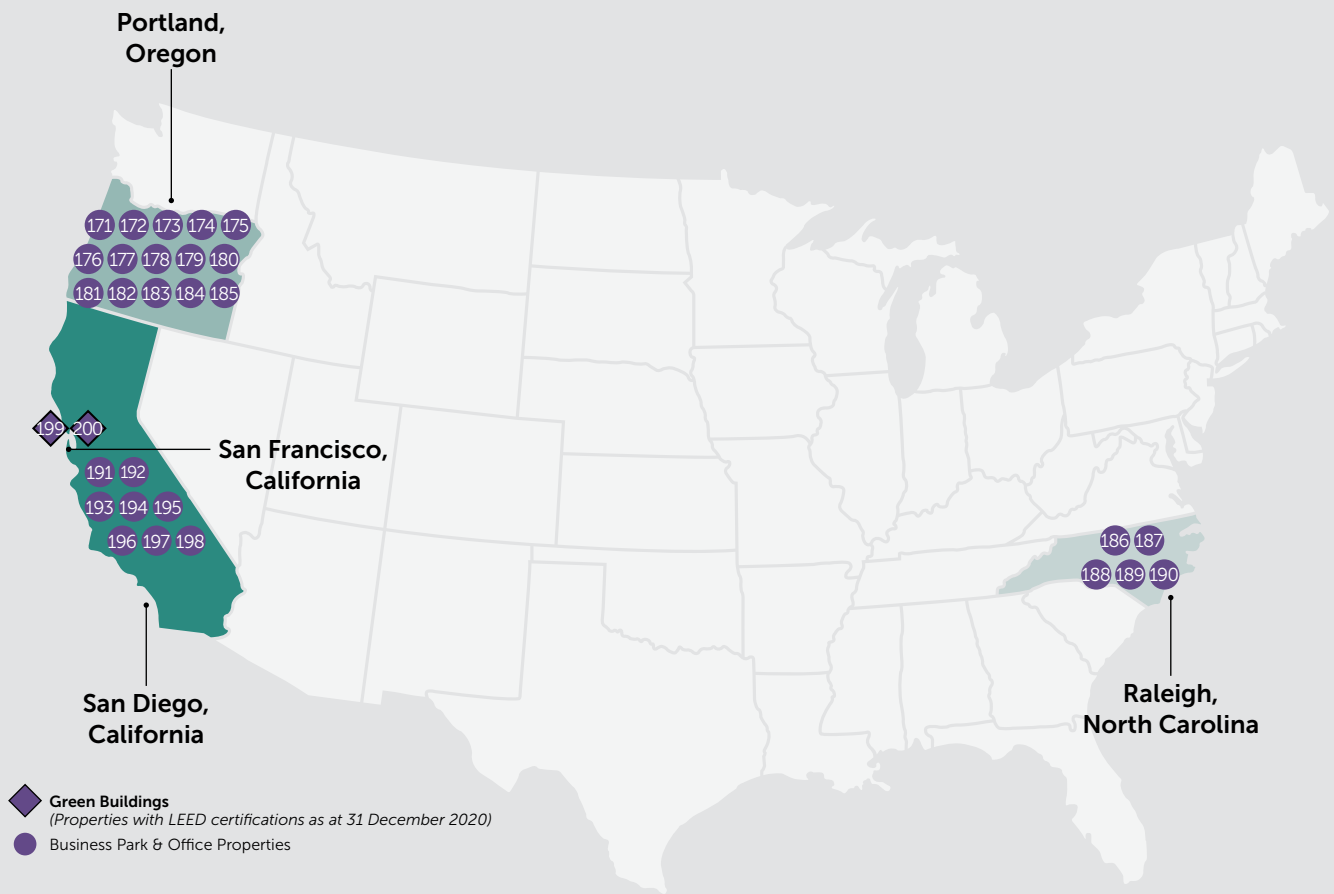
168. Units 1a, 1b, 2 & 3, Upwell Street

169. Unit 3, Brookfields Way

170. Lowfields Way

UNITED STATES**ASCENDAS REIT'S PORTFOLIO**

As at 31 December 2020

**BUSINESS PARK & OFFICE PROPERTIES****Portland, Oregon**

- 171. 8300 Creekside
- 172. 8305 Creekside
- 173. 8405 Nimbus
- 174. 8500 Creekside
- 175. 8700-8770 Nimbus
- 176. 9205 Gemini
- 177. 9405 Gemini
- 178. Creekside 5
- 179. Creekside 6
- 180. Greenbrier Court
- 181. Parkside
- 182. Ridgeview
- 183. The Atrium
- 184. The Commons
- 185. Waterside

Raleigh, North Carolina

- 186. 5200 East & West
Paramount Parkway
- 187. Perimeter One
- 188. Perimeter Two
- 189. Perimeter Three
- 190. Perimeter Four

San Diego, California

- 191. 10020 Pacific Mesa Boulevard
- 192. 15051 Avenue of Science
- 193. 15073 Avenue of Science
- 194. 15231, 15253 & 15333
Avenue of Science
- 195. 15378 Avenue of Science
- 196. 15435 & 15445 Innovation Drive
- 197. 5005 & 5010 Wateridge
- 198. 6055 Lusk Boulevard

San Francisco, California

- 199. 510 Townsend Street
- 200. 505 Brannan Street

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



12 1, 3, & 5 Changi Business Park Crescent

SINGAPORE

BUSINESS & SCIENCE PARK PROPERTIES



13 DBS Asia Hub



14 3 Changi Business Park Vista



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



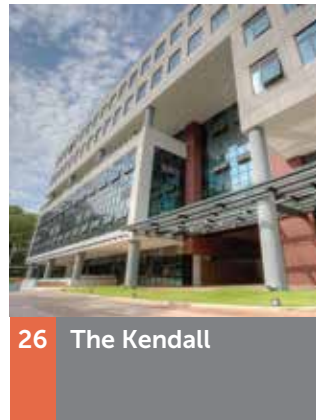
23 The Aries, Sparkle & Gemini



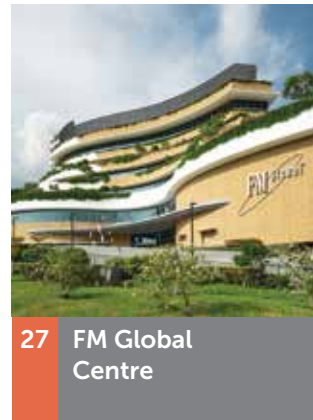
24 The Capricorn



25 The Galen



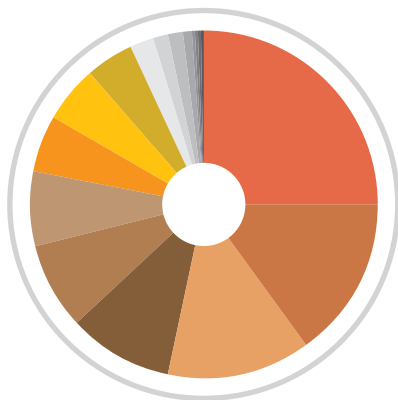
26 The Kendall



27 FM Global Centre

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income























● Financial Services	25.1%
● Government	15.1%
● Biomedical Sciences	13.3%
● Information & Communications Technology	9.8%
● Engineering	7.9%
● Chemical	7.0%
● Professional Services	5.4%
● Electronics	5.2%
● Food	4.5%
● Media	2.0%
● Education	1.4%
● Retail	1.4%
● Logistics & Supply Chain Management	0.8%
● Energy/Utilities	0.5%
● Distributors & Trading Company	0.2%
● Agriculture	0.1%
● Hospitality & Leisure	0.1%
● Real Estate	0.1%
● e-Commerce	0.1%

Business & Science Park Properties (Singapore)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	24	3	27
No. of Customers	407	3	410
GFA (sq m)	769,690	89,483	859,173
Gross Revenue (S\$ million)	288.4	24.4	312.8
Book Value/Valuation as at 31 December 2020 (S\$ million)	3,749.2	387.4	4,136.6
Capitalisation Rate as at 31 December 2020 (%)		5.8%	
Weighted Average Lease to Expiry (in Years)		3.8	

SINGAPORE

BUSINESS & SCIENCE PARK PROPERTIES

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 (S\$ million)	
one-north Properties				
1	Neuros & Immunos# 	31 Mar 11	125.6	143.0
2	Nexus @one-north 	04 Sep 13	181.3	197.0
3	Nucleos# 	11 Dec 19	289.0	318.0
Total (one-north Properties)			595.9	658.0
International Business Park Properties				
4	Techquest**#	05 Oct 05	7.5	24.1
5	iQuest@IBP^	12 Jan 07	18.6	–
6	Acer Building**	19 Mar 08	75.0	79.1
7	31 International Business Park**	26 Jun 08	246.8	204.6
8	Nordic European Centre 	08 Jul 11	121.6	120.7
Total (International Business Park Properties)			469.5	428.5
Changi Business Park Properties				
9	Honeywell Building# 	19 Nov 02	32.8	68.2
10	1 Changi Business Park Avenue 1 	30 Oct 03	18.0	57.0
11	Hansapoint 	22 Jan 08	26.1	111.7
12	1, 3 & 5 Changi Business Park Crescent 	16 Feb 09 25 Sep 09 31 Dec 10	200.9	340.7
13	DBS Asia Hub# 	31 Mar 10 15 Apr 15	137.8	199.1
14	3 Changi Business Park Vista 	08 Dec 11	80.0	71.3
15	ONE@Changi City# 	01 Mar 16	420.0	502.0
Total (Changi Business Park Properties)			915.6	1,350.0
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	58.6
19	Cintech II**# 	29 Mar 12	35.3	49.0
20	Cintech III & IV**# 	29 Mar 12	100.7	125.0
21	12, 14 & 16 Science Park Drive#	16 Feb 17	420.0	464.0
Total (Singapore Science Park I Properties)			689.6	886.6
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	206.2
24	The Capricorn# 	19 Nov 02	71.8	123.0
25	The Galen# 	25 Mar 13	126.0	150.0
26	The Kendall#	30 Mar 15	112.0	134.0
27	FM Global Centre# 	11 Dec 19	91.0	98.3
Total (Singapore Science Park II Properties)			582.3	813.5
Total (Business & Science Parks Properties)			3,252.9	4,136.6

Notes:

The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis


* Purchase Price excludes transaction cost associated with the purchase of the property.

** As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding values as at 31 December 2019 due to changing market conditions.

Acquired from the Sponsor.

^ iQuest@IBP is decommissioned for redevelopment.

++ Includes gross rental income, car park income and other income.

 Properties with BCA Green Mark Certifications. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (\$ million)	Occupancy Rate as at 31 December 2020
36,931	26,035	8/8A Biomedical Grove	21.2	98.4%
25,511	20,669	1 & 3 Fusionopolis Link	16.1	98.1%
46,174	38,276	21 Biopolis Road	30.1	92.8%
108,616	84,980		67.4	95.8%
9,079	9,079	7 International Business Park	1.7	100.0%
–	–	27 International Business Park	0.0	–
29,185	22,678	29 International Business Park	4.2	39.8%
61,720	49,023	31 International Business Park	10.6	46.5%
28,378	22,141	3 International Business Park	9.2	76.8%
128,362	102,921		25.7	56.3%
18,123	14,399	17 Changi Business Park Central 1	5.5	74.5%
11,555	9,208	1 Changi Business Park Avenue 1	5.6	94.0%
19,448	16,571	10 Changi Business Park Central 2	9.7	99.5%
74,660	63,592	1, 3 & 5 Changi Business Park Crescent	26.4	89.9%
45,857	38,296	2 & 2A Changi Business Park Crescent	14.7	100.0%
19,225	15,095	3 Changi Business Park Vista	6.6	78.2%
71,158	63,035	1 Changi Business Park Central 1	33.1	92.2%
260,026	220,196		101.6	91.4%
32,013	21,343	1 Science Park Drive	4.2	100.0%
27,217	18,815	87/89 Science Park Drive	5.6	64.8%
14,943	10,529	73 Science Park Drive	4.6	75.5%
13,436	10,155	75 Science Park Drive	1.9	100.0%
25,622	18,492	77 & 79 Science Park Drive	9.4	74.1%
78,871	78,871	12, 14 & 16 Science Park Drive	33.0	100.0%
192,102	158,205		58.7	91.2%
29,126	21,373	10 Science Park Road	6.7	59.1%
49,851	36,669	41, 45 & 51 Science Park Road	16.4	84.2%
28,602	20,543	1 Science Park Road	8.7	63.3%
30,685	21,792	61 Science Park Road	9.6	80.3%
20,190	16,985	50 Science Park Road	12.5	86.1%
11,613	11,613	288 Pasir Panjang Road	5.5	100.0%
170,067	128,975		59.4	77.7%
859,173	695,277		312.8	84.1%

SINGAPORE

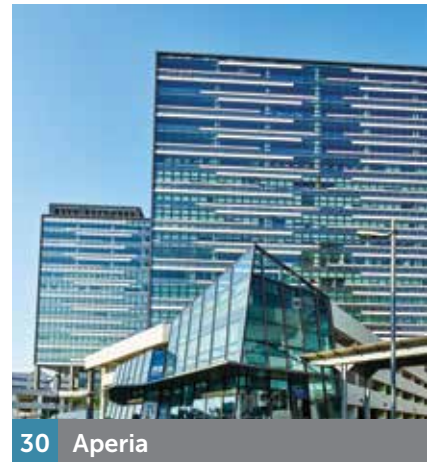
INTEGRATED DEVELOPMENT, AMENITIES & RETAIL PROPERTIES



28 Courts Megastore



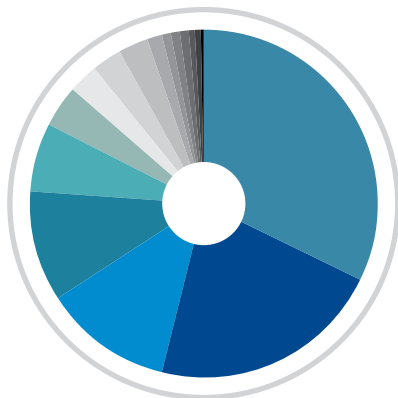
29 Giant Hypermart



30 Aperia


CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income



● Retail	32.3%
● Information & Communications Technology	21.7%
● Biomedical Sciences	12.0%
● Engineering	10.2%
● Food	6.4%
● Financial Services	3.9%
● Distributors & Trading Company	3.0%
● Logistics & Supply Chain Management	2.8%
● Professional Services	2.7%
● Education	1.4%
● e-Commerce	0.9%
● FMCG	0.8%
● Hospitality & Leisure	0.7%
● Media	0.7%
● Real Estate	0.4%
● Electronics	0.1%

Integrated Development, Amenities & Retail Properties	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	1	2	3
No. of Customers	110	2	112
GFA (sq m)	86,696	70,604	157,300
Gross Revenue (S\$ million)	46.0	17.4	63.4
Book Value/Valuation as at 31 December 2020 (S\$ million)	584.0	141.5	725.5
Capitalisation Rate as at 31 December 2020 (%)		5.8%	
Weighted Average Lease to Expiry (in Years)		4.0	

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 (S\$ million)	GFA (sq m)	NLA (sq m)	Address	Gross Revenue** for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
28 Courts Megastore**	30 Nov 06	46.0	62.0	28,410	28,410	50 Tampines North Drive 2	8.0	100.0%
29 Giant Hypermart**	06 Feb 07	65.4	79.5	42,194	42,178	21 Tampines North Drive 2	9.4	100.0%
30 Aperia 	08 Aug 14	458.0	584.0	86,696	70,985	8, 10 & 12 Kallang Avenue	46.0	91.9%
Total (Integrated Development, Amenities & Retail Properties)		569.4	725.5	157,300	141,573		63.4	95.9%


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.

** As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding values as at 31 December 2019 due to changing market conditions.

++ Includes gross rental income, car park income and other income.

 Properties with BCA Green Mark Certifications. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html

SINGAPORE

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES
AND DATA CENTRES

31 Techlink



32 10 Toh Guan Road



33 Siemens Centre



34 Infineon Building



35 Techpoint



36 KA Centre



37 KA Place



38 Pacific Tech Centre



39 Techview



40 1 Jalan Kilang



41 30 Tampines Industrial Avenue 3



42 31 Ubi Road 1



43 Schneider Electric Building



44 138 Depot Road



45 2 Changi South Lane



46 CGG Veritas Hub



47 Corporation Place



48 80 Bendemeer Road



49 Telepark



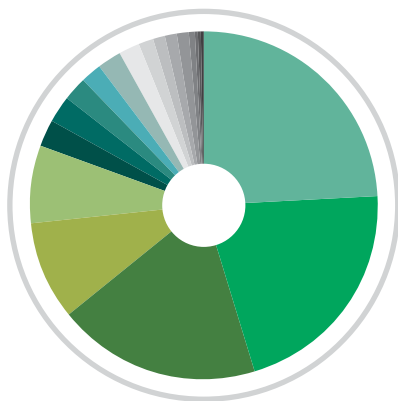
50 Kim Chuan Telecommunications Complex



51 38A Kim Chuan Road

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income














● Electronics	24.2%
● Data centres	21.3%
● Engineering	18.8%
● Biomedical Sciences	9.2%
● Information & Communications Technology	7.3%
● Distributors & Trading Company	2.5%
● Financial Services	2.4%
● Retail	2.3%
● FMCG	2.0%
● Professional Services	2.0%
● Energy/Utilities	1.9%
● Logistics & Supply Chain Management	1.4%
● Food	1.2%
● Hospitality & Leisure	1.2%
● Education	1.0%
● Media	0.5%
● IO/NGOs/NPOs	0.3%
● Real Estate	0.2%
● Textile & Garments	0.2%
● e-Commerce	0.1%

High-Specifications Industrial Properties & Data Centres	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	14	7	21
No. of Customers	250	6	256
GFA (sq m)	515,792	161,124	676,916
Gross Revenue (S\$ million)	141.4	48.6	190.0
Book Value/Valuation as at 31 December 2020 (S\$ million)	1,561.7	547.2	2,108.9
Capitalisation Rate as at 31 December 2020 (%)		6.3%	
Weighted Average Lease to Expiry (in Years)		3.9	

SINGAPORE

HIGH-SPECIFICATIONS INDUSTRIAL PROPERTIES AND DATA CENTRES

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 (S\$ million)	
High-Specifications Industrial Properties				
31	Techlink# 	19 Nov 02	69.8	127.0
32	10 Toh Guan Road**	05 Mar 04	92.0	123.5
33	Siemens Centre 	12 Mar 04	65.8	108.7
34	Infineon Building# **	01 Dec 04	50.9	90.6
35	Techpoint# ** 	01 Dec 04	75.0	150.2
36	KA Centre** 	02 Mar 05	19.2	52.6
37	KA Place 	02 Mar 05	11.1	22.7
38	Pacific Tech Centre** 	01 Jul 05	62.0	90.9
39	Techview# ** 	05 Oct 05	76.0	159.8
40	1 Jalan Kilang** 	27 Oct 05	18.7	24.1
41	30 Tampines Industrial Avenue 3**	15 Nov 05	22.0	37.0
42	31 Ubi Road 1**	21 Feb 06	23.0	28.8
43	Schneider Electric Building** 	27 Feb 06 21 Jun 17	45.2	91.5
44	138 Depot Road# **	15 Mar 06	42.3	68.7
45	2 Changi South Lane	01 Feb 07	30.0	38.3
46	CGG Veritas Hub# **	25 Mar 08	18.3	15.7
47	Corporation Place** 	08 Dec 11	99.0	120.0
48	80 Bendemeer Road 	30 Jun 14	191.2	212.3
Total (High-Specifications Industrial Properties)			1,011.5	1,562.4
Data Centres				
49	Telepark	02 Mar 05	186.0	272.4
50	Kim Chuan Telecommunications Complex	02 Mar 05	100.0	146.3
51	38A Kim Chuan Road##	11 Dec 09	98.4	127.8
Total (Data Centres)			384.4	546.5
Total (High-Specifications Industrial Properties and Data Centres)			1,395.9	2,108.9

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.

** As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding values as at 31 December 2019 due to changing market conditions.

Acquired from the Sponsor.

38A Kim Chuan Road was valued by independent valuer at S\$176.1 million. Ascendas Reit has recorded the property at S\$176.1 million comprising S\$127.8 million in land and building, and S\$48.3 million in M&E equipment.

++ Includes gross rental income, car park income and other income.

 Properties with BCA Green Mark Certifications. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
49,837	36,222	31 Kaki Bukit Road 3	11.6	77.9%
52,147	40,147	10 Toh Guan Road	9.8	70.9%
36,529	28,025	60 MacPherson Road	13.2	99.5%
27,278	27,278	8 Kallang Sector	9.8	100.0%
56,107	41,384	10 Ang Mo Kio Street 65	14.3	77.9%
19,638	13,557	150 Kampong Ampat	5.1	79.3%
10,163	6,652	159 Kampong Ampat	2.1	79.4%
25,718	19,588	1 Jalan Kilang Timor	6.8	85.4%
50,985	37,613	1 Kaki Bukit View	15.4	82.3%
7,158	6,103	1 Jalan Kilang	2.0	92.3%
9,593	9,593	30 Tampines Industrial Ave 3	3.9	100.0%
17,709	13,007	31 Ubi Road 1	3.5	72.5%
18,970	18,970	50 Kallang Avenue	6.8	100.0%
29,626	26,695	138 Depot Road	8.0	87.1%
26,300	20,939	2 Changi South Lane	2.8	100.0%
9,782	8,671	9 Serangoon North Avenue 5	1.7	100.0%
76,185	56,206	2 Corporation Road	14.5	75.4%
43,435	35,110	80 Bendemeer Road	14.5	65.8%
567,160	445,760		145.8	83.0%
40,555	24,644	5 Tampines Central 6	20.6	99.9%
35,456	25,129	38 Kim Chuan Road	11.9	100.0%
33,745	32,885	38A Kim Chuan Road	11.7	100.0%
109,756	82,658		44.2	100.0%
676,916	528,418		190.0	85.6%

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES
AND FLATTED FACTORIES

52 Osim
Headquarters



53 12 Woodlands
Loop



54 247 Alexandra
Road



55 5 Tai Seng
Drive



56 35 Tampines
Street 92



57 53 Serangoon
North
Avenue 4



58 3 Tai Seng
Drive



59 27 Ubi Road 4
*(decommissioned
for redevelopment)*



60 52 Serangoon
North
Avenue 4



61 25 Ubi Road 4
*(decommissioned
for redevelopment)*



62 Tampines
Biz-Hub



63 Hoya Building



64 37A Tampines
Street 92



65 Hamilton
Sundstrand
Building



66 Thales
Building (I & II)



67 Ubi Biz-Hub



68 2 Senoko
South Road



69 18 Woodlands
Loop



70 9 Woodlands
Terrace



71 11 Woodlands
Terrace



72 FoodAxis
@Senoko



73 31 Joo Koon
Circle



74 Techplace I



75 Techplace II

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income




● Engineering	44.0%
● Electronics	13.2%
● Food	12.3%
● Retail	10.7%
● Distributors & Trading Company	5.1%
● Biomedical Sciences	3.8%
● Logistics & Supply Chain Management	3.8%
● Media	1.7%
● Information & Communications Technology	1.6%
● FMCG	0.8%
● Professional Services	0.8%
● Textile & Garments	0.7%
● Government	0.5%
● Real Estate	0.4%
● Education	0.2%
● IO/NGOs/NPOs	0.2%
● Agriculture	0.1%
● e-Commerce	0.1%

Light Industrial Properties and Flatted Factories	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	14	8	22
No. of Customers	361	8	369
GFA (sq m)	407,012	88,976	495,988
Gross Revenue (S\$ million)	63.6	19.8	83.4
Book Value/Valuation as at 31 December 2020 (S\$ million)	668.20	211.00	879.2
Capitalisation Rate as at 31 December 2020 (%)		6.3%	
Weighted Average Lease to Expiry (in Years)		3.5	

SINGAPORE

LIGHT INDUSTRIAL PROPERTIES AND FLATTED FACTORIES

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 (S\$ million)	
Light Industrial Properties				
52	Osim Headquarters**	20 Jun 03	35.0	39.1
53	12 Woodlands Loop	29 Jul 04	24.8	28.6
54	247 Alexandra Road	01 Dec 04	44.8	71.0
55	5 Tai Seng Drive**	01 Dec 04	15.3	20.8
56	35 Tampines Street 92	01 Dec 04	9.4	12.6
57	53 Serangoon North Avenue 4	27 Dec 04	14.0	20.5
58	3 Tai Seng Drive**	01 Apr 05	19.5	18.6
59	27 Ubi Road 4^	01 Apr 05	12.6	–
60	52 Serangoon North Avenue 4	04 Apr 05	14.0	22.6
61	25 Ubi Road 4^	16 May 05	9.0	–
62	Tampines Biz-Hub**	05 Oct 05	16.8	20.4
63	Hoya Building# **	05 Oct 05	5.3	8.5
64	37A Tampines Street 92	01 Dec 05	12.3	20.8
65	Hamilton Sundstrand Building#	09 Dec 05	31.0	42.6
66	Thales Building (I & II)#	03 Jan 06 20 Mar 08	5.8	12.9
67	Ubi Biz-Hub**	27 Mar 06	13.2	18.4
68	2 Senoko South Road	08 Jan 07 08 Apr 16	33.5	40.1
69	18 Woodlands Loop**	01 Feb 07	17.2	32.8
70	9 Woodlands Terrace	01 Feb 07	1.9	3.6
71	11 Woodlands Terrace	01 Feb 07	1.9	4.7
72	FoodAxis @ Senoko^^^ 	15 May 07 16 Feb 12	57.8	92.7
73	31 Joo Koon Circle	30 Mar 10	15.0	17.0
Total (Light Industrial Properties)			410.1	548.3
Flatted Factories				
74	TechPlace I# **	19 Nov 02	105.3	142.00
75	TechPlace II# **	19 Nov 02	128.9	188.90
Total (Flatted Factories)			234.2	330.9
Total (Light Industrial Properties and Flatted Factories)			644.3	879.2

Notes:

The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis

* Purchase Price excludes transaction cost associated with the purchase of the property.


** As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding values as at 31 December 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.

++ Includes gross rental income, car park income and other income.

 Properties with BCA Green Mark Certifications. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
17,683	15,068	65 Ubi Avenue 1	3.3	100.0%
19,887	16,593	12 Woodlands Loop	2.8	100.0%
13,699	12,803	247 Alexandra Road	5.3	100.0%
12,930	11,273	5 Tai Seng Drive	2.4	100.0%
8,931	8,931	35 Tampines Street 92	0.1	30.2%
12,358	10,378	53 Serangoon North Avenue 4	2.1	75.2%
14,929	11,761	3 Tai Seng Drive	1.2	41.3%
–	–	27 Ubi Road 4	0.0	–
14,767	11,044	52 Serangoon North Avenue 4	3.2	100.0%
–	–	25 Ubi Road 4	0.0	–
18,086	14,100	11 Tampines Street 92	2.1	64.7%
6,505	6,282	455A Jalan Ahmad Ibrahim	1.4	100.0%
12,011	9,753	37A Tampines Street 92	2.8	100.0%
17,737	16,744	11 Changi North Rise	3.9	100.0%
7,772	7,772	21 Changi North Rise	1.6	100.0%
12,978	10,688	150 Ubi Avenue 4	2.4	96.3%
23,457	17,471	2 Senoko South Road	4.2	100.0%
18,422	16,056	18 Woodlands Loop	4.9	100.0%
2,774	2,341	9 Woodlands Terrace	0.6	100.0%
2,919	2,919	11 Woodlands Terrace	0.5	100.0%
43,362	44,439	1 Senoko Avenue	9.9	100.0%
17,638	15,421	31 Joo Koon Circle	0.4	0.0%
298,845	261,837		55.1	86.1%
81,981	59,524	Blk 4008–4012 Ang Mo Kio Avenue 10	11.7	86.6%
115,162	83,200	Blk 5000–5004, 5008–5014 Ang Mo Kio Avenue 5	16.6	90.2%
197,143	142,724		28.3	88.7%
495,988	404,561		83.4	87.0%

SINGAPORE

LOGISTICS & DISTRIBUTION CENTRES



76 20 Tuas Avenue 1



77 LogisTech



78 Changi Logistics Centre



79 4 Changi South Lane



80 40 Penjuru Lane



81 Xilin Districentre A&B



82 20 Tuas Avenue 6



83 Xilin Districentre D



84 9 Changi South Street 3



85 5 Toh Guan Road East



86 Xilin Districentre C



87 19 & 21 Pandan Avenue



88 1 Changi South Lane



89 Logis Hub @Clementi



90 11 Changi North Way



91 21 Jalan Buroh



92 21 Changi South Avenue 2



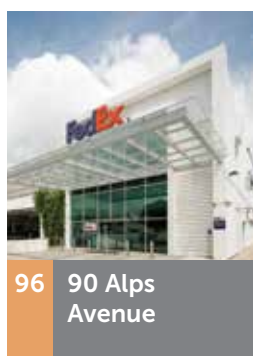
93 15 Changi North Way



94 Pioneer Hub



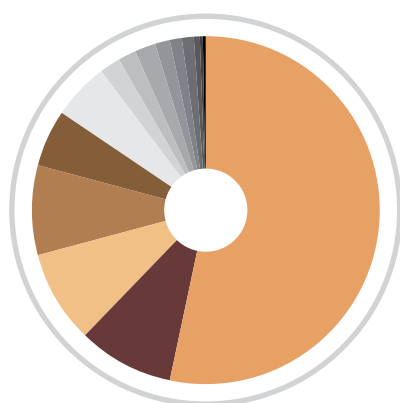
95 71 Alps Avenue



96 90 Alps Avenue

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income




● Logistics & Supply Chain Management	53.5%
● Engineering	8.9%
● Data centres	8.7%
● Distributors & Trading Company	8.1%
● Biomedical Sciences	5.4%
● Chemical	5.3%
● Electronics	2.0%
● e-Commerce	1.7%
● Media	1.7%
● Government	1.6%
● Retail	1.1%
● Food	0.9%
● FMCG	0.6%
● Professional Services	0.4%
● Information & Communications Technology	0.1%

Logistics & Distribution Centres (Singapore)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	17	4	21
No. of Customers	103	4	107
GFA (sq m)	660,751	151,165	811,916
Gross Revenue (S\$ million)	95.1	17.9	113.0
Book Value/Valuation as at 31 December 2020 (S\$ million)	930.2	236.8	1,167.0
Capitalisation Rate as at 31 December 2020 (%)		6.1%	
Weighted Average Lease to Expiry (in Years)		1.8	

SINGAPORE

LOGISTICS & DISTRIBUTION CENTRES

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 (S\$ million)
Logistics & Distribution Centres			
76	20 Tuas Avenue 1 [^]	19 Feb 04 02 Apr 18	61.4 88.3
77	LogisTech 	04 Mar 04	32.0 57.0
78	Changi Logistics Centre**	09 Mar 04	45.6 60.1
79	4 Changi South Lane**	31 May 04	23.3 25.6
80	40 Penjuru Lane	21 Jul 04	225.0 237.0
81	Xilin Districentre A&B**	02 Dec 04	31.1 34.3
82	20 Tuas Avenue 6	02 Dec 04	5.5 7.6
83	Xilin Districentre D	09 Dec 04	33.5 24.8
84	9 Changi South Street 3	28 Dec 04	32.0 44.9
85	5 Toh Guan Road East	28 Dec 04	36.4 28.0
86	Xilin Districentre C	05 May 05	30.6 29.0
87	19 & 21 Pandan Avenue	23 Sep 05 01 Feb 08	105.2 126.8
88	1 Changi South Lane**	05 Oct 05	34.8 32.9
89	Logis Hub @ Clementi [#]	05 Oct 05	18.1 23.0
90	11 Changi North Way	18 Nov 05	11.0 15.0
91	21 Jalan Buroh**	14 Jun 06	58.4 67.0
92	21 Changi South Avenue 2	19 Mar 08	31.9 20.6
93	15 Changi North Way	29 Jul 08	36.2 45.1
94	Pioneer Hub	12 Aug 08	79.3 119.0
95	71 Alps Avenue	02 Sep 09	25.6 23.7
96	90 Alps Avenue	20 Jan 12	37.9 57.3
Total (Logistics & Distribution Centres)		994.8	1,167.0

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.

[^] 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 2020, these properties recorded a depreciation on revaluation against their corresponding values as at 31 December 2019 due to changing market conditions.

[#] Acquired from the Sponsor.

++ Includes gross rental income, car park income and other income.

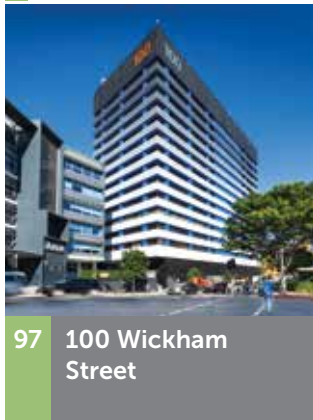
 Properties with BCA Green Mark Certifications. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
44,449	41,134	20 Tuas Avenue 1	6.0	100.0%
37,554	30,177	3 Changi North Street 2	7.2	97.2%
51,742	39,460	19 Loyang Way	7.2	74.6%
18,794	15,550	4 Changi South Lane	2.2	96.3%
160,939	151,147	40 Penjuru Lane	16.2	98.8%
24,113	20,701	3 Changi South Street 2	3.9	83.0%
5,085	5,085	20 Tuas Avenue 6	0.6	100.0%
18,619	15,776	6 Changi South Street 2	3.0	96.1%
28,648	23,735	9 Changi South Street 3	4.8	92.0%
29,741	23,607	5 Toh Guan Road East	3.3	97.9%
18,708	13,458	7 Changi South Street 2	3.1	94.1%
87,842	71,749	19 & 21 Pandan Avenue	6.7	100.0%
25,768	23,528	1 Changi South Lane	5.2	96.8%
26,505	23,107	2 Clementi Loop	3.2	91.0%
10,107	9,494	11 Changi North Way	0.7	0.0%
48,140	34,116	21 Jalan Buroh	4.2	99.7%
13,120	11,440	21 Changi South Avenue 2	0.9	36.1%
31,961	28,974	15 Changi North Way	4.4	100.0%
91,048	80,338	15 Pioneer Walk	21.6	99.3%
12,756	11,018	71 Alps Avenue	2.4	84.6%
26,277	26,277	90 Alps Avenue	6.2	100.0%
811,916	699,871		113.0	93.9%

AUSTRALIA

SUBURBAN OFFICES

BRISBANE

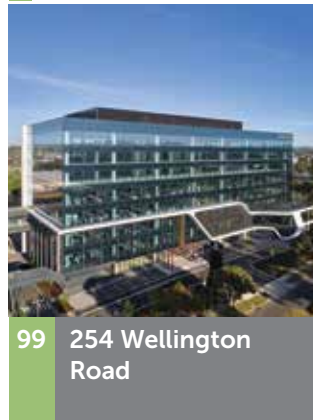


97 100 Wickham Street



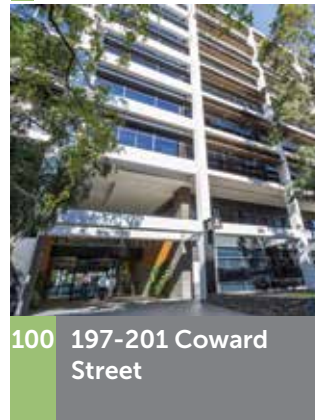
98 108 Wickham Street

MELBOURNE



99 254 Wellington Road

SYDNEY



100 197-201 Coward Street



CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income



● Government	32.1%
● Professional Services	18.5%
● Engineering	16.1%
● Logistics & Supply Chain Management	15.0%
● Information & Communications Technology	7.6%
● Distributors & Trading Company	4.6%
● Hospitality & Leisure	4.4%
● Food	1.2%
● Textile & Garments	0.5%

Suburban Offices (Australia)	Multi-tenant Buildings	Total
No. of Properties	4	4
No. of Customers	23	23
GFA (sq m)	65,136	65,136
Gross Revenue (S\$ million)	27.5	27.5
Book Value/Valuation as at 31 December 2020 (S\$ million)	451.3	451.3
Capitalisation Rate as at 31 December 2020 (%)		6.0%
Weighted Average Lease to Expiry (in Years)		3.1

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 [^] # (S\$ million)	GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020	
Brisbane, Queensland									
97	100 Wickham Street	25 Sep 17	90.3	76.0	13,030	13,030	100 Wickham Street, Fortitude Valley	6.9	81.1%
98	108 Wickham Street ^{^^} 	22 Dec 17	109.0	98.0	11,913	11,913	108 Wickham Street, Fortitude Valley	7.0	96.0%
Total (Suburban Offices, Brisbane)			199.3	174.0	24,943	24,943		13.9	88.2%
Melbourne, Victoria									
99	254 Wellington Road	11 Sep 20	100.6 ^{##}	102.9	17,659	17,659	254 Wellington Road, Mulgrave	2.6 ⁺	100.0%
Total (Suburban Offices, Melbourne)			100.6^{##}	102.9	17,659	17,659		2.6⁺	100.0%
Sydney, New South Wales									
100	197-201 Coward Street 	09 Sep 16	145.6	174.4	22,534	22,534	197-201 Coward Street, Mascot	11.0	86.0%
Total (Suburban Offices, Sydney)			145.6	174.4	22,534	22,534		11.0	86.0%
Total (Suburban Offices, Australia)			445.5	451.3	65,136	65,136		27.5	90.6%

Notes:

The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.

* Purchase Price excludes transaction cost associated with the purchase of the property.

[^] Valuation amount excludes rental guarantee and/or outstanding incentives (if any) reimbursed by the vendor.


Based on exchange rate of A\$1.0000: S\$0.9800 as at 31 December 2020.

^{^^} Purchase Price includes outstanding incentives reimbursed by the vendor.

^{##} The amount refers to the Base Purchase Consideration which is subject to adjustments that are payable by either the Purchaser (up to a maximum purchase price of A\$110.9 million) or the Vendor, depending on the rental and term of the actual leases entered into for the vacant spaces during the rental guarantee period.

⁺ Refers to the actual gross revenue from lease start date to 31 December 2020.

⁺⁺ Includes gross rental income, car park income and other income.

 Properties with minimum 3.0 Stars NABERS Energy Rating. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

BRISBANE



101 62 Sandstone Place



102 62 Stradbroke Street



103 82 Noosa Street



104 92 Sandstone Place



105 95 Gilmore Road



106 77 Logistics Place



107 99 Radius Drive



108 1-7 Wayne Goss Drive



109 Cargo Business Park

MELBOURNE



110 676-698 Kororoit Creek Road



111 700-718 Kororoit Creek Road



112 2-16 Aylesbury Drive



113 9 Andretti Court



114 14-28 Ordish Road



115 31 Permas Way



116 35-61 South Park Drive



117 81-89 Drake Boulevard



118 162 Australis Drive



119 52 Fox Drive

▶ PERTH



120 169-177
Australis Drive



121 1314 Ferntree
Gully Drive



122 35 Baile Road

▶ SYDNEY



123 484-490
Great Western
Highway



124 494-500
Great Western
Highway



125 1 Distribution
Place



126 1-15 Kellet
Close



127 1A & 1B
Raffles Glade



128 5 Eucalyptus
Place



129 7 Grevillea
Street



130 16 Kangaroo
Avenue



131 94 Lenore
Drive



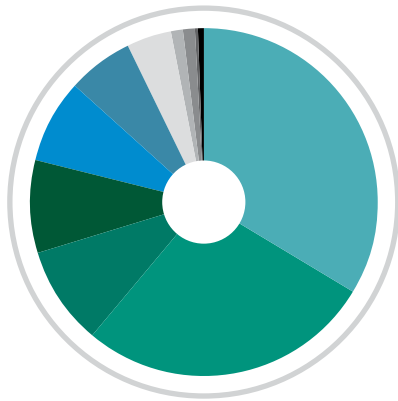
132 6-20 Clunies
Ross Street

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income



Logistics & Supply Chain Management	33.7%
Distributors & Trading Company	27.5%
Biomedical Sciences	9.1%
Food	8.6%
Textile & Garments	7.9%
Retail	6.0%
Engineering	4.4%
Government	1.1%
Agriculture	1.0%
Electronics	0.4%
Information & Communications Technology	0.3%

Property	Acquisition/ Completion Date	Purchase Price ^{*^} / Development Cost (S\$ million)	Valuation as at 31 December 2020 ^{^^} # (S\$ million)
Brisbane, Queensland			
101 62 Sandstone Place	23 Oct 15	22.8	22.5
102 62 Stradbroke Street	23 Oct 15	35.9	36.7
103 82 Noosa Street	23 Oct 15	66.0	51.9
104 92 Sandstone Place ^{##}	23 Oct 15	28.6	17.9
105 95 Gilmore Road ^{##}	23 Oct 15	76.8	82.8
106 77 Logistics Place ^{##}	18 Nov 15	28.4	25.0
107 99 Radius Drive	18 Nov 15	29.0	27.0
108 1-7 Wayne Goss Drive ^{**}	07 Sep 18	30.8	31.9
109 Cargo Business Park ^{**##}	17 Sep 18	33.9	31.9
Total (Logistics & Distribution Centres, Brisbane)		352.2	327.6

Notes:

The valuation for these properties were based on Capitalisation Approach and Discounted Cash Flow Analysis.

* Purchase Price excludes transaction cost associated with the purchase of the property.

** Purchase Price includes rental guarantee provided by the vendor.

^ 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\$0.9800 as at 31 December 2020.

As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding A\$ values as at 31 December 2019 due to changing market conditions.

++ Includes gross rental income, car park income and other income.

Logistics & Distribution Centres (Australia)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	10	22	32
No. of Customers	30	22	52
GFA (sq m)	217,693	545,368	763,061
Gross Revenue (S\$ million)	25.8	64.6	90.4
Book Value/Valuation as at 31 December 2020 (S\$ million)	388.3	984.8	1,373.1
Capitalisation Rate as at 31 December 2020 (%)		5.5%	
Weighted Average Lease to Expiry (in Years)		4.1	

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
9,260	9,260	62 Sandstone Place, Parkinson	2.0	100.0%
24,555	24,555	62 Stradbroke Street, Heathwood	2.6	100.0%
38,000	38,000	82 Noosa Street, Heathwood	3.6	100.0%
13,738	13,738	92 Sandstone Place, Parkinson	1.4	0.0%
41,318	41,318	95 Gilmore Road, Berrinba	6.4	100.0%
14,296	14,296	77 Logistics Place, Larapinta	2.1	100.0%
14,592	14,592	99 Radius Drive, Larapinta	1.9	100.0%
17,907	17,907	1-7 Wayne Goss Drive, Berrinba	2.3	100.0%
8,216	8,216	56 Lavarack Avenue, Eagle Farm	2.3	77.4%
181,882	181,882		24.6	91.4%

AUSTRALIA

LOGISTICS & DISTRIBUTION CENTRES

Property	Acquisition/ Completion Date	Purchase Price ^{*^} / Development Cost (\$ million)	Valuation as at 31 December 2020 ^{^^} # (\$ million)	
Melbourne, Victoria				
110	676-698 Kororoit Creek Road	23 Oct 15	52.3	68.1
111	700-718 Kororoit Creek Road	23 Oct 15	34.8	37.2
112	2-16 Aylesbury Drive	18 Nov 15	21.3	23.3
113	9 Andretti Court	18 Nov 15	26.6	31.9
114	14-28 Ordish Road	18 Nov 15	53.2	46.6
115	31 Permas Way	18 Nov 15	48.2	68.6
116	35-61 South Park Drive	18 Nov 15	39.1	46.5
117	81-89 Drake Boulevard	18 Nov 15	17.1	19.1
118	162 Australis Drive	18 Nov 15	25.0	27.4
119	52 Fox Drive ^{**}	03 Apr 17	26.5	29.2
120	169-177 Australis Drive	04 Jun 18	34.5	36.3
121	1314 Ferntree Gully Drive ^{**}	26 Jun 18	16.4	16.3
Total (Logistics & Distribution Centres, Melbourne)			395.0	450.5
Perth, Western Australia				
122	35 Baile Road	23 Oct 15	36.6	39.7
Total (Logistics & Distribution Centres, Perth)			36.6	39.7
Sydney, New South Wales				
123	484-490 Great Western Highway	23 Oct 15	19.9	24.9
124	494-500 Great Western Highway	23 Oct 15	33.4	47.8
125	1 Distribution Place	18 Nov 15	28.6	28.7
126	1-15 Kellet Close	18 Nov 15	44.7	57.5
127	1A & 1B Raffles Glade	18 Nov 15	42.9	49.0
128	5 Eucalyptus Place	18 Nov 15	21.8	32.3
129	7 Grevillea Street	18 Nov 15	104.8	131.8
130	16 Kangaroo Avenue	18 Nov 15	33.1	45.6
131	94 Lenore Drive	18 Nov 15	42.0	50.5
132	6-20 Clunies Ross Street	22 Feb 16	76.6	87.2
Total (Logistics & Distribution Centres, Sydney)			447.8	555.3
Total (Logistics & Distribution Centres, Australia)			1,231.6	1,373.1

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.

** Purchase Price includes rental guarantee provided by the vendor.

^ 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\$0.98003 as at 31 December 2020.

++ Includes gross rental income, car park income and other income.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
44,036	44,036	676-698 Kororoit Creek Road, Altona North	4.3	100.0%
28,020	28,020	700-718 Kororoit Creek Road, Altona North	2.4	100.0%
17,513	17,513	2-16 Aylesbury Drive, Altona	1.4	100.0%
24,140	24,140	9 Andretti Court, Truganina	2.1	100.0%
28,189	28,189	14-28 Ordish Road, Dandenong South	4.0	100.0%
44,540	44,540	31 Permas Way, Truganina	3.4	100.0%
32,167	32,167	35-61 South Park Drive, Dandenong South	2.7	100.0%
14,099	14,099	81-89 Drake Boulevard, Altona	1.2	100.0%
23,263	23,263	162 Australis Drive, Derrimut	2.2	100.0%
18,041	18,041	52 Fox Drive, Dandenong South	2.0	100.0%
31,048	31,048	169-177 Australis Drive, Derrimut	2.3	100.0%
16,134	16,134	1314 Ferntree Gully Drive, Scoresby	0.5	100.0%
321,190	321,190		28.5	100.0%
20,895	20,895	35 Baile Road, Canning Vale	3.3	100.0%
20,895	20,895		3.3	100.0%
13,304	13,304	484-490 Great Western Highway, Arndell Park	1.3	100.0%
25,255	25,255	494-500 Great Western Highway, Arndell Park	3.1	100.0%
13,555	13,555	1 Distribution Place, Seven Hills	2.2	100.0%
23,205	23,205	1-15 Kellet Close, Erskine Park	3.0	100.0%
21,694	21,694	1A & 1B Raffles Glade, Eastern Creek	3.2	100.0%
10,732	10,732	5 Eucalyptus Place, Eastern Creek	2.0	100.0%
51,709	51,709	7 Grevillea Street, Eastern Creek	8.2	100.0%
19,918	19,918	16 Kangaroo Avenue, Eastern Creek	2.8	100.0%
21,143	21,143	94 Lenore Drive, Erskine Park	2.8	100.0%
38,579	38,579	6-20 Clunies Ross Street, Pemulway	5.4	100.0%
239,094	239,094		34.0	100.0%
763,061	763,061		90.4	98.0%

UNITED KINGDOM

LOGISTICS & DISTRIBUTION CENTRES

▶ EAST ENGLAND ▶



133 Market Garden Road

▶ EAST MIDLANDS ▶



134 Common Road



135 Units 1 - 5, Export Drive

▶ NORTH WEST ENGLAND ▶



136 Astmoor Road



137 Transpennine 200

▶ SOUTH EAST ENGLAND ▶



138 Leacroft Road



139 Hawleys Lane



140 8 Leacroft Road



141 Howard House



142 Units 1 - 2, Tower Lane

▶ WEST MIDLANDS ▶



143 Lodge Road



144 Eastern Avenue



145 Vernon Road



146 1 Sun Street



147 The Triangle



148 Unit 103, Stonebridge Cross Business Park



149 Unit 302, Stonebridge Cross Business Park



150 Unit 401, Stonebridge Cross Business Park



151 Unit 402, Stonebridge Cross Business Park



152 Unit 404, Stonebridge Cross Business Park



153 Unit 1, Wellesbourne Distribution Park



154 Unit 2, Wellesbourne Distribution Park



155 Unit 3, Wellesbourne Distribution Park



156 Unit 4, Wellesbourne Distribution Park



157 Unit 5, Wellesbourne Distribution Park



158 Unit 8, Wellesbourne Distribution Park



159 Unit 13, Wellesbourne Distribution Park



160 Unit 14, Wellesbourne Distribution Park



161 Unit 16, Wellesbourne Distribution Park



162 Unit 17, Wellesbourne Distribution Park



163 Unit 18, Wellesbourne Distribution Park



164 Unit 19, Wellesbourne Distribution Park



165 Unit 20, Wellesbourne Distribution Park



166 Unit 21, Wellesbourne Distribution Park

YORKSHIRE AND THE HUMBER



167 12 Park Farm Road



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



169 Unit 3, Brookfields Way



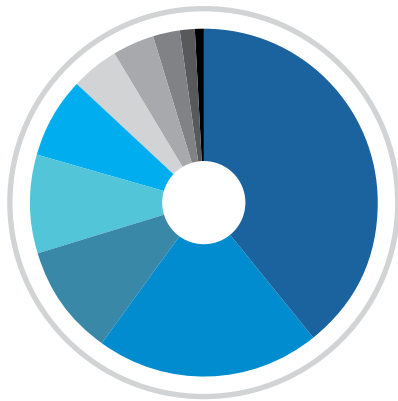
170 Lowfields Way

UNITED KINGDOM

LOGISTICS & DISTRIBUTION CENTRES

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income



● Logistics & Supply Chain Management	39.4%
● Engineering	20.6%
● Distributors & Trading Company	10.5%
● Retail	9.0%
● Food	7.5%
● Electronics	4.6%
● e-Commerce	3.7%
● Government	2.5%
● Biomedical Sciences	1.5%
● IO/NGOs/NPOs	0.7%

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (\$\$ million)	Valuation as at 31 December 2020^^# (\$\$ million)
East England			
133 Market Garden Road	16 Aug 18	37.5	38.1
Total (Logistics & Distribution Centres, East England)		37.5	38.1
East Midlands			
134 Common Road	16 Aug 18	54.4	37.1
135 Units 1-5, Export Drive##	16 Aug 18	3.0	2.5
Total (Logistics & Distribution Centres, East Midlands)		57.4	39.6
North West England			
136 Astmoor Road##	16 Aug 18	52.4	45.5
137 Transpennine 200##	16 Aug 18	15.3	11.8
138 Leacroft Road	04 Oct 18	12.5	13.4
139 Hawleys Lane##	04 Oct 18	43.5	38.7
140 8 Leacroft Road	04 Oct 18	9.5	11.2
Total (Logistics & Distribution Centres, North West England)		133.2	120.6
South East England			
141 Howard House##	16 Aug 18	56.7	51.8
142 Units 1-2, Tower Lane	16 Aug 18	20.0	20.4
143 Lodge Road^	04 Oct 18	21.0	23.9
Total (Logistics & Distribution Centres, South East England)		97.7	96.1

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: \$\$1.7778 as at 31 December 2020.

^ Purchase Price includes outstanding incentives reimbursed by the vendor.

As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding £ values as at 31 December 2019 due to changing market conditions and/or shorter unexpired lease term.

++ Includes gross rental income, car park income and other income.

** Purchase Price includes rental guarantee provided by the vendor.

Logistics & Distribution Centres (United Kingdom)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	4	34	38
No. of Customers	2	34	36
GFA (sq m)	20,442	489,466	509,908
Gross Revenue (S\$ million)	1.2	44.0	45.2
Book Value/Valuation as at 31 December 2020 (S\$ million)	40.4	741.8	782.2
Capitalisation Rate as at 31 December 2020 (%)		5.8%	
Weighted Average Lease to Expiry (in Years)		8.8	

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (S\$ million)	Occupancy Rate as at 31 December 2020
13,016	13,016	Market Garden Road, Stratton Business Park, Biggleswade	1.6	100.0%
13,016	13,016		1.6	100.0%
47,298	47,298	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	2.6	100.0%
2,785	2,785	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	0.2	100.0%
50,083	50,083		2.8	100.0%
45,043	45,043	Astmoor Road, Astmoor Industrial Estate, Runcorn	2.9	100.0%
8,522	8,522	Transpennine 200, Pilsworth Road, Heywood, Greater Manchester	1.1	100.0%
8,388	8,388	Leacroft Road, Birchwood, Warrington	0.7	100.0%
35,104	35,104	Hawleys Lane, Warrington	3.3	100.0%
8,432	8,432	8 Leacroft Road, Birchwood, Warrington	0.6	100.0%
105,489	105,489		8.6	100.0%
20,611	20,611	Howard House, Howard Way, Interchange Park, Newport Pagnell	2.3	100.0%
7,803	7,572	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	1.2	100.0%
12,025	12,025	Lodge Road, Staplehurst, Kent	1.4	100.0%
40,439	40,208		4.9	100.0%

UNITED KINGDOM

LOGISTICS & DISTRIBUTION CENTRES

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020 ^{^^} # (S\$ million)	
West Midlands				
144	Eastern Avenue ^{##}	16 Aug 18	26.4	25.3
145	Vernon Road ^{##}	16 Aug 18	31.0	27.7
146	1 Sun Street [^] ##	04 Oct 18	39.1	37.1
147	The Triangle ^{##}	04 Oct 18	48.1	40.9
148	Unit 103, Stonebridge Cross Business Park	04 Oct 18	2.2	2.2
149	Unit 302, Stonebridge Cross Business Park	04 Oct 18	35.7	36.8
150	Unit 401, Stonebridge Cross Business Park ^{##}	04 Oct 18	11.0	9.8
151	Unit 402, Stonebridge Cross Business Park	04 Oct 18	8.0	8.4
152	Unit 404, Stonebridge Cross Business Park ^{##}	04 Oct 18	8.4	7.9
153	Unit 1, Wellesbourne Distribution Park	04 Oct 18	43.8	45.7
154	Unit 2, Wellesbourne Distribution Park	04 Oct 18	29.1	29.2
155	Unit 3, Wellesbourne Distribution Park ^{##}	04 Oct 18	41.9	40.3
156	Unit 4, Wellesbourne Distribution Park ^{##}	04 Oct 18	10.7	10.3
157	Unit 5, Wellesbourne Distribution Park ^{** ##}	04 Oct 18	13.1	10.7
158	Unit 8, Wellesbourne Distribution Park ^{**}	04 Oct 18	21.4	21.3
159	Unit 13, Wellesbourne Distribution Park ^{** ##}	04 Oct 18	9.5	7.7
160	Unit 14, Wellesbourne Distribution Park	04 Oct 18	14.3	16.5
161	Unit 16, Wellesbourne Distribution Park	04 Oct 18	3.0	3.2
162	Unit 17, Wellesbourne Distribution Park ^{##}	04 Oct 18	2.2	2.0
163	Unit 18, Wellesbourne Distribution Park ^{** ##}	04 Oct 18	1.8	1.6
164	Unit 19, Wellesbourne Distribution Park ^{##}	04 Oct 18	2.1	1.8
165	Unit 20, Wellesbourne Distribution Park	04 Oct 18	4.2	4.7
166	Unit 21, Wellesbourne Distribution Park	04 Oct 18	5.3	6.4
Total (Logistics & Distribution Centres, West Midlands)			412.3	397.5
Yorkshire and the Humber				
167	12 Park Farm Road ^{##}	16 Aug 18	19.8	18.3
168	Units 1a, 1b, 2 & 3, Upwell Street	16 Aug 18	34.2	30.8
169	Unit 3, Brookfields Way ^{**}	16 Aug 18	22.5	24.8
170	Lowfields Way ^{##}	04 Oct 18	17.8	16.4
Total (Logistics & Distribution Centres, Yorkshire and the Humber)			94.3	90.3
Total (Logistics & Distribution Centres, United Kingdom)			832.4	782.2

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\$1.77775 as at 31 December 2020.

[^] Purchase Price includes outstanding incentives reimbursed by the vendor.

^{##} As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding £ values as at 31 December 2019 due to changing market conditions and/or shorter unexpired lease term.

^{**} Purchase Price includes rental guarantee provided by the vendor.

⁺⁺ Includes gross rental income, car park income and other income.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (\$ million)	Occupancy Rate as at 31 December 2020
15,994	15,994	Eastern Avenue, Derby Road, Burton-on-Trent	1.4	100.0%
25,701	25,701	Vernon Road, Stoke-on-Trent	1.8	100.0%
24,929	24,929	1 Sun Street, Wolverhampton	2.5	100.0%
28,917	28,917	The Triangle, North View, Walsgrave, Coventry	2.7	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	2.2	100.0%
6,265	6,265	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.7	100.0%
5,037	5,037	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.5	100.0%
5,045	5,045	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	0.5	100.0%
21,243	21,243	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	2.3	100.0%
12,282	12,282	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	1.5	100.0%
19,552	19,552	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	2.2	100.0%
4,774	4,774	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.6	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	1.0	100.0%
5,618	5,618	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.0	0.0%
9,887	9,887	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.8	100.0%
1,598	1,598	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.2	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	0.0%
835	835	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.1	100.0%
3,157	3,157	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.2	100.0%
3,064	3,064	Unit 21, Wellesbourne Distribution Park, Wellesbourne, Warwick	0.3	100.0%
233,472	233,472		21.7	94.6%
23,454	23,454	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	1.3	100.0%
14,065	14,065	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	1.7	100.0%
18,341	18,341	Unit 3, Brookfields Way, Rotherham	1.5	100.0%
11,549	11,549	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	1.1	100.0%
67,409	67,409		5.6	100.0%
509,908	509,677		45.2	97.5%

UNITED STATES BUSINESS PARK & OFFICE PROPERTIES

▶ PORTLAND, OREGON



171 8300
Creekside



172 8305
Creekside



173 8405 Nimbus



174 8500
Creekside



175 8700-8770
Nimbus



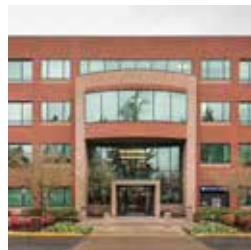
176 9205 Gemini



177 9405 Gemini



178 Creekside 5



179 Creekside 6



180 Greenbrier
Court



181 Parkside



182 Ridgeview



183 The Atrium



184 The Commons



185 Waterside

▶ RALEIGH, NORTH CAROLINA



186 5200
East & West
Paramount
Parkway



187 Perimeter One



188 Perimeter
Two



189 Perimeter
Three



190 Perimeter
Four

▶ SAN DIEGO, CALIFORNIA



191 10020
Pacific Mesa
Boulevard



192 15051 Avenue
of Science



193 15073 Avenue
of Science



194 15231, 15253 &
15333 Avenue
of Science



195 15378 Avenue
of Science

▶ SAN FRANCISCO, CALIFORNIA



196 15435 & 15445
Innovation
Drive



197 5005 & 5010
Wateridge



198 6055 Lusk
Boulevard



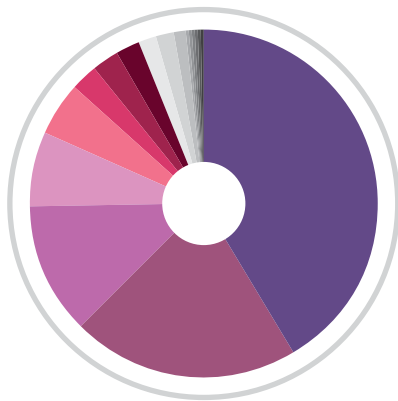
199 510 Townsend
Street



200 505 Brannan
Street

CUSTOMER'S INDUSTRY MIX AS AT 31 DECEMBER 2020

By Gross Rental Income





● Information & Communications Technology	41.5%
● Biomedical Sciences	21.0%
● Media	12.3%
● Financial Services	7.0%
● Engineering	4.9%
● Energy/Utilities	2.6%
● Textile & Garments	2.5%
● Professional Services	2.1%
● Electronics	1.8%
● Real Estate	1.6%
● Government	1.1%
● Distributors & Trading Company	0.4%
● Education	0.3%
● Conglomerate	0.3%
● Food	0.2%
● Chemical	0.2%
● Natural Resources	0.1%
● FMCG	0.1%

Business Park & Office Properties (United States)	Multi-tenant Buildings	Single-tenant Buildings	Total
No. of Properties	20	10	30
No. of Customers	113	10	123
GFA (sq m)	242,393	114,672	357,065
Gross Revenue (S\$ million)	86.9	35.3	122.2
Book Value/Valuation as at 31 December 2020 (S\$ million)	935.4	1,148.5	2,083.9
Capitalisation Rate as at 31 December 2020 (%)		5.8%	
Weighted Average Lease to Expiry (in Years)		5.1	

UNITED STATES

BUSINESS PARK & OFFICE PROPERTIES

Property	Acquisition/ Completion Date	Purchase Price*/ Development Cost (S\$ million)	Valuation as at 31 December 2020# (S\$ million)	
Portland, Oregon				
171	8300 Creekside	11 Dec 19	14.3	15.5
172	8305 Creekside	11 Dec 19	5.0	4.8
173	8405 Nimbus##	11 Dec 19	18.0	19.7
174	8500 Creekside	11 Dec 19	20.9	22.6
175	8700-8770 Nimbus	11 Dec 19	7.8	8.5
176	9205 Gemini	11 Dec 19	10.2	11.9
177	9405 Gemini	11 Dec 19	15.7	17.9
178	Creekside 5##	11 Dec 19	13.2	13.6
179	Creekside 6##	11 Dec 19	22.5	24.4
180	Greenbrier Court##	11 Dec 19	21.2	19.3
181	Parkside##	11 Dec 19	32.2	26.7
182	Ridgeview	11 Dec 19	20.2	21.7
183	The Atrium##	11 Dec 19	41.3	42.1
184	The Commons##	11 Dec 19	16.4	16.7
185	Waterside##	11 Dec 19	29.5	27.9
Total (Business Park Properties, Portland)			288.4	293.3
Raleigh, North Carolina				
186	5200 East & West Paramount Parkway	11 Dec 19	105.8	101.2
187	Perimeter One	11 Dec 19	76.8	79.9
188	Perimeter Two	11 Dec 19	76.0	75.1
189	Perimeter Three	11 Dec 19	82.8	92.9
190	Perimeter Four	11 Dec 19	70.3	76.3
Total (Business Park Properties, Raleigh)			411.7	425.4
San Diego, California				
191	10020 Pacific Mesa Boulevard	11 Dec 19	169.2	182.0
192	15051 Avenue of Science##	11 Dec 19	35.5	35.7
193	15073 Avenue of Science##	11 Dec 19	26.3	25.9
194	15231, 15253 & 15333 Avenue of Science##	11 Dec 19	92.0	89.2
195	15378 Avenue of Science##	11 Dec 19	35.1	38.4
196	15435 & 15445 Innovation Drive##	11 Dec 19	57.2	56.2
197	5005 & 5010 Wateridge##	11 Dec 19	119.0	112.4
198	6055 Lusk Boulevard	11 Dec 19	47.3	53.1
Total (Business Park Properties, San Diego)			581.6	592.9
San Francisco, California				
199	510 Townsend Street 	21 Nov 20	498.6	501.4^
200	505 Brannan Street 	21 Nov 20	269.4	270.9^
Total (Office Properties, San Francisco)			768.0	772.3
Total (Business Park & Office Properties, United States)			2,049.7	2,083.9

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.


Based on exchange rate of US\$1.0000: S\$1.3479 as at 31 December 2020.

As at 31 December 2020, these properties recorded a depreciation on revaluation against their corresponding US\$ values as at 31 December 2019 due to changing market conditions and/or shorter unexpired lease term.

^ Valuations are as at 15 October 2020.

+ Refers to the actual gross revenue from acquisition date to 31 December 2020.

++ Includes gross rental income, car park income and other income.

 Properties with LEED certifications. For more details, please refer to www.ascendas-reit.com/en/sustainability/green-buildings.html.

GFA (sq m)	NLA (sq m)	Address	Gross Revenue ⁺⁺ for 2020 (\$ million)	Occupancy Rate as at 31 December 2020
5,011	5,030	8300 SW Creekside Place, Beaverton	1.3	75.3%
2,443	1,837	8305 SW Creekside Place, Beaverton	0.5	88.6%
5,084	4,997	8405 SW Nimbus Avenue, Beaverton	1.6	100.0%
5,923	6,085	8500 SW Creekside Place, Beaverton	1.8	100.0%
3,430	3,340	8700-8770 SW Nimbus Avenue, Beaverton	0.8	78.5%
3,784	3,805	9205 SW Gemini Drive, Beaverton	1.4	100.0%
4,201	4,382	9405 SW Gemini Drive, Beaverton	1.5	100.0%
4,557	4,463	8705 SW Nimbus Avenue, Beaverton	1.6	82.4%
7,262	6,927	8905 SW Nimbus Avenue, Beaverton	2.6	85.7%
6,529	6,938	14600-14700 NW Greenbrier Parkway, Beaverton	1.8	100.0%
15,231	14,739	15350-15400 NW Greenbrier Parkway, Beaverton	3.2	90.1%
8,747	8,707	15201 NW Greenbrier Parkway, Beaverton	1.5	64.2%
16,473	15,899	15220 NW Greenbrier Parkway, Beaverton	4.7	87.1%
6,570	6,352	15455 NW Greenbrier Parkway, Beaverton	1.7	64.4%
11,261	11,752	14908, 14924, 15247 and 15272 NW Greenbrier Parkway, Beaverton	2.8	94.9%
106,506	105,253		28.8	87.2%
29,500	29,478	5200 East & West Paramount Parkway, Morrisville	9.2	88.3%
19,599	18,865	3005 Carrington Mill Boulevard, Morrisville	7.3	94.8%
19,484	19,220	3020 Carrington Mill Boulevard, Morrisville	7.8	97.5%
23,179	22,863	3015 Carrington Mill Boulevard, Morrisville	8.8	100.0%
18,331	16,918	3025 Carrington Mill Boulevard, Morrisville	6.6	100.0%
110,093	107,344		39.7	95.4%
29,225	29,543	10020 Pacific Mesa Boulevard, San Diego	13.3	100.0%
6,426	6,500	15051 Avenue of Science, San Diego	2.9	100.0%
4,455	4,497	15073 Avenue of Science, San Diego	2.4	100.0%
16,127	16,553	15231, 15253 & 15333 Avenue of Science, San Diego	6.6	63.2%
6,409	6,391	15378 Avenue of Science, San Diego	3.4	100.0%
8,986	9,508	15435 & 15445 Innovation Drive, San Diego	4.9	93.1%
16,009	16,051	5005 & 5010 Wateridge Vista Drive, San Diego	10.2	100.0%
8,823	8,640	6055 Lusk Boulevard, San Diego	4.1	100.0%
96,460	97,683		47.8	93.1%
27,437	27,437	510 Townsend Street, San Francisco	3.7 ⁺	100.0%
16,569	13,935	505 Brannan Street, San Francisco	2.2 ⁺	100.0%
44,006	41,372		5.9⁺	100.0%
357,065	351,652		122.2	92.9%

CORPORATE DIRECTORY

TRUSTEE

Registered Address

HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #48-01
Singapore 018983

Office Address

HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #45-01
Singapore 018983
Phone: (65) 6658 6667

AUDITOR

Ernst & Young LLP

One Raffles Quay
Level 18 North Tower
Singapore 048583
Phone: (65) 6535 7777
Fax: (65) 6532 7662
Partner-in-charge: Christopher
Wong (with effect from financial
year 31 December 2020)

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

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Phone: (65) 6713 2888
Fax: (65) 6713 2999
Email: a-reit@capitaland.com
Website: www.ascendas-reit.com

BOARD OF DIRECTORS

Dr Beh Swan Gin

Chairman and Non-Executive
Independent Director

Mr William Tay Wee Leong

Chief Executive Officer and
Executive Non-Independent
Director

Mr Chan Pengee, Adrian

Non-Executive Lead Independent
Director

Ms Chong Chiet Ping

Non-Executive Independent
Director

Mr Daniel Cuthbert Ee Hock Huat

Non-Executive Independent
Director

Mr Chinniah Kunnasagaran

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 Daniel Cuthbert Ee Hock Huat

Mr Chinniah Kunnasagaran

Mr Manohar Khiatani

INVESTMENT COMMITTEE

Mr Manohar Khiatani

Chairman

Dr Beh Swan Gin

Mr William Tay Wee Leong

Mr Daniel Cuthbert Ee Hock Huat

Mr Chinniah Kunnasagaran

Mr Lim Cho Pin Andrew Geoffrey

COMPANY SECRETARIES

Ms Mary Judith de Souza

Mr Hon Wei Seng

STOCK SYMBOL

A17U / AEMN.SI

FINANCIAL STATEMENTS

110

CORPORATE GOVERNANCE

144

ENTERPRISE RISK MANAGEMENT

150

REPORT OF THE TRUSTEE

151

STATEMENT BY THE MANAGER

152

INDEPENDENT AUDITOR'S REPORT

156

STATEMENTS OF FINANCIAL POSITION

158CONSOLIDATED STATEMENT OF TOTAL
RETURN**159**CONSOLIDATED DISTRIBUTION
STATEMENT**161**STATEMENTS OF MOVEMENTS IN
UNITHOLDERS' FUNDS**162**CONSOLIDATED INVESTMENT
PROPERTIES PORTFOLIO STATEMENT**175**CONSOLIDATED STATEMENT OF CASH
FLOWS**178**

NOTES TO THE FINANCIAL STATEMENTS

253

STATISTICS OF UNITHOLDINGS

256

ADDITIONAL INFORMATION

258

GLOSSARY

260

APPENDIX



CORPORATE GOVERNANCE

OUR ROLE

We, as the manager of Ascendas Reit (Manager), set the strategic direction of 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 us as the Manager.

As the Manager, we have general powers of management over the assets of Ascendas Reit. Our primary responsibility is to manage the assets and liabilities of Ascendas Reit for the benefit of the unitholders of Ascendas Reit (Unitholders). We do 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.

Our other functions and responsibilities as the Manager include:

- (a) using our 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, and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other 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, the tax rulings issued by the Inland Revenue Authority of Singapore and the tax authorities of the jurisdictions that Ascendas Reit has a presence in on the taxation of Ascendas Reit and Unitholders and the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) (AIFMR);
- (d) attending to all regular communications with Unitholders; and
- (e) supervising Ascendas Services Pte Ltd (for properties located in Singapore), CapitaLand Australia Pty Ltd, CL International 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 pages 24 to 25 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.

OUR 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.

Our corporate governance framework is set out below:



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 the financial year (FY) 2020 with reference to the Code of Corporate Governance 2018 (Code).

Throughout FY2020, the Manager has complied with the principles of corporate governance laid down by the Code and also, substantially, with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report. This Report also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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 expenditure, investments, divestments, bank borrowings and issuance of debt instruments and this is clearly communicated to Management in writing. The Board has reserved authority to approve certain matters including:

- (a) material acquisitions, investments and divestments;
- (b) issue of new units in Ascendas Reit (Units);
- (b) income distributions and other returns to Unitholders; and
- (c) matters which involve a conflict of interest for a controlling unitholder or a Director.

Apart from 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.

CORPORATE GOVERNANCE

Furthermore, 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 training 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 programme which focuses on orientating the Director to Ascendas Reit's business, operations, strategies, organisation structure, responsibilities of the 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 programme may include visits to the Ascendas Reit Group's properties. Through the induction programme, the new Director also gets acquainted with members of Management which facilitates their interaction at Board meetings.

Following their appointment, the Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, 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 FY2020, 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 boards. The Directors also regularly receive 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. These Board Committees are the Audit & Risk Committee (ARC) and the Investment Committee (IC).

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 108 and 141 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.

CORPORATE GOVERNANCE

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 Directors (excluding the CEO) also meet from time to time without the presence of Management.

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) ARC's recommendation on Ascendas Reit's periodic and year-end financial results following ARC's review of the same;
- (c) decisions made by Board Committees in the period under review;
- (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;
- (g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and
- (h) 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 in the best interests of Ascendas Reit. At Board and Board Committee meetings, all the Directors actively participate in discussions, in particular, they engage in open and constructive debate and challenge Management on its assumptions and recommendations.

Management provides the Directors 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 the 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 wastage 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.

CORPORATE GOVERNANCE

A total of eight Board meetings and four ARC meetings were held in FY2020. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

A record of the Directors' attendance at Board and Board Committee meetings for FY2020 is set out on page 142 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.

There is active interaction between the Directors and Management during and outside Board and Board Committee meetings. The Directors have separate, independent and unfettered access to Management for any information that they may require. 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 of the Manager (Company Secretary). The Company Secretary keeps herself or himself abreast of relevant developments. She or he has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board meetings and assists the Chairman in ensuring that Board procedures are followed. The Company Secretary also facilitates the induction 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

Board Independence

The Board has a strong independent element as five out of eight 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. None of the Directors have served on the Board for nine years or longer. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 28 to 32 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 balance and 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 and the guidance in the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR) and where relevant, 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, its substantial shareholders, Ascendas Reit's substantial Unitholders (being Unitholders who have interests in voting Units with 5% or more of the total votes attached to all voting Units) or the Manager's 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 Ascendas Reit;
- (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 of the Manager and every substantial unitholder of Ascendas Reit;
- (c) is not a substantial shareholder of the Manager or a substantial unitholder of Ascendas Reit;
- (d) is not employed and has not been employed by the Manager or Ascendas Reit or their related corporations in the current or any of the past three financial years;

CORPORATE GOVERNANCE

- (e) does not have an immediate family member who is employed or has been employed by the Manager or Ascendas Reit or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board; and
- (f) has not served on the Board for a continuous period of nine years or longer.

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, annually, 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 the Unitholders as a whole, 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 when there is 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 FY2020 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.

Dr Beh Swan Gin

Dr Beh Swan Gin is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, and does not have any other relevant relationships which may affect his independent judgement. The Board has considered whether Dr Beh had demonstrated independence in character and judgement in the discharge of his duties and responsibilities as a director and concluded that Dr Beh had acted with independent judgement. On the basis of the declaration of independence provided by Dr Beh and the guidance in the Code, SFR and Listing Manual, the Board arrived at the determination that Dr Beh is an Independent Director.

Mr Chan Pengee, Adrian

Mr Chan Pengee, Adrian is currently the Head of Corporate at Lee & Lee (L&L) which provides legal services to some of the subsidiaries of Capitaland Limited (CL-Sub). The engagement of L&L to provide legal services to CL-Sub was made by the management teams within CL-Sub and Mr Chan has no involvement in the process or in the approval of such engagement. These services are provided in the ordinary course of business, on arm's length basis and based on normal commercial terms.

Mr Chan is also a non-executive director/member of various companies and organisations (collectively, Organisations and individually, an Organisation) which may have business relationships with CL and its subsidiaries (CL Group) in respect of various matters, including but not limited to services provided to/by the CL Group, membership subscription fees paid by the CL Group, leases by the CL Group, filing fees paid by the CL Group; and/or the purchase of CapitaVouchers from the CL Group. Mr Chan's role in each Organisation is non-executive in nature and he is not involved in the day-to-day conduct of the business of such Organisations. Mr Chan was not involved in any decision by such Organisations to enter into business relationships with the CL Group.

Mr Chan is also a non-executive director of a few subsidiaries of Temasek Holdings (Private) Limited (Temasek). Temasek is a controlling shareholder of the Manager and a controlling unitholder of Ascendas Reit. Mr Chan's roles in these corporations are non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations. Mr Chan has confirmed that he serves on the Manager's board in his personal capacity and not as a representative of Temasek, and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Manager and Ascendas Reit.

CORPORATE GOVERNANCE

The Board has considered the conduct of Mr Chan in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Chan does not have any other relevant relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, which may affect his independent judgement. The Board is therefore of the view that Mr Chan has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Chan is an Independent Director.

Ms Chong Chiet Ping

Ms Chong Chiet Ping is not faced with any of the circumstances identified in the Code, SFR and Listing Manual and does not have any other relevant relationships, which may affect her independent judgement. The Board has considered whether Ms Chong had demonstrated independence in character and judgement in the discharge of her duties and responsibilities as a director and concluded that Ms Chong had acted with independent judgement. On the basis of the declaration of independence provided by Ms Chong and the guidance in the Code, SFR and Listing Manual, the Board arrived at the determination that Ms Chong is an Independent Director.

Mr Daniel Cuthbert Ee Hock Huat

Mr Daniel Cuthbert Ee Hock Huat is the non-executive chairman and a director of Keppel Infrastructure Fund Management Pte Ltd (KIFM), an associated corporation of Temasek. Mr Ee's role in KIFM is non-executive in nature and he is not involved in the day-to-day conduct of the business of KIFM. Mr Ee has confirmed that he serves on the Manager's board in his personal capacity and not as a representative of Temasek, and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Manager and Ascendas Reit.

The Board has considered the conduct of Mr Ee in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Ee does not have any other relevant relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, which may affect his independent judgement. The Board is therefore of the view that Mr Ee has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Ee is an Independent Director.

Mr Chinniah Kunnasagaran

Mr Chinniah Kunnasagaran is a non-executive director of various subsidiaries of Temasek and KIFM, an associated corporation of Temasek. Mr Chinniah's roles in these corporations are non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations. Mr Chinniah has confirmed that he serves on the Manager's board in his personal capacity and not as a representative of Temasek, and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Manager and Ascendas Reit.

The Board has considered the conduct of Mr Chinniah in the discharge of his duties and responsibilities as a Director, and is of the view that the relationships set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Chinniah does not have any other relevant relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, which may affect his independent judgement. The Board is therefore of the view that Mr Chinniah has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Chinniah is an Independent Director.

The Board is of the view that as at the last day of FY2020, each of Dr Beh, Mr Chan, Ms Chong, Mr Ee and Mr Chinniah was able to act in the best interests of all Unitholders in respect of the period in which they served as directors in FY2020.

The remaining directors, namely, Mr William Tay Wee Leong, Mr Manohar Khatani and Mr Lim Cho Pin Andrew Geoffrey, are all employees of CL Group and are not considered to be independent.

CORPORATE GOVERNANCE

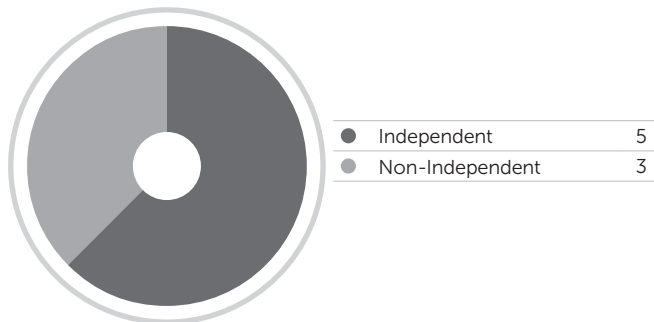
BOARD DIVERSITY

The Board embraces diversity and has formally adopted a Board Diversity Policy. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in business or professional experience, age and gender.

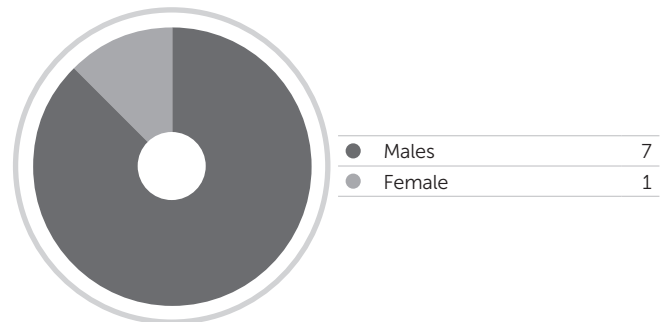
The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board’s decision-making capability and ensures that the Manager has the opportunity to benefit from all available 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. The current Board comprises eight members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, investment, real estate, information technology, legal, accounting, business and general management. The current Board has one female member. For further information on the Board’s work in this regard, please refer to “Board Membership” under Principle 4 in this Report.

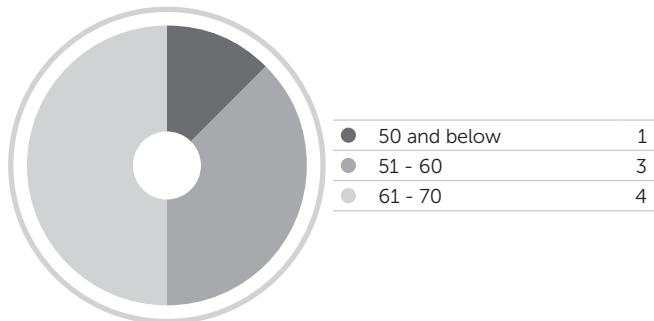
BOARD INDEPENDENCE



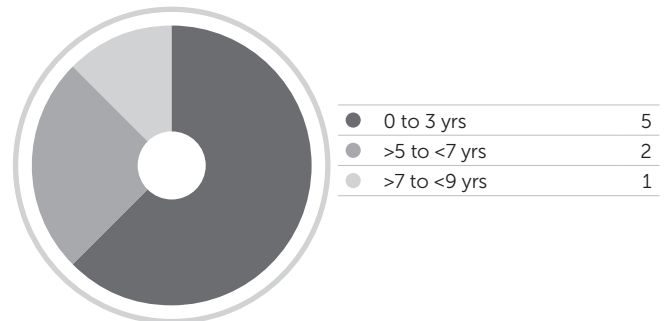
BOARD GENDER DIVERSITY



AGE SPREAD



TENURE MIX



CORPORATE GOVERNANCE

Principle 3: Chairman and Chief Executive Officer

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 Dr Beh Swan Gin, 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 the 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, 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 ID is not applicable. Nonetheless, the Board has approved the appointment of a lead ID, on the basis that such lead ID would provide leadership for the other IDs 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 ID would be 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 ID is Mr Chan Pengee, Adrian.

Principle 4: Board Membership

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

The Board is able to undertake the functions of a nominating 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 if the responsibilities of a nominating committee were also undertaken by the Board as the Board would be able to give adequate attention to such issues;
- (b) the focused scope of the business of Ascendas Reit also means a manageable competency requirement for the Board such that the Board is able to manage the duties of a nominating committee; and

CORPORATE GOVERNANCE

- (c) IDs form at least half of the Board and the Chairman is an ID, which demonstrates that the IDs play a substantive role, and assure the objectivity and independence of the decision-making process concerning nomination. 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 nomination.

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 committees have been substantively addressed.

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. All Board appointments are made based on merit and approved by the Board. The Board's scope of duties and responsibilities includes:

- (a) reviewing the size and composition of the Board, the succession plans for Directors, and the structure and membership of the Board Committees;
- (b) reviewing the process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
- (c) ensuring the provision of training and professional development programmes for the Board;
- (d) considering annually and, as and when circumstances require, if a Director is independent;
- (e) reviewing whether a Director has been adequately carrying out his or her duties as a Director; and
- (f) considering the appointment and re-appointment of directors.

Board Composition and Renewal

The Board strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to the Ascendas Reit Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Ascendas Reit Group. The Board has a few members who have prior working experience in the sector that Ascendas Reit operates in.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. The Board evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long term. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Manager continues to attract and retain highly qualified individuals to serve on the Board. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with Ascendas Reit's strategy and environment, and includes the following considerations: (a) the current size of the Board and Board Committees, composition mix and core competencies; (b) the candidate's/Director's independence, in the case of an independent director; (c) the composition requirements for the Board and relevant Board Committees (if the candidate/Director is proposed to be appointed to any Board Committee); and (d) the candidate's/Director's age, gender, track record, experience and capabilities and such other relevant factors as may be determined by the Board, which would provide an appropriate balance and contribute to the collective skills of the Board.

The Board supports the principle that Board renewal is a necessary and continual process, both for good governance and for ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of the Ascendas Reit Group's business.

CORPORATE GOVERNANCE

Board succession planning is carried out through the annual review of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be reviewed by the Board on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

Searches for possible candidates are conducted through contacts and recommendations. The Board may retain external consultants from time to time to assist the Board in identifying suitable candidates for appointment to the Board. Candidates are identified based on the needs of Ascendas Reit and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. The candidates will be assessed against a range of criteria including their demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background). The Board also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of Ascendas Reit. In addition, the Board assesses the candidates' ability to commit time to the affairs of Ascendas Reit, taking into consideration their other current appointments.

In FY2020, no alternate director to any Director was appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors.

Board Changes

On 6 July 2020, following the retirement of Mr Lim Hock San as Non-Executive Independent Director, Chairman and member of the IC, Dr Beh Swan Gin was appointed to the Board as Non-Executive Independent Director, Chairman and member of the IC.

With effect from 1 November 2020, (a) Mr Wong Yew Meng retired from his role as Non-Executive Independent Director and member of the ARC, (b) Ms Lim Sau Hoong retired from her role as Non-Executive Independent Director and (c) Mr Chinniah Kunnasagaran joined the Board as Non-Executive Independent Director and member of the ARC and IC.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo further training required under rule 210(5)(a) of the Listing Manual. As Dr Beh Swan Gin and Mr Chinniah Kunnasagaran have prior experience as a director of an issuer listed on the SGX-ST, they are not required to undergo the requisite training under rule 210(5)(a) of the Listing Manual.

Review of Directors' Ability to Commit Time

In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The Board conducts a review of the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Manager. In this regard, Directors are required to report to the Board any changes in their other appointments.

In respect of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near term plan regarding some of the other appointments. 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. IDs are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full time executive appointment.

CORPORATE GOVERNANCE

Each of the Directors is required to make his or her own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Manager. For FY2020, all non-executive Directors had undergone the self-assessment and provided the confirmation.

The Board assesses each Director's ability to commit time to the affairs of the Manager annually and, where appropriate, when there is a change of circumstances involving a Director. In conducting the assessment, the Board takes into consideration each Director's confirmation, his or her commitments, attendance record at meetings of the Board and Board Committees, as well as conduct and contributions (including preparedness and participation) at Board and Board Committee meetings.

The Directors' listed company directorships and principal commitments are disclosed on pages 29 to 32 of this Annual Report and their attendance record for FY2020 is set out on page 142 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the Ascendas Reit Group. For FY2020, the Directors achieved high meeting attendance rates and 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 and noted that no Director has a significant number of listed directorships and principal commitments.

Principle 5: Board Performance

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 are essential to effective stewardship and attaining success for Ascendas Reit.

As part of the Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate annually the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors. As part of the process, a questionnaire is sent to the Directors, and the evaluation results are aggregated and reported to the Chairman of the Board. The overall evaluation results are also shared with the Board and follow up action is taken where necessary with a view to enhancing the effectiveness of the Board and individual Directors in the discharge of its and their duties and responsibilities.

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 FY2020, 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, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY2020, 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.

CORPORATE GOVERNANCE

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

Principles 6, 7 and 8: Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

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 at least half 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, the framework of remuneration and the specific remuneration packages for each Director and for key management personnel and termination terms (if any) to ensure they are fair. 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 the 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.

CORPORATE GOVERNANCE

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 FY2020, 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 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.

Accordingly, the Board's procedures for developing remuneration policies are consistent with the intent of Principle 6 of the Code.

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 sustainable Unitholder value. 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

CORPORATE GOVERNANCE

Remuneration for Key Management Personnel

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 business 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: This includes targets relating to profitability, distributions and funding;
- Execution: This includes targets relating to occupancy rates, operational efficiency and stakeholder engagement;
- Future Growth: This includes targets relating to investments, asset transformation and asset enhancements; and
- Sustainability: This includes targets relating to renewable energy and green financing.

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, operating 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 were granted in FY2020 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), approved by the Board. The Manager believes that the Unit-based components of the remuneration for key management personnel serve 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.

CORPORATE GOVERNANCE

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 instil stronger identification with the longer-term performance and growth of the Ascendas Reit Group. Under these guidelines, senior members of Management are required to retain a prescribed proportion of Units received under the Unit Plans worth up to at least one year of basic salary.

Ascendas Funds Management (S) Limited Performance Unit Plan

In FY2020, 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 recipients 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 the TUR of Ascendas Reit Group 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 the 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 Units 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 Board has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. The recipient will receive fully paid Units at no cost.

In respect of the Unit awards granted under the PUP in FY2019 and FY2020, the respective qualifying performance periods have not ended as at the date of this Report.

Ascendas Funds Management (S) Limited Restricted Unit Plan

In FY2020, 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 pre-determined targets in respect of the following performance conditions:

- (a) Net property income of the Ascendas Reit Group; and
- (b) Distribution per Unit of the 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 in equal annual tranches over a vesting period of three years. No Units 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. The Board has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units at no cost.

In respect of the Unit awards granted under the RUP in FY2020, based on the Board's assessment that the performance achieved by the Ascendas Reit Group has met the pre-determined performance targets for FY2020, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

The Unit Plans of the Manager are performance-based and vest over a period of three years. Coupled with interlocking annual grants, this ensures ongoing alignment between remuneration and sustainable business performance in the longer term.

CORPORATE GOVERNANCE

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 business and individual goals and objectives, and based on the outcomes 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 142 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 interests of the Manager or Unitholders 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. The Manager is of the view that despite this partial deviation from Provision 8.1 of the Code, the disclosures on page 142 of this Annual Report are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency 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 relationship between Ascendas Reit's performance, value creation 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). The CL Subsidiary provides the services through its employees and employees of 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 the CL Subsidiary and 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 shorter-term and longer-term quantifiable objectives.

In FY2020, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY2020, 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.

CORPORATE GOVERNANCE

Disclosures under AIFMR

The Manager is also required under the AIFMR 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 FY2020 was approximately S\$8.89 million. This figure comprised of fixed pay of S\$5.35 million, variable pay of S\$3.11 million (including Units issued under the Unit Plans, where applicable) and allowances and benefits-in-kind of S\$0.43 million. There was a total of 49 beneficiaries of the remuneration described above. In respect of FY2020, the aggregate amount of remuneration awarded by the Manager to its senior management (which are also members of staff whose actions have a material impact on the risk profile of Ascendas Reit) was approximately S\$4.14 million, comprising 7 individuals identified having considered, among others, their roles and decision-making powers.

Remuneration for Non-Executive Directors

The non-executive Directors' fees for FY2020, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 143 of this Annual Report. The CEO who is an executive Director is remunerated as part of the key management personnel of the Manager and does not receive any Director's fees. The non-executive Directors who are employees of the CL Group also do not receive any Directors' fees.

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 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 geographic scope 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 and Ascendas Reit.

From FY2020, the payment of the non-executive Directors' fees is aligned with REITs in the CL Group. Instead of the previous arrangement where the non-executive Directors' fees are paid fully in cash, it will be paid in cash (about 80%) and in the form of Units (about 20%), save that (i) a non-executive Director (not being an employee of the CL Group) who steps down from the Board during a financial year will be paid fees fully in cash; and (ii) Dr Beh Swan Gin's fees are paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council. The Manager believes that the payment of a portion of the non-executive Directors' fees in Units will serve to align the interests of non-executive Directors with the interests of Unitholders and Ascendas Reit's long-term growth and value. In order to encourage the alignment of the interests of the non-executive Directors with the interests of Unitholders, a non-executive Director is required to hold the number of Units worth at least one year of his or her basic retainer fee or the total number of Units awarded to him or her, whichever is lower, at all times during his or her Board tenure.

In solidarity with Ascendas Reit's stakeholders, the Board agreed to a voluntary 5% reduction in the total FY2020 fees for each Director.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Manager maintains an adequate and effective system 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, including determining the risk strategy, risk appetite and risk limits, as well as the risk policies. The Board has established the ARC to assist it in carrying out the Board's responsibility of overseeing the Ascendas Reit's risk management framework and policies for the Ascendas Reit Group and ensuring that the Manager maintains a sound system of risk management and internal controls.

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

- (a) making recommendations to the Board on the Risk Appetite Statement (RAS) for Ascendas Reit Group;
- (b) reviewing the risk management framework, including the processes and resources to identify, assess and manage material risks;
- (c) overseeing the design, implementation and monitoring of the risk management and internal controls systems;
- (d) reviewing the material risks facing the Ascendas Reit Group and the management of risks thereof;
- (e) reviewing the adequacy and effectiveness of the risk management and internal controls systems covering material risks and the assurance given by the Manager, as well as the disclosures in the Annual Report; and
- (f) considering and advising on risk matters referred to it by the Board or Manager.

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 annually.

As part of the ERM Framework, the Manager, among other things, undertakes and performs a Risk and Control Self-Assessment (RCSA) annually to identify material risks along with their mitigating measures.

The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by the Manager, 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.

The Ascendas Reit Group's RAS, incorporating the risk limits, addresses the management of material risks faced by the Ascendas Reit Group. Alignment of the Ascendas Reit Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for the Manager) put in place across the Ascendas Reit Group.

More information on the Manager's ERM Framework including the material risks identified can be found in the ERM section on pages 144 to 149 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.

CORPORATE GOVERNANCE

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 FY2020 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, the CFO and the relevant key management personnel of the Manager have obtained similar assurances from the respective risk and control owners.

In addition, in FY2020, the Board received quarterly certification by the Manager 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 established and the reviews conducted by the Manager and both the internal and external auditors, as well as the assurance from the CEO, the CFO, the Board is of the opinion that the systems of risk management and internal 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 2020. 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 FY2020.

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 & Risk Committee

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 ARC Chairman and members bring with them invaluable recent and relevant managerial and professional expertise in accounting, auditing 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 includes:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of 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 Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems;
- (c) reviewing the scope and results of the external audit and the independence and objectivity of the external auditors;

CORPORATE GOVERNANCE

- (d) reviewing the adequacy and effectiveness of the Manager's internal audit and compliance functions;
- (e) 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;
- (f) reviewing and approving processes to regulate transactions between 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 requirements 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 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 property manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary; and
- (g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, and independently investigated, for appropriate follow up action to be taken.

The ARC undertook a review of the independence of the external auditors, taking into consideration, among other factors, non-audit services (if any) provided by the external auditors in FY2020, Ascendas Reit's relationships with the external auditors in FY2020, 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. 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 FY2020 amounted to S\$924,010, comprising audit fees of S\$817,110 and non-audit fees of S\$106,900.

The ARC holds at least four scheduled meetings in a year and met four times in FY2020. At all scheduled ARC meetings in FY2020, the CEO and the CFO were in attendance. During each of these 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 FY2020, 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 assurances from the CEO and the CFO.

The ARC also meets with the external auditors and with the internal auditors, without the presence of Management, at least once a year. In FY2020, 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 the 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.

CORPORATE GOVERNANCE

Key Audit Matter

In the review of the financial statements of Ascendas Reit Group for FY2020, the ARC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC reviewed, amongst other matters, the following key audit matter as reported by the external auditors for FY2020.

Key audit matter	How this issue was addressed by the ARC
Valuation of investment properties	<p>The annual valuation for the 197 investment properties in Ascendas Reit's portfolio as at 31 December 2020 was performed by nine independent external professional property valuers. The ARC considered the methodology applied to the valuation model in assessing the valuation of investment properties conducted by these valuers, and also evaluated the valuers' objectivity and competency.</p> <p>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.</p> <p>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.</p> <p>The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties, including capitalisation rates, discount rates, terminal yield and equivalent yield rates.</p> <p>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 2020. Refer to pages 152 and 153 of this Annual Report.</p> <p>No other significant matter came to the attention of the ARC during the course of the review.</p>

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 has in place an internal audit function supported by CL's Internal Audit Department (CL IA). CL IA is independent of the activities it audits and has unfettered access to the Ascendas Reit Group's documents, records, properties and employees, including access to the ARC, and has appropriate standing with respect to the Manager. The primary reporting line of CL IA in respect of Ascendas Reit Group is to the ARC, however, the ARC does not decide on the appointment, termination and remuneration of the head of CL IA as it operates at the CL Group level. While this is a deviation from Provision 10.4 which requires the ARC to decide on the appointment, termination and remuneration of the head of the internal audit function, CL IA is able to carry out its role effectively for the reasons below and is accordingly consistent with the intent of Principle 10 of the Code.

CORPORATE GOVERNANCE

The ARC monitors and assesses the role and effectiveness of the IA function through reviewing the IA process from time to time and may make recommendations to the Board for any changes to the IA process. The ARC also reviews to ensure that the IA function is adequately resourced and skilled in line with the nature, size and complexity of the Manager and Ascendas Reit's business, and that an adequate budget is allocated to the IA function to assure its proper functioning. In respect of FY2020, the ARC has carried out a review of the internal audit function and is satisfied that the internal audit function performed by CL IA is adequately resourced, effective and independent.

CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the ARC for approval prior to the beginning of each year. During FY2020, the ARC reviewed the results of audits performed by CL IA based on the approved audit plan. The ARC also reviewed reports on whistle blower complaints reviewed by CL IA to ensure independent and thorough investigation and adequate follow up.

CL IA is adequately resourced and staffed with persons with the relevant qualifications and experience. CL IA is a corporate member of The Institute of Internal Auditors Inc. (IIA), Singapore, which is an affiliate of the IIA with its headquarters in the United States of America (USA). CL IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by IIA, and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed by competent professionals, CL IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, CL IA staff who are involved in IT audits have the relevant professional IT certifications and are also members of the ISACA Singapore Chapter, a professional body administering information systems audit and information security certifications that is headquartered in the USA. The ISACA Information Systems Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. CL IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

UNITHOLDER RIGHTS AND ENGAGEMENT

Principles 11, 12 and 13: Shareholder Rights and Conduct of General Meetings, Engagement with Shareholders, Managing Stakeholder Relationships

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

In view of the COVID-19 pandemic, the previous general meeting held in FY2020 was, and the forthcoming AGM to be held on 29 April 2021 (AGM 2021) will be, held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (COVID-19 Temporary Measures Order). Alternative arrangements relating to attendance at the AGM 2021 (including arrangements by which the AGM 2021 can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2021, addressing of substantial and relevant questions prior to or at the AGM 2021 and voting by appointing the chairman of the meeting as proxy at the AGM 2021) are set out in the Manager's notice of annual general meeting dated 7 April 2021. The description below sets out Ascendas Reit's usual practice for Unitholders meetings when there are no pandemic risks and the COVID-19 Temporary Measures Order is not in operation.

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.

CORPORATE GOVERNANCE

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 AGMs, 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. 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 AGMs to address any queries that the Unitholders may have, including queries about the conduct of Ascendas Reit's external audit and the preparation and contents of the external auditors' report. Directors and Management also interact with Unitholders after the AGMs.

All Directors attended the general meeting held during their tenure in FY2020. A record of the Directors' attendance at the general meeting in FY2020 can be found in their meeting attendance records as set out on page 142 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 (such as via mail or email). The Manager will consider implementing the relevant amendments to Ascendas Reit's Trust Deed to permit 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 despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting Ascendas Reit even when they are not in attendance at general meetings. 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 AGMs are also made available on the Website. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

CORPORATE GOVERNANCE

Distribution Policy

Ascendas Reit's distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development) on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion. Distributions are generally paid within 35 market days after the relevant record date.

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.

The Manager provides Unitholders with periodic and annual financial statements within the relevant periods prescribed by the Listing Manual. In particular, for FY2020, full unaudited half-yearly financial statements have been released. These periodic and annual financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release 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. In addition, the Manager also conducts analysts' and media briefings, and the materials used for such briefings are uploaded on SGXNet.

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 sustainable value to 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 its Prospectus, 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, which sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions, is available on the Website. 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.

CORPORATE GOVERNANCE

More information on the Manager's investor and media relations efforts can be found in the Investor Relations section on pages 62 to 65 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 from time to time to gather feedback on the sustainability issues most important to them and to manage its 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 details of Ascendas Reit's sustainability strategy and stakeholder engagement can be found in the Integrated Sustainability Report prepared in accordance with the Global Reporting Initiative (GRI) Standards.

ADDITIONAL INFORMATION

Investment Committee

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

The IC comprises six Directors, three of whom are IDs. The six members on the IC are Mr Manohar Khiatani (IC Chairman), Dr Beh Swan Gin, Mr William Tay Wee Leong, Mr Daniel Cuthbert Ee Hock Huat, Mr Chinniah Kunnasagan and Mr Lim Cho Pin Andrew Geoffrey.

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 FY2020, 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) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

CORPORATE GOVERNANCE

In particular, the procedures in place include the following:

Interested Person Transactions ¹	Approving Authority, Procedures and Disclosure
S\$100,000 and above per transaction (which singly, or when aggregated with other transactions ² with the same Interested Person in the same financial year is less than S\$15 million)	<ul style="list-style-type: none"> • Management • Audit & Risk Committee (review at regular intervals)
Transaction above S\$15 million (which singly, or when aggregated with other transactions ² with the same Interested Person in the same financial year is less than 3.0% of Ascendas Reit's latest audited net tangible assets / net asset value)	<ul style="list-style-type: none"> • Management • Audit & Risk Committee
Transaction ² which: (a) is equal to or exceeds 3.0% of Ascendas Reit's latest audited net tangible assets / net asset value; or (b) when aggregated with other transactions ² with the same Interested Person in the same financial year is equal to or exceeds 3.0% of Ascendas Reit's latest audited net tangible assets / net asset value	<ul style="list-style-type: none"> • Management • Audit & Risk Committee • Immediate announcement
Transaction ² which: (a) is equal to or exceeds 5.0% of Ascendas Reit's latest audited net tangible assets / net asset value; or (b) when aggregated with other transactions ^{2,3} with the same Interested Person in the same financial year is equal to or exceeds 5.0% of Ascendas Reit's latest audited net tangible assets / net asset value	<ul style="list-style-type: none"> • Management • Audit & Risk Committee • Immediate announcement • Unitholders³

1 This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rules 915 and 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 In relation to approval by Unitholders for transactions that are equal to or exceed 5.0% of Ascendas Reit's latest audited net tangible assets / net asset value (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

The Manager has engaged BDO LLP (BDO) to carry out reviews on IPTs on a quarterly basis. As part of this engagement, BDO reviews, amongst other procedures, the maintenance of IPT registers, process of identification of IPTs, the comparables used for assessing if IPTs are undertaken on an arm's length basis and on normal commercial terms, and that there is reasonable and valid documentation supporting the conclusions on IPTs. Guidelines and procedures established to monitor IPTs will be audited by CL IA on a periodic basis.

CORPORATE GOVERNANCE

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, which in turn engages CL IA and BDO in separate IPT review engagements, 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. The ARC and the Trustee received quarterly reports on IPTs reviewed by BDO that they were on normal commercial terms and are not prejudicial to the interests of Ascendas Reit and its minority Unitholders.

Details of all Interested Person Transactions (equal to or exceeding S\$100,000 each in value) entered into by Ascendas Reit in FY2020 are disclosed on pages 256 to 257 of this Annual Report.

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.

CORPORATE GOVERNANCE

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 a pre-trading notification to the CEO and the Compliance department before any dealing in Ascendas Reit's securities.

This policy also provides for the Manager to maintain a list of persons who are privy to price-sensitive information relating to the 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 on 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 FY2020, based on the information available to the Manager, save as disclosed in accordance with such requirements and other than the awards of Units in part payment of Directors' fees, there were no dealings by the Directors in Ascendas Reit's securities.

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.

CORPORATE GOVERNANCE

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 this policy which is made available on CL Group's intranet.

Business Continuity Management

The Manager has implemented a Business Continuity Management (BCM) programme 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 and also has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and is able to tap on a pool of CL Group's employees who are trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of processes, procedures and escalation protocols. This holistic approach under the BCP 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, allow 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.

CORPORATE GOVERNANCE

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 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 the Ascendas Reit Group'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.

All prospective employees, officers and CMSL Representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS. 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 FY2020

Board Members	Audit & Risk Committee	Investment Committee
Dr Beh Swan Gin ¹ , C	–	M
Lim Hock San ² , C	–	M
William Tay Wee Leong, CEO	–	M
Chan Pengee, Adrian	C	–
Chong Chiet Ping	M	–
Lim Sau Hoong ³	–	–
Wong Yew Meng ⁴	M	–
Daniel Cuthbert Ee Hock Huat	M	M
Chinniah Kunnasagaran ⁵	M	M
Manohar Khiatani	M	C
Lim Cho Pin Andrew Geoffrey	–	M

Denotes: C – Chairman M – Member CEO – Chief Executive Officer

Notes:

- 1 Dr Beh Swan Gin was appointed as Non-Executive Independent Director, Chairman of the Board and a member of the Investment Committee on 6 July 2020.
- 2 Mr Lim Hock San retired as Non-Executive Independent Director, Chairman of the Board and a member of the Investment Committee on 6 July 2020.
- 3 Ms Lim Sau Hoong retired as Non-Executive Independent Director on 1 November 2020.
- 4 Mr Wong Yew Meng retired as Non-Executive Independent Director and a member of the Audit & Risk Committee on 1 November 2020.
- 5 Mr Chinniah Kunnasagaran was appointed as Non-Executive Independent Director, a member of the Audit & Risk Committee and a member of the Investment Committee on 1 November 2020.

CORPORATE GOVERNANCE

ATTENDANCE RECORD OF MEETINGS OF UNITHOLDERS, BOARD AND BOARD COMMITTEES IN FY2020¹

	Board ⁷	Audit & Risk Committee	AGM
No. of Meetings Held	8	4	1
Board Members			
Dr Beh Swan Gin ²	100%	N.A.	N.A.
Lim Hock San ³	100%	N.A.	100%
William Tay Wee Leong	100%	N.A.	100%
Chan Pengee, Adrian	100%	100%	100%
Chong Chiet Ping	100%	100%	100%
Lim Sau Hoong ⁴	100%	N.A.	100%
Wong Yew Meng ⁵	100%	100%	100%
Daniel Cuthbert Ee Hock Huat	100%	100%	100%
Chinniah Kunnasagaran ⁶	100%	100%	N.A.
Manohar Khatani	100%	100%	100%
Lim Cho Pin Andrew Geoffrey	100%	N.A.	100%

N.A.: Not Applicable.

- 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.
- Dr Beh Swan Gin was appointed as Non-Executive Independent Director, Chairman of the Board and a member of the Investment Committee on 6 July 2020.
- Mr Lim Hock San retired as Non-Executive Independent Director, Chairman of the Board and a member of the Investment Committee on 6 July 2020.
- Ms Lim Sau Hoong retired as Non-Executive Independent Director on 1 November 2020.
- Mr Wong Yew Meng retired as Non-Executive Independent Director and a member of the Audit & Risk Committee on 1 November 2020.
- Mr Chinniah Kunnasagaran was appointed as Non-Executive Independent Director, a member of the Audit & Risk Committee and a member of the Investment Committee on 1 November 2020.
- Includes a Board Strategy meeting and two ad-hoc Board meetings.

KEY MANAGEMENT PERSONNEL'S REMUNERATION

Key Management Personnel's Remuneration Table for FY2020

Remuneration	Components of remuneration			Total
	Salary inclusive of employer's CPF	Bonus and other benefits inclusive of employer's CPF ¹	Award of Units ²	
CEO				
William Tay Wee Leong	38%	33%	29%	100%
Remuneration band for CEO: Above S\$1,000,000 to S\$1,250,000				
Key Management Personnel (excluding CEO)				
Koo Lee Sze				
Yeow Kit Peng	51%	24%	25%	100%
Lawden Tan				
Serena Teo				
Aggregate of total remuneration for key management personnel (excluding CEO): S\$2,156,661				

- The amounts disclosed include bonuses earned which have been accrued for in FY2020.
- The proportion of value of the Unit awards is based on the fair value of the Units comprised in the contingent awards under the Ascendas Funds Management (S) Limited Restricted Unit Plan (RUP) and Ascendas Funds Management (S) Limited Performance Unit Plan (PUP) at the time of grant in FY2020. 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.

CORPORATE GOVERNANCE

NON-EXECUTIVE DIRECTORS' REMUNERATION TABLE FOR FY2020

	Components of Directors' fees ^{1,2} (S\$)		Total (S\$) ³
	Cash component	Unit component ²	
Non-Executive Directors			
Dr Beh Swan Gin ⁵	51,688 ⁶	–	51,688
Lim Hock San ⁷	57,061	–	57,061
Chan Pengee, Adrian	77,900	19,475	97,375
Chong Chiet Ping	55,744	13,936	69,680
Lim Sau Hoong ⁸	38,647	–	38,647
Wong Yew Meng ⁹	57,475	–	57,475
Daniel Cuthbert Ee Hock Huat	62,700	15,675	78,375
Chinniah Kunnasagaran ¹⁰	10,388	2,597	12,985
Manohar Khatani	N.A. ⁴	N.A. ⁴	N.A. ⁴
Lim Cho Pin Andrew Geoffrey	N.A. ⁴	N.A. ⁴	N.A. ⁴

Aggregate of remuneration for Non-Executive Directors: S\$463,286.00

N.A.: Not applicable

- 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.
- Each non-executive Director (save for non-executive Directors who are employees of CL Group) shall receive up to 20% of his or her Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the Units it holds.
- In solidarity with Ascendas Reit's stakeholders, the Board agreed to a voluntary 5% reduction in the total FY2020 fees for each Director.
- Non-executive Directors who are employees of CL Group do not receive Directors' fees.
- Dr Beh Swan Gin was appointed as Non-Executive Independent Director, Chairman of the Board and a member of the Investment Committee on 6 July 2020.
- All Director's fees payable to Dr Beh Swan Gin, a public officer, will be paid in cash to a government agency, The Directorship and Consultancy Appointments Council.
- Mr Lim Hock San retired as Non-Executive Independent Director and Chairman of the Board and a member of the Investment Committee on 6 July 2020. Mr Lim received all his Director's fees for FY2020 in cash.
- Ms Lim Sau Hoong retired as Non-Executive Independent Director on 1 November 2020. Ms Lim received all her Director's fees for FY2020 in cash.
- Mr Wong Yew Meng retired as Non-Executive Independent Director and a member of the Audit & Risk Committee on 1 November 2020. Mr Wong received all his Director's fees for FY2020 in cash.
- Mr Chinniah Kunnasagaran was appointed as Non-Executive Independent Director, a member of the Audit & Risk Committee and a member of the Investment Committee on 1 November 2020.

ENTERPRISE RISK MANAGEMENT

Ascendas Reit and its subsidiaries (Ascendas Reit Group) take a proactive approach to risk management, making it an integral part of Ascendas Reit Group’s business – both strategically and operationally. The 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). We take measured risks in a prudent manner for justifiable business reasons.

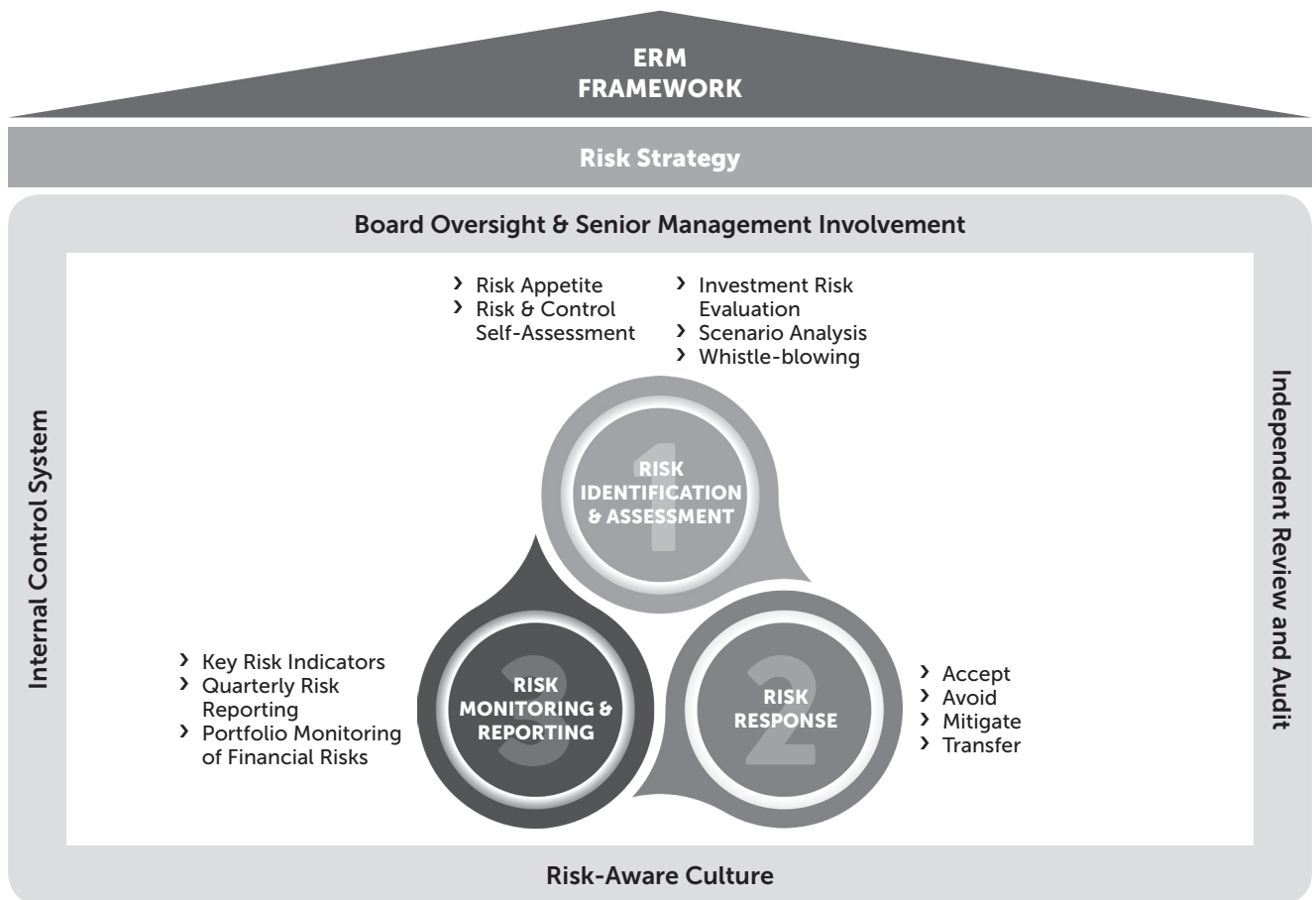
GOVERNANCE

The Board is responsible for the governance of risks across Ascendas Reit Group. The role of the Board includes determining the Ascendas Reit Group’s risk appetite; overseeing the Ascendas Reit Group’s Enterprise Risk Management (ERM) Framework; regularly reviewing the Ascendas Reit 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 & 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 four independent Board members and one non-independent Board member, meets on a regular basis. The meetings are attended by the Chief Executive Officer (CEO) as well as other key management personnel of the Manager.

The Board approves the Ascendas Reit Group’s risk appetite, which determines the nature and extent of material risks that the Ascendas Reit Group is willing to take to achieve its strategic and business objectives. Ascendas Reit Group’s Risk Appetite Statement (RAS) is expressed via formal, high-level and overarching statements and accompanying risk limits which determine specific risk boundaries established at an operational level. Taking the interests of key stakeholders into consideration, the RAS sets out explicit and forward-looking views of Ascendas Reit Group’s desired risk profile and ensures it is aligned with the Ascendas Reit Group’s strategies and business plans.

The CEO, together with a team of other key management personnel, is responsible for directing and monitoring the development, improvement, implementation and practice of ERM across the Ascendas Reit Group.



ENTERPRISE RISK MANAGEMENT

Ascendas Reit Group's ERM Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management Standards. It is also guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework and other relevant best practices and guidelines. It 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 and updated in compliance with latest regulatory requirements as well as best practices in the industry.

A robust internal control system and an effective, independent review and audit process underpin Ascendas Reit Group's ERM Framework. While line management is responsible for the design and implementation of effective internal controls using a risk-based approach, CapitaLand's 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.

Ascendas Reit Group's ERM programme is based on fostering the right risk culture. The Manager works closely with CapitaLand's Group Risk Management (GRM) to conduct regular workshops to enhance risk management knowledge and promote a culture of risk awareness. Risk management principles are embedded in all decision-making and business processes. Once a year, the Manager coordinates an Ascendas Reit Group's Risk and Control Self-Assessment (RCSA) exercise. This requires the respective risk and control owners to identify, assess and document material risks which includes Environment, Social and Governance (ESG)-relevant risks; along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed by the Manager before they are presented to the ARC and the Board.

MANAGING MATERIAL RISKS

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

Material Risk	Details	Key Mitigating Action
Business Interruption/ Pandemic	<ul style="list-style-type: none"> Business disruptions arising from COVID-19 pandemic has negatively impacted the real estate industry, resulting in potential structural disruption shifts. It accelerated the pace of pre-existing trends on digital adoption, which has disrupted and transformed the real estate industry to an even greater extent. It also spurred stakeholders' attention on the diversification and resilience in Ascendas Reit Group's supply chain. 	<ul style="list-style-type: none"> Continue to place well-being of tenants, guests, customers as top priority by adopting contactless technologies and innovative technological solutions to enhance the safety, cleanliness and hygiene at Ascendas Reit Group's properties. Put in place business continuity planning with split team arrangements to ensure availability of essential personnel or critical shared services support during a disruption. Future proof Ascendas Reit Group's business through digitalisation of business operations and processes, innovation and flexibility in Ascendas Reit Group's product offerings such as accelerating omnichannel solutions, optimising the use-of-space, providing flexible work space and extending offerings in the new norm. Identify counter-cyclical opportunities that will strategically uplift Ascendas Reit Group's growth trajectory. Build collaborative relationships and work closely with supply chain contractors, vendors and suppliers to achieve environmental and social goals through CapitaLand's Supply Chain Code of Conduct.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Climate Change	<ul style="list-style-type: none"> Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. Transitional risks including potentially more stringent regulations and increased expectations from stakeholders. 	<ul style="list-style-type: none"> Regularly review Ascendas Reit Group's mitigation and adaptation efforts, which include future proofing its portfolio against changing climatic conditions from the design stage and improving the operational efficiency of our properties, and setting targets for carbon emissions, water, energy and waste efficiency. Some examples of Ascendas Reit Group's efforts include: <ul style="list-style-type: none"> Installation of renewable energy infrastructure, such as solar panels and electric vehicle (EV) charging stations. Established Green Finance Framework, which sets out the overarching guidelines for issuances of green bonds and green loans. Preservation of biodiversity within Ascendas Reit Group's sites as well as the wider area wherever possible by addressing distinctive ecological features of the site, taking into consideration nature reserves on or near the site, protecting plant and animal species on the site and removing invasive plant species on or near the site. CapitaLand has in place a Group environmental management system which is externally certified to ISO 14001. For more information, please refer to: <ul style="list-style-type: none"> Ascendas Reit's Integrated Sustainability Report 2020 (https://ir.ascendas-reit.com/sustainability.html). CapitaLand's Global Sustainability Report 2020 (https://www.capitaland.com/international/en/about-capitaland/sustainability/sustainability-reports.html), to be published by 31 May 2021.
Economic	<ul style="list-style-type: none"> Exposure to event risks, such as pandemic, political leadership uncertainties/changes, trade wars, economic downturns and sudden changes in real estate-related regulations, in major economies as well as key financial and property markets. 	<ul style="list-style-type: none"> Disciplined approach to financial management. Diversified portfolio mix of different asset classes across geographies. Diversified tenant base, many of which are multi-national corporations spanning across wide range of industry sectors. Actively monitor macroeconomic trends, policies and regulatory changes in key markets.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Financial (including Funding & Liquidity, Foreign Exchange and Interest Rates)	<ul style="list-style-type: none"> Exposure to financial risks involving liquidity, foreign currency and interest rates given Ascendas Reit Group's diversified portfolio of properties across geographies. Volatility of cash flow negatively impacting planned cash generation and cash usage profile. Volatility of foreign currencies and interest rates resulting in realised/unrealised losses. 	<ul style="list-style-type: none"> Actively monitor Ascendas Reit Group's debt maturity profile, operating cash flows and the availability of funding to ensure that there are sufficient liquid reserves, in the form of cash and banking facilities, to finance Ascendas Reit Group's operations. Access to various sources of funds from both banks and capital markets to minimise over-reliance on a single source of funds for any funding or refinancing requirements. Adopt natural hedging, where possible, by borrowing in the same currency as the revenue stream generated from the investments. Actively review and maintain an optimal mix of fixed and floating rate borrowings. For more details, please refer to the Financial Risk Management section on page 232.
Fraud, Bribery & Corruption	<ul style="list-style-type: none"> Any forms of fraud, bribery and corruption that could be perpetrated by employees, third parties or collusion between employees and third parties. 	<ul style="list-style-type: none"> Promotes an ethical culture at all levels of the CapitaLand Group that builds strong foundations for a leading real estate company through constant education and awareness exercises. Adopt a zero-tolerance stance against fraud, bribery and corruption in the conduct of business and reinforce the importance of integrity – one of CapitaLand Group's core values. Communicate the commitment to integrity from the top through policies in place, such as Fraud, Bribery & Corruption (FBC) Risk Management Policy, Whistle-blowing Policy, Ethics and Code of Business Conduct Policies and Anti-Money Laundering and Countering the Financing of Terrorism Policy. All employees are to sign the CapitaLand Pledge to renew their commitment to uphold the Group's core values annually.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Information Technology/ Cyber Security	<ul style="list-style-type: none"> Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of Ascendas Reit Group's information assets and/or systems. This may have negative impact to customer experience, financials and/or regulatory compliance. 	<ul style="list-style-type: none"> The outsourced Information Technology (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. The ARC was updated on the implementation of the strategy. Roll out ongoing staff IT Security Awareness Training to counter human intervention in the information security chain. 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 incidents. Conduct annual Disaster Recovery Plan (DRP) exercise to ensure timely recoverability of business-critical IT systems. Engage independent security service providers to conduct vulnerability assessment to further strengthen the IT systems.
Investment & Divestment	<ul style="list-style-type: none"> Deployment of capital into loss-making or below target return investments such as asset enhancement initiatives, property acquisition or redevelopment, and greenfield developments. Inadequate planning to identify suitable divestment opportunities. 	<ul style="list-style-type: none"> Evaluate all investments and developments against a rigorous set of criteria which includes potential for growth in yield, rental sustainability and potential for value creation. All major investment and divestment decisions are reviewed and approved by the Board. Conduct rigorous due diligence reviews on all investment or divestment proposals where key financial assumptions are reviewed, and sensitivity analysis are performed on key variables. Identify potential risks associated with proposed projects and issues that may affect smooth implementation or attainment of projected outcomes at the evaluation stage and devise action plans to mitigate such risks as early as possible. Hurdle rates and weighted average cost of capital based on relevant risk adjusted input parameters, that are used as investment benchmarks are reviewed/updated regularly and adjusted where necessary. Monitor asset performance for both completed and projects under development. Integrate sustainability in real estate life cycle from the earliest stage of investment, redevelopment and divestment process.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Regulatory & Compliance	<ul style="list-style-type: none"> Non-compliance to applicable local laws and regulations in the markets Ascendas Reit Group operates in that may lead to hefty penalties/fines and negative publicity. 	<ul style="list-style-type: none"> Maintain a framework that proactively identifies the applicable laws and regulations, and embeds compliance into day-to-day operations. Leverage CapitaLand's in-house specialised teams such as compliance and tax that provide advisory services and updates on latest changes to laws and regulations. Report significant regulatory non-compliance cases (if any) to the ARC on a quarterly basis for oversight by the Board.
Safety, Health & Well-being	<ul style="list-style-type: none"> Increased expectations from stakeholders to provide safe and healthy environment, including well-being, at development projects and operations. 	<ul style="list-style-type: none"> Regularly review Ascendas Reit Group's mitigation efforts together with CapitaLand, which include work-related safety targets applicable to both Ascendas Reit Group and its supply chains. Some examples of Ascendas Reit Group's efforts include: <ul style="list-style-type: none"> Safety induction for new joiners and awareness training for employees (online-learning and digital resources implemented during the COVID-19 pandemic). Ensure Singapore-based contractors have at least bizSAFE Level 3 and ISO 14001. Increased frequency of thorough disinfection and sanitation measures and going beyond local advisories in implementation of precautionary measures during the COVID-19 pandemic. CapitaLand has in place a Group health and safety management system which is externally certified to ISO 45001. For more information, please refer to: <ul style="list-style-type: none"> Ascendas Reit's Integrated Sustainability Report 2020 (https://ir.ascendas-reit.com/sustainability.html). CapitaLand's Global Sustainability Report 2020 (https://www.capitaland.com/international/en/about-capitaland/sustainability/sustainability-reports.html), to be published by 31 May 2021.

REPORT OF THE TRUSTEE

Year ended 31 December 2020

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 156 to 252, 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

26 February 2021

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, the Fifteenth Supplemental Deed dated 20 August 2018, the Sixteenth Supplemental Deed dated 24 July 2019, the Seventeenth Supplemental Deed dated 3 April 2020 and the Eighteenth Supplemental Deed Dated 28 November 2020.

STATEMENT BY THE MANAGER

Year ended 31 December 2020

In the opinion of the directors of Ascendas Funds Management (S) Limited (the "Manager"), the accompanying financial statements set out on pages 156 to 252 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"), Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated 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 2020, 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 2020, 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

26 February 2021

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2020

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 2020, 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 156 to 252.

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 2020 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.

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 2020, the investment properties, with a carrying amount of \$13.7 billion, represent the single largest asset category on the statement of financial position.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2020

Key Audit Matters (continued)

Valuation of Investment Properties (continued)

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. The external valuers have also highlighted in their valuation reports that the real estate market has been impacted by the uncertainty that the COVID-19 pandemic has caused, that the valuations were current at the date of valuation only and that the values may change significantly and unexpectedly over a relatively short period of time.

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 also discussed with the external valuers on how they have considered the implications of COVID-19 and market uncertainty in the valuations. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and external industry and economic data where available. We assessed the reasonableness of the capitalisation, discount and terminal yield rates, and price per square metre, used in the valuations by comparing them against historical rates and industry data where available, taking into consideration comparability and market factors. We also assessed the overall appropriateness of the movements in fair value of the investment properties.

We further reviewed the 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.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2020

Responsibilities of the Manager for the Financial Statements (continued)

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2020

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

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 Christopher Wong.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

26 February 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group		Trust	
		31/12/2020 \$'000	31/12/2019 \$'000	31/12/2020 \$'000	31/12/2019 \$'000
Non-current assets					
Investment properties	4	13,707,692	12,743,792	9,017,200	9,061,600
Investment properties under development	5	259,782	182,057	223,000	147,469
Finance lease receivables	6	45,050	48,331	45,050	48,331
Right-of-use assets	7	609,956	617,639	609,956	617,639
Interests in subsidiaries	8	–	–	2,406,805	1,596,548
Loans to subsidiaries	8	–	–	288,323	267,705
Investment in an associate company	9	112,240	–	105,532	–
Investment in a joint venture	9	195	154	–	–
Deferred tax assets	16	1,484	–	–	–
Derivative assets	14	33,893	20,890	33,893	19,508
		<u>14,770,292</u>	<u>13,612,863</u>	<u>12,729,759</u>	<u>11,758,800</u>
Current assets					
Finance lease receivables	6	3,281	2,932	3,281	2,932
Trade and other receivables	11	67,177	36,339	24,657	25,587
Derivative assets	14	4,490	17,896	4,490	17,896
Investment properties held for sale	10	–	98,400	–	98,400
Loans to subsidiaries	8	–	–	–	269,559
Cash and fixed deposits	12	277,979	95,705	189,795	8,967
		<u>352,927</u>	<u>251,272</u>	<u>222,223</u>	<u>423,341</u>
Total assets		<u>15,123,219</u>	<u>13,864,135</u>	<u>12,951,982</u>	<u>12,182,141</u>
Current liabilities					
Trade and other payables	13	297,635	255,836	224,197	206,605
Security deposits		67,758	93,356	66,772	93,157
Derivative liabilities	14	7,847	6,279	3,648	384
Short term borrowings	15	226,430	215,082	226,556	215,082
Term loans	15	–	261,829	–	–
Medium term notes	15	194,209	99,966	194,209	99,966
Lease liabilities	7	37,222	37,509	37,222	37,509
Provision for taxation		11,965	9,109	990	953
		<u>843,066</u>	<u>978,966</u>	<u>753,594</u>	<u>653,656</u>

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group		Trust	
		31/12/2020 \$'000	31/12/2019 \$'000	31/12/2020 \$'000	31/12/2019 \$'000
Non-current liabilities					
Security deposits		100,327	65,210	94,614	59,704
Derivative liabilities	14	99,187	67,174	94,684	64,043
Amount due to a subsidiary		–	–	25,156	25,062
Term loans	15	2,560,701	2,239,135	744,208	975,053
Medium term notes	15	1,700,624	1,795,636	1,700,624	1,795,636
Lease liabilities	7	572,734	580,130	572,734	580,130
Other payables	13	86	87	–	–
Deferred tax liabilities	16	55,941	26,559	–	–
		5,089,600	4,773,931	3,232,020	3,499,628
Total liabilities		5,932,666	5,752,897	3,985,614	4,153,284
Net assets		9,190,553	8,111,238	8,966,368	8,028,857
Represented by:					
Unitholders' funds		8,891,615	7,810,370	8,667,430	7,727,989
Perpetual securities holders' funds	17	298,938	300,868	298,938	300,868
		9,190,553	8,111,238	8,966,368	8,028,857
Units in issue ('000)	18	4,020,843	3,612,694	4,020,843	3,612,694
Net asset value per unit (\$)		2.21	2.16	2.16	2.14

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

CONSOLIDATED STATEMENT OF TOTAL RETURN

Year ended 31 December 2020

	Note	Group 12 months ended 31/12/2020 \$'000	Group Nine months ended 31/12/2019 \$'000
Gross revenue	19	1,049,460	699,057
Property operating expenses	20	(273,214)	(161,379)
Net property income		776,246	537,678
Management fees			
– Base management fee	21	(67,065)	(43,332)
Trust expenses	22	(10,203)	(6,997)
Finance costs	23	(159,489)	(113,397)
Net foreign exchange differences		11,152	(8,640)
Gain on disposal of investment properties		5,390	3,220
Net income		556,031	368,532
Net change in fair value of financial derivatives		(33,625)	(3,784)
Net change in fair value of right-of-use assets	7	(5,438)	(4,668)
Net change in fair value of investment properties, investment properties under development and investment properties held for sale	4 & 5	(32,322)	48,059
Share of associated company's and joint venture's results	9	9,590	409
Total return for the year before tax		494,236	408,548
Tax expense	24	(37,158)	(20,677)
Total return for the year		457,078	387,871
Attributable to:			
Unitholders of the Trust and perpetual securities holders		457,078	387,871
Total return for the year		457,078	387,871
Earnings per Unit (cents)	25		
– Basic and diluted		12.055	11.682
Distribution per Unit (cents)	25		
As actually distributed to the Unitholders		14.688	11.490

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

CONSOLIDATED DISTRIBUTION STATEMENT

Year ended 31 December 2020

	Note	Group	
		12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Total amount available for distribution to Unitholders at beginning of the financial year		127,266	253,754
Total return for the year attributable to Unitholders and perpetual securities holders		457,078	387,871
Less: Amount reserved for distribution to perpetual securities holders		(15,142)	(10,736)
Distribution adjustments (Note A)		(11,384)	(54,411)
		430,552 ⁽¹⁾	322,724 ⁽¹⁾
Tax-exempt income		6,052	4,717
Distribution from capital		101,824	47,971
Total amount available for distribution to Unitholders for the year		538,428	375,412
Distribution of 5.740 cents per unit for the period from 01/07/20 to 18/11/20		(207,802)	–
Distribution of 7.270 cents per unit for the period from 01/01/20 to 30/06/20		(263,192)	–
Distribution of 3.507 cents per unit for the period from 01/10/19 to 31/12/19		(126,889)	–
Distribution of 7.983 cents per unit for the period from 01/04/19 to 30/09/19		–	(248,491)
Distribution of 8.146 cents per unit for the period from 01/10/18 to 31/03/19		–	(253,409)
		(597,883)	(501,900)
Total amount available for distribution to Unitholders at end of the financial year		67,811	127,266
Distribution per Unit (cents)	25	14.688	11.490
As actually distributed to the Unitholders			
⁽¹⁾ Comprises:			
– Taxable income		430,552	322,724

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

CONSOLIDATED DISTRIBUTION STATEMENT

Year ended 31 December 2020

Note A – Distribution adjustments comprise:

	Group	
	12 months ended 31/12/ 2020	Nine months ended 31/12/2019
	\$'000	\$'000
Amount reserved for distribution to perpetual securities holders	15,142	10,736
Management fee paid/payable in Units	13,292	8,642
Trustee fee	2,328	1,575
Deferred tax expenses	27,898	15,858
Income from subsidiaries, joint venture and associate company	(124,029)	(56,073)
Net change in fair value of financial derivatives	33,625	3,784
Net foreign exchange differences	(11,152)	8,640
Gain on disposal of investment properties	(5,390)	(3,220)
Net change in fair value of investment properties, investment properties under development and investment properties held for sale (Note 4)	32,322	(48,059)
Others	4,580	3,706
Total distribution adjustments	(11,384)	(54,411)

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2020

	Group		Trust	
	12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000	12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Unitholders' Funds				
Balance at beginning of the financial year	7,810,370	6,641,611	7,727,989	6,612,622
Operations				
Total return for the year attributable to Unitholders of the Trust	457,078	387,871	356,752	307,477
Less: Amount reserved for distribution to perpetual securities holders	(15,142)	(10,736)	(15,142)	(10,736)
Net increase in net assets resulting from operations	441,936	377,135	341,610	296,741
Movement in foreign currency translation reserve	41,478	(27,002)	–	–
Unitholders' transactions				
Units issued through equity fund raising	1,196,490	1,309,848	1,196,490	1,309,848
Acquisition fees paid/payable in Units	–	16,536	–	16,536
Management fees paid/payable in Units	13,292	8,642	13,292	8,642
Unit issue costs	(14,068)	(14,500)	(14,068)	(14,500)
Distributions to Unitholders	(597,883)	(501,900)	(597,883)	(501,900)
Net increase in net assets resulting from Unitholders' transactions	597,831	818,626	597,831	818,626
Balance at end of the financial year carried forward	8,891,615	7,810,370	8,667,430	7,727,989
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	300,868	304,382	300,868	304,382
Redemption of perpetual securities	(300,000)	–	(300,000)	–
Proceeds from the issuance of perpetual securities	300,000	–	300,000	–
Issue costs	(1,635)	–	(1,635)	–
Amount reserved for distribution to perpetual securities holders	15,142	10,736	15,142	10,736
Distribution to perpetual securities holders	(15,437)	(14,250)	(15,437)	(14,250)
Balance at end of the financial year	298,938	300,868	298,938	300,868
Total	9,190,553	8,111,238	8,966,368	8,028,857

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
Group										
<u>SINGAPORE</u>										
<i>Business & Science Park Properties</i>										
One-north										
Neuros & Immunos	31 Mar 2011	Leasehold	60 years ^(a)	31 Jan 2065 ^(a)	44 years ^(a)	8/8A Biomedical Grove	143,000	141,000	1.61	1.80
Nexus @one-north	04 Sep 2013	Leasehold	60 years	07 Jun 2071	50 years	1 & 3 Fusionopolis Link	197,000	194,000	2.22	2.48
Nucleos ^(vi)	11 Dec 2019	Leasehold	60 years ^(a)	31 May 2071	50 years	21 Biopolis Road	318,000	303,000	3.58	3.88
International Business Park										
Techquest	05 Oct 2005	Leasehold	60 years	15 Jun 2055	34 years	7 International Business Park	24,100	22,000	0.27	0.28
iQuest @ IBP ^(iv)	12 Jan 2007	Leasehold	60 years ^(a)	30 Nov 2055 ^(a)	35 years ^(a)	27 International Business Park	–	26,600	–	0.34
Acer Building	19 Mar 2008	Leasehold	60 years ^(a)	30 Apr 2056 ^(a)	35 years ^(a)	29 International Business Park	79,100	92,400	0.89	1.18
31 International Business Park	26 Jun 2008	Leasehold	60 years ^(a)	15 Dec 2054 ^(a)	34 years ^(a)	31 International Business Park	204,600	206,600	2.30	2.65
Nordic European Centre	08 Jul 2011	Leasehold	60 years ^(a)	31 Mar 2057 ^(a)	36 years ^(a)	3 International Business Park	120,700	119,500	1.36	1.53
Changi Business Park										
Honeywell Building	19 Nov 2002	Leasehold	60 years ^(a)	15 Dec 2058 ^(a)	38 years ^(a)	17 Changi Business Park Central 1	68,200	71,600	0.77	0.92
1 Changi Business Park Avenue 1	30 Oct 2003	Leasehold	60 years ^(a)	31 Jan 2061 ^(a)	40 years ^(a)	1 Changi Business Park Avenue 1	57,000	57,000	0.64	0.73
Hansapoint@CBP	22 Jan 2008	Leasehold	60 years ^(a)	31 Oct 2066 ^(a)	46 years ^(a)	10 Changi Business Park Central 2	111,700	119,900	1.26	1.54
1, 3 & 5 Changi Business Park Crescent	16 Feb 2009, 25 Sep 2009 & 31 Dec 2010	Leasehold	60 years ^(a)	30 Sep 2067 ^(a)	47 years ^(a)	1, 3 & 5 Changi Business Park Crescent	340,700	337,300	3.83	4.32
DBS Asia Hub	31 Mar 2010 & 15 April 2015	Leasehold	60 years ^(a)	30 Sep 2067 ^(a)	47 years ^(a)	2 & 2A Changi Business Park Crescent	199,100	191,000	2.24	2.44
AkzoNobel House	08 Dec 2011	Leasehold	60 years ^(a)	28 Feb 2061 ^(a)	40 years ^(a)	3 Changi Business Park Vista	71,300	70,800	0.80	0.91
ONE@Changi City	01 Mar 2016	Leasehold	60 years	29 Apr 2069	48 years	1 Changi Business Park Central 1	502,000	502,000	5.64	6.43
Science Park I										
TÜV SÜD PSB Building	18 Nov 2005	Leasehold	95.5 years	30 Jun 2080	60 years	1 Science Park Drive	90,000	90,000	1.01	1.15
The Rutherford & Oasis	26 Mar 2008	Leasehold	60 years	25 Mar 2068	47 years	87 & 89 Science Park Drive	100,000	100,000	1.12	1.28
Cintech I	29 Mar 2012	Leasehold	56 years	25 Mar 2068	47 years	73 Science Park Drive	58,600	57,500	0.66	0.74
Cintech II	29 Mar 2012	Leasehold	56 years	25 Mar 2068	47 years	75 Science Park Drive	49,000	46,000	0.55	0.59
Cintech III & IV	29 Mar 2012	Leasehold	56 years	25 Mar 2068	47 years	77 & 79 Science Park Drive	125,000	128,000	1.41	1.64
12,14 & 16 Science Park Drive	16 Feb 2017	Leasehold	99 years	31 May 2081	60 years	12, 14 and 16 Science Park Drive	464,000	452,700	5.22	5.80
Science Park II										
The Alpha	19 Nov 2002	Leasehold	60 years	18 Nov 2062	42 years	10 Science Park Road	102,000	102,000	1.15	1.31
The Aries, Sparkle & Gemini ⁽ⁱ⁾	19 Nov 2002	Leasehold	60 years	18 Nov 2062	42 years	41, 45 & 51 Science Park Road	206,300	200,500	2.32	2.57
The Capricorn	19 Nov 2002	Leasehold	60 years	18 Nov 2062	42 years	1 Science Park Road	123,000	119,000	1.38	1.52
The Galen	25 Mar 2013	Leasehold	66 years	24 Mar 2079	58 years	61 Science Park Road	150,000	147,000	1.69	1.88
The Kendall	30 Mar 2015	Leasehold	64 years	24 Mar 2079	58 years	50 Science Park Road	134,000	136,000	1.51	1.74
FM Global Centre ^(vi)	11 Dec 2019	Leasehold	99 years	23 Mar 2092	71 years	288 Pasir Panjang Road	98,300	95,700	1.11	1.22
Total Singapore Business & Science Park Properties							4,136,700	4,129,100	46.54	52.87

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
SINGAPORE										
Integrated Development, Amenities & Retail Properties										
Courts Megastore	30 Nov 2006	Leasehold	30 years	31 Dec 2035	15 years	50 Tampines North Drive 2	62,000	64,000	0.70	0.82
Giant Hypermart	06 Feb 2007	Leasehold	30 years	31 Dec 2035	15 years	21 Tampines North Drive 2	79,500	81,500	0.89	1.04
Aperia	08 Aug 2014	Leasehold	60 years	21 Feb 2072	51 years	8, 10 & 12 Kallang Avenue	584,000	584,000	6.57	7.48
Total Singapore Integrated Development, Amenities & Retail Properties							725,500	729,500	8.16	9.34
High-Specifications Industrial Properties & Data Centres										
Data Centres										
Telepark	02 Mar 2005	Leasehold	99 years	01 Apr 2091	70 years	5 Tampines Central 6	272,400	272,400	3.06	3.49
Kim Chuan Telecommunications Complex	02 Mar 2005	Leasehold	99 years	30 Mar 2091	70 years	38 Kim Chuan Road	146,300	144,800	1.65	1.85
38A Kim Chuan Road	11 Dec 2009	Leasehold	99 years	30 Mar 2091	70 years	38A Kim Chuan Road	127,800	126,400	1.44	1.62
High-Specifications Industrial Properties										
Techlink	19 Nov 2002	Leasehold	60 years	24 Sep 2053	33 years	31 Kaki Bukit Road 3	127,000	124,900	1.43	1.60
Siemens Centre	12 Mar 2004	Leasehold	60 years ^(a)	15 Dec 2061 ^(a)	41 years ^(a)	60 MacPherson Road	108,700	108,700	1.22	1.39
Infineon Building	01 Dec 2004	Leasehold	47 years ^(c)	30 Jun 2050 ^(c)	30 years ^(c)	8 Kallang Sector	90,600	90,700	1.02	1.16
Techpoint	01 Dec 2004	Leasehold	65 years	31 Mar 2052	31 years	10 Ang Mo Kio Street 65	150,200	155,200	1.69	1.99
Wisma Gulab ⁽ⁱⁱⁱ⁾	01 Dec 2004	Freehold	Freehold	-	-	190 MacPherson Road	-	-	-	-
KA Centre	02 Mar 2005	Leasehold	99 years	31 May 2058	37 years	150 Kampong Ampat	52,600	54,900	0.59	0.70
KA Place	02 Mar 2005	Leasehold	99 years	31 May 2058	37 years	159 Kampong Ampat	22,700	22,100	0.26	0.28
Pacific Tech Centre	01 Jul 2005	Leasehold	99 years	31 Dec 2061	41 years	1 Jalan Kilang Timor	90,900	91,200	1.02	1.17
Techview	05 Oct 2005	Leasehold	60 years	08 Jul 2056	36 years	1 Kaki Bukit View	159,800	161,200	1.80	2.06
1 Jalan Kilang	27 Oct 2005	Leasehold	99 years	31 Dec 2061	41 years	1 Jalan Kilang	24,100	25,000	0.27	0.32
30 Tampines Industrial Avenue 3	15 Nov 2005	Leasehold	60 years ^(a)	31 Dec 2063 ^(a)	43 years ^(a)	30 Tampines Industrial Avenue 3	37,000	37,800	0.42	0.48
138 Depot Road	15 Mar 2006	Leasehold	60 years ^(a)	30 Nov 2064 ^(a)	44 years ^(a)	138 Depot Road	68,700	70,300	0.77	0.90
2 Changi South Lane	01 Feb 2007	Leasehold	60 years ^(a)	15 Oct 2057 ^(a)	37 years ^(a)	2 Changi South Lane	38,300	38,300	0.43	0.49
CGG Veritas Hub	25 Mar 2008	Leasehold	60 years ^(a)	31 Dec 2066 ^(a)	46 years ^(a)	9 Serangoon North Avenue 5	15,700	16,300	0.18	0.21
Corporation Place	08 Dec 2011	Leasehold	60 years	30 Sep 2050	30 years	2 Corporation Road	120,000	123,900	1.35	1.59
31 Ubi Road 1	21 Feb 2006	Leasehold	60 years ^(a)	28 Feb 2050 ^(a)	29 years ^(a)	31 Ubi Road 1	28,800	29,300	0.32	0.38
80 Bendemeer Road	30 Jun 2014	Leasehold	58.9 years	30 Dec 2068	48 years	80 Bendemeer Road	212,300	212,300	2.39	2.72
Schneider Electric Building	27 Feb 2006	Leasehold	60 years	15 Nov 2055	35 years	50 Kallang Avenue	91,500	91,800	1.03	1.18
10 Toh Guan Road	05 Mar 2004	Leasehold	60 years ^(a)	15 Oct 2055 ^(a)	35 years ^(a)	10 Toh Guan Road	123,500	129,000	1.39	1.65
Total Singapore High-Specifications Industrial Properties & Data Centres							2,108,900	2,126,500	23.73	27.23

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
SINGAPORE										
Light Industrial Properties & Flatted Factories										
Flatted Factories										
Techplace I	19 Nov 2002	Leasehold	65 years	31 Mar 2052	31 years	Blk 4008-4012 Ang Mo Kio Avenue 10	142,000	144,000	1.60	1.84
Techplace II	19 Nov 2002	Leasehold	65 years	31 Mar 2052	31 years	Blk 5000-5004, 5008-5014 Ang Mo Kio Avenue 5	188,900	191,400	2.12	2.45
Light Industrial Properties										
OSIM Headquarters	20 Jun 2003	Leasehold	60 years	09 Mar 2057	36 years	65 Ubi Avenue 1	39,100	39,700	0.44	0.51
12 Woodlands Loop	29 Jul 2004	Leasehold	60 years ^(a)	15 Jan 2056 ^(a)	35 years ^(a)	12 Woodlands Loop	28,600	28,200	0.32	0.36
25 Changi South Street 1 ^(v)	26 Nov 2004	Leasehold	60 years ^(a)	30 Sep 2057 ^(a)	37 years ^(a)	25 Changi South Street 1	–	19,900	–	0.25
247 Alexandra Road	01 Dec 2004	Leasehold	99 years	25 Sep 2051	31 years	247 Alexandra Road	71,000	70,000	0.80	0.90
5 Tai Seng Drive	01 Dec 2004	Leasehold	60 years	30 Nov 2049	29 years	5 Tai Seng Drive	20,800	21,800	0.23	0.28
35 Tampines Street 92	01 Dec 2004	Leasehold	60 years ^(a)	31 Jan 2052 ^(a)	31 years ^(a)	35 Tampines Street 92	12,600	12,600	0.14	0.16
53 Serangoon North Avenue 4	27 Dec 2004	Leasehold	60 years ^(a)	30 Nov 2055 ^(a)	35 years ^(a)	53 Serangoon North Avenue 4	20,500	16,800	0.23	0.22
3 Tai Seng Drive	01 Apr 2005	Leasehold	60 years	30 Nov 2049	29 years	3 Tai Seng Drive	18,600	19,500	0.21	0.25
27 Ubi Road 4 ^(v)	01 Apr 2005	Leasehold	60 years ^(a)	31 Oct 2055 ^(a)	35 years ^(a)	27 Ubi Road 4	–	–	–	–
52 Serangoon North Avenue 4	04 Apr 2005	Leasehold	60 years ^(a)	15 Sep 2055 ^(a)	35 years ^(a)	52 Serangoon North Avenue 4	22,550	21,800	0.25	0.28
202 Kallang Bahru ⁽ⁱⁱⁱ⁾	04 Apr 2005	Leasehold	60 years	15 Jan 2041	20 years	202 Kallang Bahru	–	–	–	–
25 Ubi Road 4 ^(iv)	16 May 2005	Leasehold	60 years ^(a)	29 Feb 2056 ^(a)	35 years ^(a)	25 Ubi Road 4	–	–	–	–
Tampines Biz-Hub	05 Oct 2005	Leasehold	60 years ^(a)	30 Nov 2049 ^(a)	29 years ^(a)	11 Tampines Street 92	20,400	20,800	0.23	0.27
Hoya Building	05 Oct 2005	Leasehold	30 years	15 May 2033	12 years	455A Jalan Ahmad Ibrahim	8,500	8,600	0.10	0.11
37A Tampines Street 92	01 Dec 2005	Leasehold	60 years ^(a)	31 Aug 2054 ^(a)	34 years ^(a)	37A Tampines Street 92	20,800	18,700	0.23	0.24
Hamilton Sundstrand Building	09 Dec 2005	Leasehold	60 years ^(a)	28 Feb 2065 ^(a)	44 years ^(a)	11 Changi North Rise	42,600	42,600	0.48	0.55
Thales Building (I&II)	03 Jan 2006 & 20 Mar 2008	Leasehold	42 years ^(f)	30 Jun 2047 ^(f)	27 years ^(f)	21 Changi North Rise	12,900	12,900	0.15	0.17
Ubi Biz-Hub	27 Mar 2006	Leasehold	60 years ^(a)	30 Jun 2056 ^(a)	36 years ^(a)	150 Ubi Avenue 4	18,400	18,700	0.21	0.24
2 Senoko South Road	08 Jan 2007	Leasehold	60 years ^(a)	31 May 2056 ^(a)	35 years ^(a)	2 Senoko South Road	40,100	40,100	0.45	0.51
18 Woodlands Loop	01 Feb 2007	Leasehold	60 years ^(a)	15 Feb 2057 ^(a)	36 years ^(a)	18 Woodlands Loop	32,800	34,400	0.37	0.44
9 Woodlands Terrace	01 Feb 2007	Leasehold	60 years ^(a)	31 Dec 2054 ^(a)	34 years ^(a)	9 Woodlands Terrace	3,600	3,600	0.04	0.04
11 Woodlands Terrace	01 Feb 2007	Leasehold	60 years ^(a)	15 Jan 2056 ^(a)	35 years ^(a)	11 Woodlands Terrace	4,650	4,600	0.05	0.05
FoodAxis @ Senoko	15 May 2007	Leasehold	60 years ^(a)	15 Nov 2044 ^(a)	24 years ^(a)	1 Senoko Avenue	92,700	92,700	1.04	1.19
31 Joo Koon Circle	30 Mar 2010	Leasehold	60 years ^(a)	15 Aug 2055 ^(a)	35 years ^(a)	31 Joo Koon Circle	17,000	17,000	0.19	0.22
Total Singapore Light Industrial Properties & Flatted Factories							879,100	900,400	9.88	11.53

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
SINGAPORE										
Logistics & Distribution Centres										
20 Tuas Avenue 1	19 Feb 2004	Leasehold	58 years ^(b)	31 August 2056 ^(b)	36 years ^(b)	20 Tuas Avenue 1	88,300	87,300	0.99	1.12
LogisTech	04 Mar 2004	Leasehold	60 years	15 Nov 2056	36 years	3 Changi North Street 2	57,000	55,000	0.64	0.70
Changi Logistics Centre	09 Mar 2004	Leasehold	60 years ^(a)	15 Oct 2050 ^(a)	30 years ^(a)	19 Loyang Way	60,100	67,800	0.68	0.87
4 Changi South Lane	31 May 2004	Leasehold	60 years ^(a)	15 Oct 2057 ^(a)	37 years ^(a)	4 Changi South Lane	25,600	26,800	0.29	0.34
40 Penjuru Lane	21 Jul 2004	Leasehold	48 years ^(d)	31 Dec 2049 ^(d)	29 years ^(d)	40 Penjuru Lane	237,000	234,000	2.66	3.00
Xilin Districentre Building A&B	02 Dec 2004	Leasehold	60 years ^(a)	31 May 2054 ^(a)	33 years ^(a)	3 Changi South Street 2	34,300	35,600	0.39	0.46
20 Tuas Avenue 6	02 Dec 2004	Leasehold	60 years ^(a)	15 Jul 2050 ^(a)	30 years ^(a)	20 Tuas Avenue 6	7,600	7,600	0.09	0.10
Xilin Districentre Building D	09 Dec 2004	Leasehold	60 years ^(a)	31 Oct 2055 ^(a)	35 years ^(a)	6 Changi South Street 2	24,800	24,800	0.28	0.32
9 Changi South Street 3	28 Dec 2004	Leasehold	60 years ^(a)	30 Apr 2055 ^(a)	34 years ^(a)	9 Changi South Street 3	44,900	43,900	0.50	0.56
5 Toh Guan Road East	28 Dec 2004	Leasehold	60 years ^(a)	15 Dec 2049 ^(a)	29 years ^(a)	5 Toh Guan Road East	28,000	28,000	0.31	0.36
Xilin Districentre Building C	05 May 2005	Leasehold	60 years ^(a)	30 Sep 2054 ^(a)	34 years ^(a)	7 Changi South Street 2	29,000	29,000	0.33	0.37
19 & 21 Pandan Avenue	23 Sep 2005 & 01 Feb 2008	Leasehold	45 years ^(e)	31 Jan 2049 ^(e)	28 years ^(e)	19 & 21 Pandan Avenue	126,800	126,800	1.43	1.62
1 Changi South Lane	05 Oct 2005	Leasehold	60 years	31 Aug 2058	38 years	1 Changi South Lane	32,900	39,000	0.37	0.50
Logis Hub @ Clementi	05 Oct 2005	Leasehold	60 years ^(a)	15 May 2053 ^(a)	32 years ^(a)	2 Clementi Loop	23,000	23,000	0.26	0.29
11 Changi North Way	18 Nov 2005	Leasehold	60 years ^(a)	15 Nov 2063 ^(a)	43 years ^(a)	11 Changi North Way	15,000	15,000	0.17	0.19
21 Jalan Buroh	14 Jun 2006	Leasehold	58 years ^(a)	30 Sep 2055 ^(a)	35 years ^(a)	21 Jalan Buroh	67,000	73,000	0.75	0.93
21 Changi South Avenue 2	19 Mar 2008	Leasehold	60 years ^(a)	30 Sep 2054 ^(a)	34 years ^(a)	21 Changi South Avenue 2	20,600	18,000	0.23	0.23
15 Changi North Way	29 Jul 2008	Leasehold	60 years ^(a)	31 Dec 2066 ^(a)	46 years ^(a)	15 Changi North Way	45,100	44,800	0.51	0.57
Pioneer Hub	12 Aug 2008	Leasehold	30 years	30 Nov 2036	16 years	15 Pioneer Walk	119,000	116,000	1.34	1.49
71 Alps Avenue	02 Sep 2009	Leasehold	60 years ^(a)	14 Aug 2068 ^(a)	48 years ^(a)	71 Alps Avenue	23,700	23,700	0.27	0.30
90 Alps Avenue	20 Jan 2012	Leasehold	60 years ^(a)	22 Oct 2070 ^(a)	50 years ^(a)	90 Alps Avenue	57,300	57,000	0.64	0.73
Total Singapore Logistics & Distribution Centres							1,167,000	1,176,100	13.13	15.05
Total Singapore investment properties							9,017,200	9,061,600	101.42	116.02
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	24,893	19,486	0.28	0.25
494 – 500 Great Western Highway ^	23 Oct 2015	Freehold	Freehold	–	–	494-500 Great Western Highway, Arndell Park	47,776	38,740	0.54	0.50
1A & 1B Raffles Glade ^	18 Nov 2015	Freehold	Freehold	–	–	1A & 1B Raffles Glade, Eastern Creek	49,002	42,684	0.55	0.54
7 Grevillea Street ^	18 Nov 2015	Freehold	Freehold	–	–	7 Grevillea Street, Eastern Creek	131,777	123,412	1.48	1.58
5 Eucalyptus Place ^	18 Nov 2015	Freehold	Freehold	–	–	5 Eucalyptus Place, Eastern Creek	32,341	29,461	0.36	0.38
16 Kangaroo Avenue ^	18 Nov 2015	Freehold	Freehold	–	–	16 Kangaroo Avenue, Eastern Creek	45,571	41,060	0.51	0.53
1-15 Kellet Close ^	18 Nov 2015	Freehold	Freehold	–	–	1-15 Kellet Close, Erskine Park	57,528	49,411	0.65	0.64
94 Lenore Drive ^	18 Nov 2015	Freehold	Freehold	–	–	94 Lenore Drive, Erskine Park	50,521	44,076	0.57	0.57
1 Distribution Place ^	18 Nov 2015	Freehold	Freehold	–	–	1 Distribution Place, Seven Hills	28,666	26,213	0.32	0.34
6-20 Clunies Ross Street	22 Feb 2016	Freehold	Freehold	–	–	6-20 Clunies Ross Street, Pemulway	87,223	79,800	0.98	1.02
Balance carried forward – (Logistics & Distribution Centres)							555,298	494,343	6.24	6.35

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020 \$'000	31/12/2019 \$'000	31/12/2020 %	31/12/2019 %
AUSTRALIA										
Logistics & Distribution Centres (continued)										
Balance brought forward – (Logistics & Distribution Centres)							555,298	494,343	6.24	6.35
Logistics & Distribution Centres (Melbourne, Victoria)										
676-698 Kororoit Creek Road ^	23 Oct 2015	Freehold	Freehold	–	–	676-698 Kororoit Creek Road, Altona North	68,113	64,304	0.77	0.82
700-718 Kororoit Creek Road ^	23 Oct 2015	Freehold	Freehold	–	–	700-718 Kororoit Creek Road, Altona North	37,241	35,261	0.42	0.45
14-28 Ordish Road ^	18 Nov 2015	Freehold	Freehold	–	–	14-28 Ordish Road, Dandenong South	46,551	40,828	0.52	0.52
35-61 South Park Drive ^	18 Nov 2015	Freehold	Freehold	–	–	35-61 South Park Drive, Dandenong South	46,551	42,962	0.52	0.55
2-16 Aylesbury Drive ^	18 Nov 2015	Freehold	Freehold	–	–	2-16 Aylesbury Drive, Altona	23,276	21,806	0.26	0.28
81-89 Drake Boulevard ^	18 Nov 2015	Freehold	Freehold	–	–	81-89 Drake Boulevard, Altona	19,111	15,311	0.21	0.19
9 Andretti Court ^	18 Nov 2015	Freehold	Freehold	–	–	9 Andretti Court, Truganina	31,851	29,508	0.36	0.38
31 Permas Way ^	18 Nov 2015	Freehold	Freehold	–	–	31 Permas Way, Truganina	68,602	60,314	0.77	0.77
162 Australis Drive ^	18 Nov 2015	Freehold	Freehold	–	–	162 Australis Drive, Derrimut	27,441	25,981	0.31	0.33
52 Fox Drive	03 April 2017	Freehold	Freehold	–	–	52 Fox Drive, Dandenong South	29,205	27,652	0.33	0.35
169-177 Australis Drive	04 June 2018	Freehold	Freehold	–	–	169-177 Australis Drive, Derrimut	36,261	33,590	0.41	0.43
1314 Ferntree Gully Drive	26 June 2018	Freehold	Freehold	–	–	1314 Ferntree Gully Drive, Scoresby	16,268	15,218	0.18	0.19
Logistics & Distribution Centres (Brisbane, Queensland)										
62 Sandstone Place ^	23 Oct 2015	Freehold	Freehold	–	–	62 Sandstone Place, Parkinson	22,541	19,486	0.25	0.25
92 Sandstone Place ^	23 Oct 2015	Freehold	Freehold	–	–	92 Sandstone Place, Parkinson	17,886	20,321	0.20	0.26
62 Stradbroke Street ^	23 Oct 2015	Freehold	Freehold	–	–	62 Stradbroke Street, Heathwood	36,751	34,333	0.41	0.44
82 Noosa Street ^	23 Oct 2015	Freehold	Freehold	–	–	82 Noosa Street, Heathwood	51,942	48,019	0.58	0.61
95 Gilmore Road ^	23 Oct 2015	Freehold	Freehold	–	–	95 Gilmore Road, Berrinba	82,811	79,800	0.93	1.02
77 Logistics Place ^	18 Nov 2015	Freehold	Freehold	–	–	77 Logistics Place, Larapinta	24,991	24,404	0.28	0.31
99 Radius Drive ^	18 Nov 2015	Freehold	Freehold	–	–	99 Radius Drive, Larapinta	26,951	23,940	0.30	0.30
1-7 Wayne Goss Drive	07 Sep 2018	Freehold	Freehold	–	–	1-7 Wayne Goss Drive, Berrinba	31,851	29,368	0.36	0.38
Cargo Business Park	17 Sep 2018	Freehold	Freehold	–	–	56 Lavarack Ave, Eagle Farm	31,851	30,621	0.36	0.39
Logistics & Distribution Centres (Perth, Western Australia)										
35 Baile Road ^	23 Oct 2015	Freehold	Freehold	–	–	35 Baile Road, Canning Vale	39,691	37,580	0.45	0.48
Total Australia Logistics & Distribution Centres							1,373,035	1,254,950	15.42	16.05

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
AUSTRALIA										
Suburban Offices										
Suburban Offices (Sydney, New South Wales)										
197-201 Coward Street	09 Sep 2016	Freehold	Freehold	–	–	197-201 Coward Street, Mascot	174,446	164,472	1.99	2.12
Suburban Offices (Brisbane, Queensland)										
100 Wickham	25 Sep 2017	Freehold	Freehold	–	–	100 Wickham Street, Fortitude Valley	75,951	67,087	0.85	0.86
108 Wickham	22 Dec 2017	Freehold	Freehold	–	–	108 Wickham Street, Fortitude Valley	98,003	88,152	1.10	1.13
Suburban Offices (Melbourne, Victoria)										
254 Wellington Road ^(viii)	11 Sep 2020	Freehold	Freehold	–	–	254 Wellington Road, Mulgrave	102,903	–	1.16	–
Total Australia Suburban Offices							451,303	319,711	5.10	4.11
Total Australia investment properties							1,824,338	1,574,661	20.52	20.16

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
UNITED KINGDOM										
Logistics & Distribution Centres (East England)										
Market Garden Road	16 Aug 2018	Freehold	Freehold	–	–	Market Garden Road, Stratton Business Park, Biggleswade	38,088	36,848	0.43	0.47
Logistics & Distribution Centres (East Midlands)										
Common Road	16 Aug 2018	Freehold	Freehold	–	–	Common Road, Fullwood Industrial Estate, Huthwaite, Sutton-in-Ashfield	37,066	35,094	0.42	0.45
Unit 1-5, Export Drive	16 Aug 2018	Freehold	Freehold	–	–	Units 1-5, Export Drive, Huthwaite, Sutton-in-Ashfield	2,516	2,983	0.03	0.04
Logistics & Distribution Centres (North West England)										
Astmoor Road	16 Aug 2018	Freehold	Freehold	–	–	Astmoor Road, Astmoor Industrial Estate, Runcorn	45,510	51,324	0.51	0.66
Transpennine 200	16 Aug 2018	Freehold	Freehold	–	–	Transpennine 200, Pilsforth Road, Heywood, Greater Manchester	11,822	14,081	0.13	0.18
Leacroft Road	04 Oct 2018	Freehold	Freehold	–	–	Leacroft Road, Birchwood, Warrington	13,422	9,388	0.15	0.12
Hawleys Lane ^(a)	04 Oct 2018	965 years	Leasehold	22 Nov 2962	942 years	Hawleys Lane, Warrington	38,666	42,814	0.43	0.54
8 Leacroft Road	04 Oct 2018	Freehold	Freehold	–	–	8 Leacroft Road, Birchwood, Warrington	11,200	12,370	0.13	0.16
Logistics & Distribution Centres (South East England)										
Howard House ^(a)	16 Aug 2018	999 years	Leasehold	28 Nov 3004	984 years	Howard House, Howard Way, Interchange Park, Newport Pagnell	51,821	53,079	0.58	0.68
Units 1-2, Tower Lane	16 Aug 2018	Freehold	Freehold	–	–	Units 1-2, Tower Lane, Stoke Park, Tower Industrial Estate, Eastleigh	20,444	20,144	0.23	0.26
Lodge Road	4 Oct 2018	Freehold	Freehold	–	–	Lodge Road, Staplehurst, Kent	23,911	22,811	0.27	0.29
Logistics & Distribution Centres (West Midlands)										
Eastern Avenue	16 Aug 2018	Freehold	Freehold	–	–	Eastern Avenue, Derby Road, Burton-on-Trent	25,333	25,794	0.28	0.33
Vernon Road	16 Aug 2018	Freehold	Freehold	–	–	Vernon Road, Stoke-on-Trent	27,733	30,224	0.31	0.38
1 Sun Street	04 Oct 2018	Freehold	Freehold	–	–	1 Sun Street, Wolverhampton	37,084	43,604	0.42	0.56
The Triangle	04 Oct 2018	Freehold	Freehold	–	–	The Triangle, North View, Walsgrave, Coventry	40,888	44,306	0.46	0.57
Unit 103, Stonebridge Cross Business Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 103, Stonebridge Cross Business Park, Droitwich	2,222	2,193	0.02	0.03
Unit 302, Stonebridge Cross Business Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 302, Pointon Way, Stonebridge Cross Business Park, Droitwich	36,799	36,322	0.41	0.46
Unit 401, Stonebridge Cross Business Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 401, Pointon Way, Stonebridge Cross Business Park, Droitwich	9,822	10,265	0.11	0.13
Unit 402, Stonebridge Cross Business Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 402, Pointon Way, Stonebridge Cross Business Park, Droitwich	8,427	8,159	0.09	0.10
Balance carried forward – (Logistics & Distribution Centres)							482,774	501,803	5.41	6.41

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
UNITED KINGDOM										
Balance brought forward – (Logistics & Distribution Centres)							482,774	501,803	5.41	6.41
Logistics & Distribution Centres (West Midlands) (continued)										
Unit 404, Stonebridge Cross Business Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 404, Pointon Way, Stonebridge Cross Business Park, Droitwich	7,911	8,247	0.09	0.11
Unit 1, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 1, Wellesbourne Distribution Park, Wellesbourne, Warwick	45,688	43,165	0.51	0.55
Unit 2, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 2, Wellesbourne Distribution Park, Wellesbourne, Warwick	29,155	28,601	0.33	0.37
Unit 3, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 3, Wellesbourne Distribution Park, Wellesbourne, Warwick	40,284	43,253	0.45	0.56
Unit 4, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 4, Wellesbourne Distribution Park, Wellesbourne, Warwick	10,311	10,616	0.12	0.14
Unit 5, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 5, Wellesbourne Distribution Park, Wellesbourne, Warwick	10,667	12,195	0.12	0.16
Unit 8, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 8, Wellesbourne Distribution Park, Wellesbourne, Warwick	21,333	20,486	0.24	0.26
Unit 13, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 13, Wellesbourne Distribution Park, Wellesbourne, Warwick	7,733	8,466	0.09	0.11
Balance carried forward – (Logistics & Distribution Centres)							655,856	676,832	7.36	8.67

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
UNITED KINGDOM										
Balance brought forward – (Logistics & Distribution Centres)							655,856	676,832	7.36	8.67
Logistics & Distribution Centres (West Midlands) (continued)										
Unit 14, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 14, Wellesbourne Distribution Park, Wellesbourne, Warwick	16,444	14,213	0.18	0.18
Unit 16, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 16, Wellesbourne Distribution Park, Wellesbourne, Warwick	3,244	3,202	0.04	0.04
Unit 17, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 17, Wellesbourne Distribution Park, Wellesbourne, Warwick	1,973	2,018	0.02	0.03
Unit 18, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 18, Wellesbourne Distribution Park, Wellesbourne, Warwick	1,600	1,755	0.02	0.02
Unit 19, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 19, Wellesbourne Distribution Park, Wellesbourne, Warwick	1,778	2,062	0.02	0.03
Unit 20, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 20, Wellesbourne Distribution Park, Wellesbourne, Warwick	4,711	4,167	0.05	0.05
Unit 21, Wellesbourne Distribution Park	04 Oct 2018	Freehold	Freehold	–	–	Unit 21, Wellesbourne Distribution Park, Wellesbourne, Warwick	6,400	5,483	0.07	0.07
Logistics & Distribution Centres (Yorkshire and the Humber)										
12 Park Farm Road ^(iv)	16 Aug 2018	Freehold	Freehold	–	–	12 Park Farm Road, Foxhills Industrial Estate, Scunthorpe	18,312	18,600	0.21	0.24
Units 1a, 1b, 2 & 3, Upwell Street	16 Aug 2018	Freehold	Freehold	–	–	Units 1a, 1b, 2 & 3, Upwell Street, Victory Park, Sheffield	30,755	29,566	0.35	0.37
Unit 3, Brookfields Way	16 Aug 2018	Freehold	Freehold	–	–	Unit 3, Brookfields Way, Rotherham	24,800	21,934	0.28	0.28
Lowfields Way	04 Oct 2018	Freehold	Freehold	–	–	Lowfields Way, Lowfields Business Park, Elland, Yorkshire	16,355	17,898	0.18	0.23
Total United Kingdom investment properties							782,228	797,730	8.78	10.21

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
UNITED STATES										
Business Park (San Diego, California)										
5005 & 5010 Wateridge ^(vi)	11 December 2019	Freehold	Freehold	–	–	5005 & 5010 Wateridge Vista Drive, San Diego	112,412	117,824	1.26	1.51
6055 Lusk Boulevard ^(vi)	11 December 2019	Freehold	Freehold	–	–	6055 Lusk Boulevard, San Diego	53,106	47,891	0.60	0.61
10020 Pacific Mesa Boulevard ^(vi)	11 December 2019	Freehold	Freehold	–	–	10020 Pacific Mesa Boulevard, San Diego	181,961	173,606	2.05	2.22
15051 Avenue of Science ^(vi)	11 December 2019	Freehold	Freehold	–	–	15051 Avenue of Science, San Diego	35,718	37,551	0.40	0.48
15073 Avenue of Science ^(vi)	11 December 2019	Freehold	Freehold	–	–	15073 Avenue of Science, San Diego	25,879	27,483	0.29	0.35
15231, 15253 & 15333 Avenue of Science ^(vi)	11 December 2019	Freehold	Freehold	–	–	15231, 15253 & 15333 Avenue of Science	89,228	100,409	1.00	1.29
15378 Avenue of Science ^(vi)	11 December 2019	Freehold	Freehold	–	–	15378 Avenue of Science, San Diego	38,414	41,497	0.43	0.53
15435 & 15445 Innovation Drive ^(vi)	11 December 2019	Freehold	Freehold	–	–	15435 & 15445 Innovation Drive, San Diego	56,206	60,817	0.63	0.78
Business Park (Raleigh, North Carolina)										
5200 East & West Paramount Parkway ^(vi)	11 December 2019	Freehold	Freehold	–	–	5200 East & West Paramount Parkway, Morrisville	101,224	101,361	1.14	1.30
Perimeter One ^(vi)	11 December 2019	Freehold	Freehold	–	–	3005 Carrington Mill Boulevard, Morrisville	79,928	74,966	0.90	0.96
Perimeter Two ^(vi)	11 December 2019	Freehold	Freehold	–	–	3020 Carrington Mill Boulevard, Morrisville	75,076	75,374	0.84	0.97
Perimeter Three ^(vi)	11 December 2019	Freehold	Freehold	–	–	3015 Carrington Mill Boulevard, Morrisville	92,868	76,599	1.04	0.98
Perimeter Four ^(vi)	11 December 2019	Freehold	Freehold	–	–	3025 Carrington Mill Boulevard, Morrisville	76,289	71,021	0.86	0.91
Balance carried forward – (Business Park)							1,018,309	1,006,399	11.44	12.89

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

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	
							31/12/2020	31/12/2019	31/12/2020	31/12/2019
							\$'000	\$'000	%	%
UNITED STATES										
Balance carried forward – (Business Park)							1,018,309	1,006,399	11.44	12.89
Business Park (Portland, Oregon)										
The Atrium ^(vi)	11 December 2019	Freehold	Freehold	–	–	15220 NW Greenbrier Parkway, Beaverton	42,053	44,626	0.47	0.57
The Commons ^(vi)	11 December 2019	Freehold	Freehold	–	–	15455 NW Greenbrier Parkway, Beaverton	16,713	17,279	0.19	0.22
Greenbrier Court ^(vi)	11 December 2019	Freehold	Freehold	–	–	14600-14700 NW Greenbrier Parkway, Beaverton	19,274	22,857	0.22	0.29
Parkside ^(vi)	11 December 2019	Freehold	Freehold	–	–	15350-15400 NW Greenbrier Parkway, Beaverton	26,688	27,619	0.30	0.36
Ridgeview ^(vi)	11 December 2019	Freehold	Freehold	–	–	15201 NW Greenbrier Parkway, Beaverton	21,701	21,497	0.24	0.28
Waterside ^(vi)	11 December 2019	Freehold	Freehold	–	–	14908,14924,15247 and 15272 NW Greenbrier Parkway, Beaverton	27,901	31,157	0.31	0.40
8300 Creekside ^(vi)	11 December 2019	Freehold	Freehold	–	–	8300 SW Creekside Place, Beaverton	15,500	14,694	0.17	0.19
8305 Creekside ^(vi)	11 December 2019	Freehold	Freehold	–	–	8305 SW Creekside Place, Beaverton	4,852	4,898	0.05	0.06
8405 Nimbus ^(vi)	11 December 2019	Freehold	Freehold	–	–	8405 SW Nimbus Avenue, Beaverton	19,679	20,272	0.22	0.26
8500 Creekside ^(vi)	11 December 2019	Freehold	Freehold	–	–	8500 SW Creekside Place, Beaverton	22,644	22,721	0.25	0.29
8700-8770 Nimbus ^(vi)	11 December 2019	Freehold	Freehold	–	–	8700-8770 SW Nimbus Avenue, Beaverton	8,492	8,027	0.10	0.10
Creekside 5 ^(vi)	11 December 2019	Freehold	Freehold	–	–	8705 SW Nimbus Avenue, Beaverton	13,613	14,150	0.15	0.18
Creekside 6 ^(vi)	11 December 2019	Freehold	Freehold	–	–	8905 SW Nimbus Avenue, Beaverton	24,396	25,034	0.27	0.32
Business Park (Portland, Oregon)										
9205 Gemini ^(vi)	11 December 2019	Freehold	Freehold	–	–	9205 SW Gemini Drive, Beaverton	11,861	10,476	0.13	0.13
9405 Gemini ^(vi)	11 December 2019	Freehold	Freehold	–	–	9405 SW Gemini Drive, Beaverton	17,926	18,095	0.20	0.23
Total United States Business Park							1,311,602	1,309,801	14.71	16.77
Office (San Francisco, California)										
505 Brannan Street ⁽ⁱⁱ⁾	20 November 2020	Freehold	Freehold	–	–	505 Brannan Street, San Francisco	270,920	–	3.05	–
510 Townsend Street ⁽ⁱⁱ⁾	20 November 2020	Freehold	Freehold	–	–	510 Townsend Street, San Francisco	501,404	–	5.68	–
Total United States Office							772,324	–	8.73	–
Total United States investment properties							2,083,926	1,309,801	23.44	16.77

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

	Carrying Amount		Percentage of Net Assets Attributable to Unitholders	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	%	%
Total Group's investment properties	13,707,692	12,743,792	154.16	163.16
Investment properties under development (Note 5)	259,782	182,057	2.92	2.33
Investment properties held for sale (Note 10)	–	98,400	–	1.26
Other assets and liabilities (net)	(4,776,921)	(4,913,011)	(53.72)	(62.90)
Net assets of the Group	9,190,553	8,111,238	103.36	103.85
Perpetual securities	(298,938)	(300,868)	(3.36)	(3.85)
Net assets attributable to Unitholders	8,891,615	7,810,370	100.00	100.00

Investment properties comprise a diverse portfolio of properties that are leased to customers. Most of the leases for multi-tenant buildings contain an initial non-cancellable period ranging from one to three years. Subsequent renewals are negotiated with the respective lessees.

Independent valuations for 197 (31 December 2019: 198) properties including investment properties, and investment properties held for sale were undertaken by the following valuers on the dates stated below during the financial years ended 31 December 2020 and 2019:

Valuers	31/12/2020 Valuation date	31/12/2019 Valuation date
Savills Valuation and Professional Services (S) Pte Ltd	31 December 2020	31 December 2019
CBRE Pte. Ltd.	31 December 2020	31 December 2019
Edmund Tie & Company (SEA) Pte Ltd	31 December 2020	31 December 2019
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2020	31 December 2019
Jones Lang LaSalle Property Consultants Pte Ltd	31 December 2020	31 December 2019
Knight Frank Pte Ltd	31 December 2020	31 December 2019
Knight Frank LLP	31 December 2020	31 December 2019
Jones Lang LaSalle Advisory Services Pty Ltd	31 December 2020	31 December 2019
Newmark Knight Frank Valuation & Advisory, LLC	31 December 2020	31 December 2019
Newmark Knight Frank Valuation & Advisory, LLC ^(xii)	15 October 2020	–

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 2020, the valuations adopted for investment properties amounted to \$13,707.7 million (31 December 2019: Investment properties and investment properties held for sale amounted to \$12,842.2 million). The net fair value loss on investment properties, investment properties under development and investment properties held for sale recognised in Statement of Total Return is \$32.3 million (31 December 2019: \$48.1 million net fair value gain).

- (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 United States office properties, namely 505 Brannan Street and 510 Townsend Street were acquired on 21 November 2020.
- (iii) 202 Kallang Bahru and Wisma Gulab were classified as investment properties held for sale for the financial year ended 31 December 2019. 202 Kallang Bahru was divested at the sales price of \$17.0 million on 4 February 2020 and Wisma Gulab was divested at the sales price of \$88.0 million on 23 January 2020.

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

CONSOLIDATED INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 31 December 2020

- (iv) iQuest @ IBP was de-commissioned for redevelopment from January 2020. 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 2020.
- (v) The divestment of 25 Changi South Street 1 was completed on 6 March 2020.
- (vi) The 28 business park properties in the United States were acquired on 11 December 2019.
- (vii) The two Singapore business park properties, namely Nucleos and FM Global were acquired on 11 December 2019.
- (viii) 254 Wellington Road, Mulgrave was transferred to investment properties on 11 September 2020 after the completion of the redevelopment.
- (ix) The tenure of the land was converted to be freehold during the financial year ended 31 December 2019. Prior to the financial year ended 31 December 2019, the property was on the land which is leasehold for a term of 999 years from 26 March 1999 to 25 March 2998.
- (x) Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.
- (xi) Leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.
- (xii) The independent valuations for the newly acquired US properties, 505 Brannan Street and 510 Townsend Street, were performed on 15 October 2020.
 - (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 2020 and 31 December 2019.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	Group	
		12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Cash flows from operating activities			
Total return for the year before tax		494,236	408,548
Adjustments for:			
Finance costs net of finance income	23	159,489	113,397
Management fees paid/payable in Units	21	13,292	8,642
Provision of allowance for expected credit losses of trade receivables	11	3,144	16
Net change in fair value of financial derivatives		33,625	3,784
Net foreign exchange differences		(11,152)	8,640
Gain from disposal of investment properties		(5,390)	(3,220)
Net change in fair value of investment properties, investment properties under development and investment properties held for sale	4	32,322	(48,059)
Net change in fair value of right-of-use assets	7	5,438	4,668
Share of associated company's and joint venture's results		(9,590)	(409)
Operating income before working capital changes		715,414	496,007
Changes in working capital:			
Trade and other receivables		(37,260)	9,949
Trade and other payables		57,730	86,759
Cash generated from operating activities		735,884	592,715
Income tax paid		(6,404)	(3,609)
Net cash generated from operating activities		729,480	589,106
Cash flows from investing activities			
Acquisition of investment properties	(A)	(767,967)	(1,655,533)
Payment for capital improvement on investment properties		(74,501)	(67,376)
Payment for investment properties under development		(171,036)	(49,653)
Proceeds from disposal of investment properties		123,690	27,000
Dividend received from a joint venture company and an associate company	9	2,841	357
Interest received		6,498	20,545
Payment on acquisition of an associate company		(107,113)	–
Return of capital from an associate company	9	2,200	–
Net cash used in investing activities		(985,388)	(1,724,660)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	Group	
		12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Cash flows from financing activities			
Proceeds from issuance of perpetual securities		300,000	–
Perpetual securities issue cost paid		(1,635)	–
Redemption of perpetual securities		(300,000)	–
Proceeds from issue of Units through equity fund raising		1,196,490	1,309,848
Unit issue costs paid		(14,068)	(12,067)
Distributions paid to Unitholders		(597,883)	(501,900)
Distributions paid to perpetual securities holders		(15,437)	(14,250)
Finance costs paid		(138,929)	(108,239)
Payment of lease liabilities		(32,578)	(24,596)
Transaction costs paid in respect of borrowings		(926)	(2,091)
Proceeds from borrowings		3,409,428	1,858,358
Repayment of borrowings		(3,325,962)	(1,319,277)
Net cash received from financing activities		478,500	1,185,786
Net increase in cash and cash equivalents		222,592	50,232
Cash and cash equivalents at beginning of the financial year	12	54,555	4,921
Effect of exchange rate changes on cash balances		832	(598)
Cash and cash equivalents at end of the financial year	12	277,979	54,555

Notes:

(A) Net cash outflow on acquisition of investment properties (including acquisition costs)

Net cash outflow on acquisition of investment properties (including acquisition costs) for 2019 is set out below:

	Group Nine months ended 31/12/2019 \$'000
Investment properties (including acquisition costs) (Note 4)	1,692,146
Trade and other receivables	6,715
Trade and other payables	(24,742)
Net identifiable assets acquired	<u>1,674,119</u>
Total consideration	<u>1,674,119</u>
Less: Accrued transaction costs payable	(2,050)
Less: Acquisition fee payable in Units	(16,536)
Net cash outflow	<u>1,655,533</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

(B) *Significant non-cash transactions*

During the financial year ended 31 December 2020:

- 4,329,685 new Units amounting to \$13,292,000 were issued at issue prices ranging from \$2.9390 to \$3.1919 per unit for the payment of 20% base management fee to the Manager in Units.
- 5,494,086 new Units amounting to \$16,536,000 were issued on 10 January 2020 at an issue price of \$3.0098 per unit, as payment of acquisition fees to the Manager for the acquisition of the 28 business park properties in the United States and two Singapore business park properties in December 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 26 February 2021.

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, the Sixteenth Supplemental Deed dated 24 July 2019, the Seventeenth Supplemental Deed dated 3 April 2020, and the Eighteenth Supplemental Deed dated 28 November 2020 (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 interests in the equity-accounted investees.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 excluded right-of-use assets from the computation of 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

1. GENERAL (continued)

1.3 Fees under the property management agreement (for the Singapore properties)

(i) Property management services

For property management services, the Group will pay Ascendas Services Pte Ltd ("ASPL") (the "Property Manager"), a fee of 2.0% per annum of the adjusted gross revenue of each property, managed by the Property Manager, and in the event that the Property Manager only manages such property for less than one calendar year, such amount to be pro-rated based on the number of days which the Property Manager manages such property divided by the number of days in such year.

(ii) Marketing services

For marketing services, the Group will pay the Property Manager the following commissions, subject to a refund of 50.0% of the commission paid to the Property Manager if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Trust for the pre-termination (taking into account the loss of income and related expenses), the Property Manager need not refund 50.0% of the commission. If the tenant only compensates the Group for a proportion of the loss, the amount refunded to the Group by the Property Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid:

- pro-rated based on 1.0 month's gross rent inclusive of service charge for securing a tenancy of six months or more but less than three years;
- 1.0 month's gross rent inclusive of service charge for securing a tenancy of three years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than three years but less than five years;
- 2.0 months' gross rent inclusive of service charge for securing a tenancy of five years;
- pro-rated based on 2.0 months' gross rent inclusive of service charge for securing a tenancy of more than five years with the terms of the lease subject to the prior approval of the Manager, provided that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge;
- if a third party agent secures a tenancy, the Property Manager shall pay to the third party agent the same fees as stated above. Prior approval of the Manager is required for the Property Manager to pay a third party agent a commission that is less than as set out above. For the avoidance of doubt, there will not be double charging of commission payable to the third party agents and the Property Manager as the commissions payable to such third party agents shall be paid out of the Property Manager's fee; and
- an administrative charge of 20.0% of the commission is payable to the Manager or the Property Manager in the case of a new lease take-up which involves a third party agent for the marketing support and administrative services to be rendered either by the Manager or the Property Manager.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

1. GENERAL (continued)

1.3 Fees under the property management agreement (for the Singapore properties) (continued)

(iii) Project management services

For project management services, the Group will pay the Property Manager the following fees for the (i) development or redevelopment (if not prohibited by the Property Funds Appendix or if otherwise permitted by the Monetary Authority of Singapore), refurbishment, retrofitting and renovation works to a property where submission to the relevant authorities for the approval of such works is required or (ii) routine maintenance where the expenses for the routine maintenance of the property results in such expenses being classified as capital expenditure under the Singapore Financial Reporting Standards ("FRS"):

- a fee of 3.00% of the construction costs, where the construction costs are \$2.0 million or less;
- a fee of 2.15% of the construction costs, where the construction costs exceed \$2.0 million but do not exceed \$12.0 million;
- a fee of 1.45% of the construction costs, where the construction costs exceed \$12.0 million but do not exceed \$40.0 million;
- a fee of 1.40% of the construction costs, where the construction costs exceed \$40.0 million but do not exceed \$70.0 million;
- a fee of 1.35% of the construction costs, where the construction costs exceed \$70.0 million but do not exceed \$100.0 million; and
- a fee to be mutually agreed by the parties, where the construction costs exceed \$100.0 million.

For purpose of calculating the fees payable to the Property Manager, construction costs means all construction costs and expenditure valued by the quantity surveyor engaged by the Group for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and goods and services tax.

(iv) Energy audit services

For energy audit services, the Group will pay the Property Manager \$4,000 per chiller for the first two sets of chiller and \$2,000 for any subsequent set of chiller in a property (being the base energy audit fee). In addition to these fees, the Trust will pay ASPL 40.0% of the cost savings achieved in each property during the first three years after the completion of the works in such property, subject to a maximum of \$40,000 per property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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
- 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

1. GENERAL (continued)

1.4 Fees under the lease management agreement (for the Singapore properties) (continued)

(i) Lease management services (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 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 ALMAs, the Group will pay AMUK an asset management fee of 0.4% per annum of the Adjusted 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.

1.7 Fees under the asset and lease management agreements [for the United States (the "US") properties]

The Group appointed CapitaLand International USA LLC ("AM US") 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 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

1. GENERAL (continued)

1.7 Fees under the asset and lease management agreements [for the United States (the "US") properties] (continued)

In consideration of AM US providing the asset management services under the ALMAs, the Group will pay AM US an asset management fee of up to 0.4% per annum of the Adjusted 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.

2.3 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.

During the financial year ended 31 December 2019, Ascendas Reit changed its financial year end from 31 March to 31 December. Thereafter, Ascendas Reit's financial year will be a 12-month period ending on 31 December each year. The comparative amounts presented for the statement of total return and distribution statement in relation to the nine-month period ending 31 December 2019 in the previous financial year are not entirely comparable.

As at 31 December 2020, the Group and the Trust's current liabilities exceed its current assets by \$490.1 million (31 December 2019: \$727.7 million) and \$531.4 million (31 December 2019: \$230.3 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

2. BASIS OF PREPARATION (continued)

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, investment properties under development and investment properties held for sale
- Note 30 (d) – Estimation of incremental borrowing rates for leases
- Note 30 (b) and (c) – Valuation of financial instruments

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

2. BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

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

- Note 30 (d) – Valuation of investment properties, investment properties under development and investment properties held for sale
- Note 30 (d) – Estimation of incremental borrowing rates for leases
- Note 30 (b) and (c) – Valuation of financial instruments

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities which 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 associate company and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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 associate and 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 significant influence or joint control commences until the date that significant influence or 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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, associate company and joint venture are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the Statement of Total Return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation, which are recognised in Unitholders' funds.

Foreign operations

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

Foreign operations (continued)

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.

3.3 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 and investment properties under development are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the Statement of Total Return. 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 a financial year 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Plant and equipment (continued)

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return on the date of retirement or disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

3.6 Leases

(i) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(i) Lessee (continued)

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.

(ii) As 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'.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 of 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment (continued)

(i) *Financial assets (continued)*

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

The Group determined that its financial assets are credit-impaired when:

- there is 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.

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.

Reversal 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Taxation (continued)

(i) **Current tax and deferred tax** (continued)

However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to the extent that the beneficial Unitholders are:

- (i) individuals (whether resident or non-resident) who receive such distributions as investment income (excluding income received through a Singapore partnership);
- (ii) companies incorporated and tax resident in Singapore;
- (iii) Singapore branches of foreign companies which have presented a letter of approval from the IRAS granting waiver from tax deducted at source in respect of distributions from the Trust;
- (iv) non-corporate Singapore constituted or registered entities (e.g. town councils, statutory boards, charitable organisations, management corporations, clubs and trade and industry associations constituted, incorporated, registered or organised in Singapore);
- (v) Central Provident Fund ("CPF") members who use their CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts; and
- (vi) individuals who use their Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts.

The Trustee and the Manager will deduct tax at the reduced concessionary rate of 10.0% from distributions made out of the Trust's taxable income that is not taxed at the Trust's level to beneficial Unitholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and:

- (i) who does not have a permanent establishment in Singapore; or
- (ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units in the Trust are not obtained from that operation.

The reduced concessionary tax rate of 10.0% has been extended to 31 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 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Distribution policy

Ascendas Reit's policy is to distribute at least 90% of the taxable income to Unitholders, other than gains on the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

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 not deducted against proceeds from the issue are deducted directly against Unitholders funds.

3.13 Perpetual securities

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

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

3.14 Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Other income

Other income comprises interest income received from finance lease receivable, car park charges, utilities income and sundry income. Interest income received from finance lease receivable is recognised on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Except for interest income received from finance lease receivable, other income is recognised when the right to receive payment is established, after services have been rendered.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.17 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to FRS 103: Definition of a Business

The amendment to FRS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to FRS 107, FRS 109 and FRS 39 Interest Rate Benchmark Reform

The amendments to FRS 109 and FRS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to FRS 1 and FRS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 New and amended standards and interpretations (continued)

Amendments to FRS 116 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions – amendment to FRS 116 Leases. The amendments provide relief to lessees from applying FRS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under FRS 116, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

3.20 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to FRS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of FRS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to FRS 103

In May 2020, the IASB issued Amendments to FRS 103 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of FRS 103 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of FRS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in FRS 103 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Standards issued but not yet effective (continued)

FRS 109 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to FRS standards process the IASB issued amendment to FRS 109. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

4. INVESTMENT PROPERTIES

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	12,743,792	11,143,937	9,061,600	8,769,500
Acquisition of investment properties	767,967	1,692,146	–	397,212
Transfer from/(to) investment properties under development (Note 5)	76,303	(21,200)	(26,600)	(21,200)
Transfer to investment properties held for sale	–	(98,400)	–	(98,400)
Capital expenditure incurred	72,041	56,981	40,186	53,718
Disposal of investment properties	(19,900)	(23,600)	(19,900)	(23,600)
Exchange differences	76,729	(58,472)	–	–
Fair value change	(9,240)	52,400	(38,086)	(15,630)
At the end of the financial year	13,707,692	12,743,792	9,017,200	9,061,600
Statement of Total Return:				
Fair value change of investment properties and investment properties held for sale	(9,240)	52,400	(38,086)	(15,630)
Fair value change of investment properties under development (Note 5)	(12,140)	–	(12,140)	–
Effect of lease incentive and marketing fee amortisation	(10,942)	(4,341)	(1,229)	(2,618)
Net fair value change on investment properties, investment properties under development and investment properties held for sale recognised in the Statement of Total Return (unrealised)	(32,322)	48,059	(51,455)	(18,248)

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

4. INVESTMENT PROPERTIES (continued)

As at 31 December 2020, investment properties with an aggregate carrying amount of \$1,140,376,000 (31 December 2019: \$1,038,701,000) 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 during the financial year ended 31 December 2020 and 31 December 2019. Information on the fair value assessment of investment properties is disclosed in Note 30(d).

5. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	31/12/2020 \$'000	31/12/2019 \$'000	31/12/2020 \$'000	31/12/2019 \$'000
At the beginning of the financial year	182,057	91,595	147,469	91,595
Transfer (to)/from investment properties (Note 4)	(76,303)	21,200	26,600	21,200
Capital expenditure incurred	126,582	34,674	61,071	34,674
Acquisition	35,491	36,029	–	–
Exchange differences	4,095	(1,441)	–	–
Fair value change (Note 4)	(12,140)	–	(12,140)	–
At the end of the financial year	259,782	182,057	223,000	147,469

As at 31 December 2020 and 31 December 2019, investment properties under development ("IPUD") are as follows:

Description of Property	Location	31/12/2020 \$'000	31/12/2019 \$'000
Built-to-suit project	One North	179,400	121,609
25 and 27 Ubi Road 4	25 and 27 Ubi Road 4	36,000	25,860
iQuest @ IBP	27 International Business Park	7,600	–
Total Singapore investment properties under development		223,000	147,469
254 Wellington Road	254 Wellington Road, Australia	–	34,588
Lot 7, Kiora Crescent, Yennora	Lot 7, Kiora Crescent, Yennora, Australia	16,170	–
500 Green Road, Crestmead	500 Green Road, Crestmead, Australia	20,612	–
Total Group investment properties under development		259,782	182,057

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

6. FINANCE LEASE RECEIVABLES

	31/12/2020		31/12/2019	
	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000	Face value \$'000
Group and Trust				
Finance lease receivables				
– Current	3,281	6,601	2,932	6,471
– Non-current	45,050	60,839	48,331	67,440
	<u>48,331</u>	<u>67,440</u>	<u>51,263</u>	<u>73,911</u>

Finance lease receivables are receivable from the lessees as follows:

	31/12/2020			31/12/2019		
	Gross receivables \$'000	Unearned interest income \$'000	Net receivables \$'000	Gross receivables \$'000	Unearned interest income \$'000	Net receivables \$'000
Group and Trust						
Within 1 year	6,601	3,320	3,281	6,471	3,539	2,932
After 1 year but within 5 years	34,221	12,378	21,843	34,324	13,869	20,365
After 5 years	26,618	3,411	23,207	33,206	5,240	27,966
	<u>67,440</u>	<u>19,109</u>	<u>48,331</u>	<u>73,911</u>	<u>22,648</u>	<u>51,263</u>

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

7. LEASES (continued)

Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	Group and Trust	
	31/12/2020	31/12/2019
	\$'000	\$'000
At the beginning of the financial year	617,639	625,890
Derecognition of right-of-use assets due to divestments	(13,713)	(3,583)
Adjustment due to remeasurement of lease liabilities	11,468	–
Fair value change on the right-of-use assets	(5,438)	(4,668)
As at 31 December	609,956	617,639

Lease liabilities

	Group and Trust	
	31/12/2020	31/12/2019
	\$'000	\$'000
At the beginning of the financial year	617,639	625,890
Payment of land rent expenses	(32,578)	(24,596)
Derecognition of lease liabilities due to divestments	(13,713)	(3,583)
Adjustment due to remeasurement of lease liabilities	11,468	–
Interests on the lease liabilities (Note 23)	27,140	19,928
As at 31 December	609,956	617,639

Presented as:

	Group and Trust	
	31/12/2020	31/12/2019
	\$'000	\$'000
Current	37,222	37,509
Non-current	572,734	580,130
	609,956	617,639

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

8. INTERESTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES

	Trust	
	31/12/2020	31/12/2019
	\$'000	\$'000
<i>Interests in subsidiaries</i>		
Equity investment, at cost		
At the beginning of the financial year	712,429	540,329
Acquisitions	26,091	172,100
At the end of the financial year	738,520	712,429
Loans to subsidiaries (Note a)	1,668,285	884,119
	<u>2,406,805</u>	<u>1,596,548</u>
<i>Loans to subsidiaries</i>		
Current (Note b)	–	269,559
Non-current (Note c)	288,323	267,705

- (a) As loans to subsidiaries for both financial years ended 31 December 2020 and 31 December 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, 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 2020, loans to subsidiaries bear interest of Bank Bill Swap Bid Rate (BBSY)+2.3% and Bank Bill Swap Rate (BBSW)+1.8% (31 December 2019: BBSY+2.3% and BBSW+1.8%) per annum respectively. The principal amount of the loans to subsidiaries will not be called by the Trust in the next 12 months from the balance sheet date.

Details of interests in subsidiaries:

Name of subsidiary	Principal activity	Principal place of business	Effective equity held by the Trust	
			31/12/2020	31/12/2019
			%	%
(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	100
Ascendas REIT BP Trust No. 1%	Investment holding	Australia	100	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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	
			31/12/2020 %	31/12/2019 %
(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
Ascendas Longbeach Trust No.11^	Investment holding	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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	
			31/12/2020 %	31/12/2019 %
(ii) Indirect subsidiaries (continued)				
Ascendas Longbeach Trust No.12 [%]	Investment holding	Australia	100	–
Ascendas Longbeach Sub-Trust No.1 [^]	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.2 [^]	Investment holding	Australia	100	100
Ascendas Longbeach Sub-Trust No.3 [^]	Investment holding	Australia	100	100
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 Business Park Trust No.2 [%]	Investment holding	Australia	100	–
Ascendas Business Park Trust No.3 [%]	Investment holding	Australia	100	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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	
			31/12/2020	31/12/2019
			%	%
(ii) Indirect subsidiaries (continued)				
Ascendas REIT (Europe Sub 1) Ltd. [®]	Investment holding	Guernsey	100	100
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

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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	
			31/12/2020 %	31/12/2019 %
(ii) Indirect subsidiaries (continued)				
Ascendas US REIT LLC [Ⓔ]	Investment holding	United States	100	100
Portland 1 LLC [Ⓔ]	Investment in real estate assets	United States	100	100
Portland 2 LLC [Ⓔ]	Investment in real estate assets	United States	100	100
San Diego 1 LLC [Ⓔ]	Investment in real estate assets	United States	100	100
San Diego 2 LLC [Ⓔ]	Investment in real estate assets	United States	100	100
Raleigh 1 LLC [Ⓔ]	Investment in real estate assets	United States	100	100
Raleigh 1 LP [Ⓔ]	Investment in real estate assets	United States	100	100
Ascendas TRS 1 LLC [Ⓔ]	Operate and manage real estate assets	United States	100	100
Ascendas REIT SF1 LLC [#]	Investment in real estate assets	United States	100	–
Ascendas REIT SF2 LLC [#]	Investment in real estate assets	United States	100	–

* Audited by EY LLP Singapore for the financial year ended 31 December 2020 (31 December 2019: EY LLP Singapore).

^ Audited by a member firm of EY International for the financial year ended 31 December 2020 for Group consolidation purpose (31 December 2019: EY International).

% Audited by a member firm of EY International for the financial year ended 31 December 2020 for Group consolidation purpose (31 December 2019: Not applicable).

@ Audited by EY LLP Singapore for the financial year ended 31 December 2020 for Group consolidation purpose (31 December 2019: EY LLP Singapore).

Ⓔ Audited by EY LLP Singapore for the financial year ended 31 December 2020 for Group consolidation purpose (31 December 2019: a member firm of EY International).

Audited by EY LLP Singapore for the financial year ended 31 December 2020 for Group consolidation purpose (31 December 2019: Not applicable).

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

9. INVESTMENT IN AN ASSOCIATE COMPANY AND INVESTMENT IN A JOINT VENTURE

Investment in an associate company

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	–	–	–	–
Acquisition of an associate company	107,732	–	107,732	–
Share of post-acquisition profit	9,408	–	–	–
Return of capital from an associate company	(2,200)	–	(2,200)	–
Dividend received	(2,700)	–	–	–
At the end of the financial year	112,240	–	105,532	–

On 31 March 2020, the Trust acquired a 25% interest in Ascendas Fusion 5 Pte Ltd ("AF5PL"), which owns Galaxis, a business park property located in One North, Singapore. AF5PL is a private entity that is not listed on any public exchange.

Details of the associate company is as follows:

Name of associate company	Principal place of business	Effective equity held by the Group and the Trust	
		31/12/2020	31/12/2019
		%	%
Ascendas Fusion 5 Pte Ltd*	Singapore	25	–

* Audited by KPMG LLP Singapore for the financial year ended 31 December 2020 (2019: KPMG LLP)

The following information is about the Group's investment in an associate that is not individually material, the information has been modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	12 months ended 31/12/2020
	\$'000
Profit or loss after tax, representing total comprehensive income	43,812

Investment in a joint venture

	Group	
	31/12/2020	31/12/2019
	\$'000	\$'000
At the beginning of the financial year	154	102
Share of post-acquisition profit	182	409
Dividend received	(141)	(357)
At the end of the financial year	195	154

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

9. INVESTMENT IN AN ASSOCIATE COMPANY AND INVESTMENT IN A JOINT VENTURE (continued)

Investment in a joint venture (continued)

Name of joint venture	Principal place of business	Effective equity held by the Group and the Trust	
		31/12/2020 %	31/12/2019 %
Changi City Carpark Operations LLP*	Singapore	39.914	39.914

* Audited by Tan, Chan & Partners LLP for the financial year ended 30 September 2020 and 2019.

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.

The following information is about the Group's investment in a joint venture that is not individually material, the information has been modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Profit or loss after tax, representing total comprehensive income	456	1,025

10. 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.

The divestment of Wisma Gulab to Heap Seng Group Pte Ltd was completed on 23 January 2020 at the sales price of S\$88.0 million. The divestment of 202 KB to Work Plus Store (Kallang Bahru) Pte Ltd was completed on 4 February 2020 at the sales price of S\$17.0 million.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

11. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Trade receivables, gross	18,922	8,603	6,508	2,118
Allowance for expected credit losses	(3,184)	(16)	(1,445)	–
Trade receivables, net	15,738	8,587	5,063	2,118
Deposits	17,968	3,834	–	–
Interest receivables	2,358	7,063	2,358	7,064
Other receivables				
– Subsidiaries	–	–	6,052	5,302
– Non-related parties	18,605	10,095	6,341	7,779
	18,605	10,095	12,393	13,081
	54,669	29,579	19,814	22,263
Prepayments	12,508	6,760	4,843	3,324
	67,177	36,339	24,657	25,587

Other receivables from subsidiaries are the interest receivables 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 considering the allowance for expected credit losses, by operating segments, is as follows:

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Business & Science Park Properties, and Suburban Offices	2,288	1,861	932	840
Integrated Development, Amenities & Retail Properties	471	148	471	148
High-Specifications Industrial Properties & Data Centres	2,382	598	2,382	598
Light Industrial Properties & Flatted Factories	904	402	904	402
Logistics & Distribution Centres	9,693	5,578	374	130
	15,738	8,587	5,063	2,118

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

11. TRADE AND OTHER RECEIVABLES (continued)

As a result of the default in rental by tenants, \$3,172,000 (31 December 2019: \$7,262,000) of cash security deposits were forfeited during the financial year.

The ageing of trade receivables at the reporting date was:

	31/12/2020		31/3/2019	
	Gross \$'000	Expected credit losses \$'000	Gross \$'000	Expected credit losses \$'000
Group				
Current	13,501	(406)	7,987	(16)
Past due 1 – 90 days	1,354	(280)	420	–
Past due over 90 days	4,067	(2,498)	196	–
	18,922	(3,184)	8,603	(16)
Trust				
Current	2,341	–	1,486	–
Past due 1 – 90 days	402	(12)	436	–
Past due over 90 days	3,765	(1,433)	196	–
	6,508	(1,445)	2,118	–

Expected credit losses

The movements in allowance for expected credit losses of trade receivables are as follows:

	Group		Trust	
	31/12/2020 \$'000	31/12/2019 \$'000	31/12/2020 \$'000	31/12/2019 \$'000
At the beginning of the financial year	16	–	–	–
Provision of allowance for expected credit losses	3,144	16	1,445	–
Bad debt written off	24	–	–	–
At the end of the financial year	3,184	16	1,445	–

The Manager believes that no provision of allowance for expected credit 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

12. CASH AND FIXED DEPOSITS

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Cash at banks	276,536	94,346	189,795	8,967
Fixed deposits	1,443	1,359	–	–
	<u>277,979</u>	<u>95,705</u>	<u>189,795</u>	<u>8,967</u>

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	
	31/12/2020	31/12/2019
	\$'000	\$'000
Cash at banks	276,536	94,346
Fixed deposits	1,443	1,359
	<u>277,979</u>	<u>95,705</u>
Bank overdrafts (Note 15)	–	(41,150)
Cash and cash equivalents	<u>277,979</u>	<u>54,555</u>

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Trade payables				
– non-related parties	6,567	1,878	3,937	1,699
– the Manager	9,511	5,192	9,511	5,192
– the Property Manager	8,734	8,147	8,734	8,147
– the Trustee	592	507	592	507
– other related parties	684	63	684	63
Accruals	159,171	133,729	105,548	96,374
Other payables	46,617	44,196	40,381	41,654
Amount owing to a subsidiary ⁽¹⁾	–	–	9,984	10,079
Property tax payable	8,088	7,553	6,780	7,553
Interest payable	21,216	24,647	18,511	20,851
GST/VAT payables	17,016	7,842	13,236	6,336
Rental received in advance	19,439	22,082	6,299	8,150
Cumulative redeemable preference shares	86	87	–	–
Total	<u>297,721</u>	<u>255,923</u>	<u>224,197</u>	<u>206,605</u>

(1) The amount owing to a subsidiary is unsecured and interest free, and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

13. TRADE AND OTHER PAYABLES (continued)

Presented as:

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Current	297,635	255,836	224,197	206,605
Non-current	86	87	–	–
Total	297,721	255,923	224,197	206,605

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Derivative assets				
Current	4,490	17,896	4,490	17,896
Non-current	33,893	20,890	33,893	19,508
	38,383	38,786	38,383	37,404
Derivative liabilities				
Current	(7,847)	(6,279)	(3,648)	(384)
Non-current	(99,187)	(67,174)	(94,684)	(64,043)
	(107,034)	(73,453)	(98,332)	(64,427)
Total derivative financial instruments	(68,651)	(34,667)	(59,949)	(27,023)
Derivative financial instruments as a percentage of net assets	0.75%	0.43%	0.67%	0.34%

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 \$1,948.5 million (31 December 2019: \$1,775.2 million) to provide fixed rate funding for terms of less than one year to 5.1 years (31 December 2019: less than one year to 5.1 years). The Group also held certain floating rate interest rate swaps with an aggregate notional amount of \$350.0 million (31 December 2019: \$350.0 million) and basis interest rate swaps with an aggregate notional amount of \$504.5 million (31 December 2019: \$504.5 million) for efficient portfolio management and to maintain desired level of hedge and preferred floating benchmarks.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 2020 and 31 December 2019.

As at 31 December 2020, the Group held cross currency swaps (“CCS”) with notional amounts of JPY 15.0 billion and HKD4.2 billion (31 December 2019: JPY15.0 billion and HKD4.2 billion) respectively, to provide Singapore dollar funding for terms of less than one year to 8.7 years (31 December 2019: less than one year to 9.2 years).

In addition, the Group held CCS with notional amounts of AUD301.8 million and GBP114.9 million (31 December 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 4.7 years (31 December 2019: less than one year to 2.8 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 2020 was AUD0.6 million (31 December 2019: AUD12.2 million).

15. LOANS AND BORROWINGS

	Group		Trust	
	31/12/2020 \$'000	31/12/2019 \$'000	31/12/2020 \$'000	31/12/2019 \$'000
Current				
Short term bank borrowings (unsecured)	226,556	173,971	226,556	173,971
Less: Unamortised transaction costs	(126)	(39)	–	(39)
Bank overdrafts (Note 12)	–	41,150	–	41,150
	226,430	215,082	226,556	215,082
Term loans				
– Secured	–	261,829	–	–
	–	261,829	–	–
Medium term notes (unsecured)	194,230	100,000	194,230	100,000
Less: Unamortised transaction costs	(21)	(34)	(21)	(34)
	194,209	99,966	194,209	99,966
Total current loans and borrowings	420,639	576,877	420,765	315,048

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

15. LOANS AND BORROWINGS (continued)

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Non-current				
Term loans				
– Secured	553,072	261,829	–	–
– Unsecured	2,018,281	1,987,525	746,301	978,283
Less: Unamortised transaction costs	(10,652)	(10,219)	(2,093)	(3,230)
	2,560,701	2,239,135	744,208	975,053
Medium term notes (unsecured)	1,704,074	1,798,917	1,704,074	1,798,917
Less: Unamortised transaction costs	(3,450)	(3,281)	(3,450)	(3,281)
	1,700,624	1,795,636	1,700,624	1,795,636
Total non-current loans and borrowings	4,261,325	4,034,771	2,444,832	2,770,689
Total loans and borrowings	4,681,964	4,611,648	2,865,597	3,085,737

Maturity of gross loans and borrowings:

	Group		Trust	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Within 1 year	420,786	576,950	420,786	315,121
After 1 year but within 5 years	3,298,155	3,242,039	1,749,638	1,970,967
After 5 years	977,272	806,232	700,737	806,233
	4,696,213	4,625,221	2,871,161	3,092,321

Short term bank borrowings

As at the reporting date, the Group has in place various short term banking credit facilities totalling \$2,417.4 million (31 December 2019: \$1,418.0 million), of which \$236.1 million (31 December 2019: \$222.0 million) has been utilised. Included in the amount of \$2,417.4 million (31 December 2019: \$1,418.0 million) is a sub-facility of \$102.0 million (31 December 2019: \$101.4 million) facility for the issuance of letters of guarantee.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

15. LOANS AND BORROWINGS (continued)

Term loans

As at the reporting date, the Group has in place various term loan facilities totalling \$2,771.4 million (31 December 2019: \$2,145.5 million) of which \$2,571.4 million (31 December 2019: \$1,987.5 million) has been utilised.

Included in the above was approximately \$553.1 million (31 December 2019: \$523.7 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.

In August 2020, the Trust established a \$7.0 billion Euro Medium Term Note ("EMTN") Programme. Pursuant to the EMTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue notes (the "EMTN Notes", the MTN Notes, and the EMTN Notes are collectively defined as "Notes" hereafter) or perpetual securities (the "Perpetual Securities") denominated in any currency.

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 2020 comprised \$880.0 million (31 December 2019: \$980.0 million) in SGD-denominated Notes, \$216.0 million (31 December 2019: \$186.0 million) in JPY-denominated Notes and \$736.2 million (31 December 2019: \$733.0 million) in HKD-denominated Notes. The Trust entered into cross currency swaps with notional amounts of JPY15.0 billion and HKD4.2 billion (31 December 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).

As at 31 December 2020, the Notes issued under the MTN and EMTN programme are as follows:

- (i) \$200.0 million (31 December 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 December 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 December 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

15. LOANS AND BORROWINGS (continued)

Medium term notes (continued)

As at 31 December 2020, the Notes issued under MTN and EMTN are as follows:(continued)

- (iv) HKD640.0 million (31 December 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 December 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) \$Nil million (31 December 2019: \$100.0 million) Series 011 Notes. The Series 011 Notes had matured during the year.
- (vii) HKD500.0 million (31 December 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 December 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 December 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 December 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 December 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 December 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 December 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.
- (xiv) \$100.0 million (31 December 2019: \$Nil) Series 001 Euro Notes. The Series 001 Euro Notes will mature on 26 August 2030 and bear a fixed interest rate of 2.65% 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020				
Short term bank borrowings	SOR/COF [^] + margin	2021	226,556	226,430
Term loans	SOR/COF [^] + margin	2021 to 2026	2,566,353	2,560,701
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2021 to 2030	1,898,304	1,894,833
			4,691,213	4,681,964
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
Trust				
31 December 2020				
Short term bank borrowings	SOR/COF [^] + margin	2021	226,556	226,556
Term loans	SOR/COF [^] + margin	2022 to 2024	746,301	744,208
Medium term notes	2.47 – 4.00 / JPY 3-month LIBOR + 0.5%	2021 to 2030	1,898,304	1,894,833
			2,871,161	2,865,597
31 December 2019				
Short term bank borrowings	SOR/COF [^] + margin	2020	215,121	215,082
Term loans	SOR/COF [^] + margin	2020 to 2023	978,282	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

[^] COF denotes the lender's cost of funds

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

15. LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule (continued)

The Group's weighted average all-in cost of borrowings, including interest rate swaps and amortised costs of borrowings as at 31 December 2020 was 2.7% (31 December 2019: 2.9%) per annum. Total borrowings have a weighted average term remaining of 3.7 years (31 December 2019: 4.0 years).

A reconciliation of liabilities (excluding the bank overdraft) arising from financing activities is as follows:

	← Non-cash changes →					31 December 2020 \$'000
	1 January 2020 \$'000	Cash flows \$'000	Currency translation \$'000	Accretion of interests \$'000	Others \$'000	
Group						
Loans and borrowings – medium term notes, and bank borrowings	4,570,498	83,466	27,961	965	(926)	4,681,964
Lease liabilities	617,639	(32,578)	–	27,140	(2,245)	609,956
	<u>5,188,137</u>	<u>50,888</u>	<u>27,961</u>	<u>28,105</u>	<u>(3,171)</u>	<u>5,291,920</u>

	← Non-cash changes →					31 December 2019 \$'000
	1 April 2019 \$'000	Cash flows \$'000	Currency translation \$'000	Accretion of interests \$'000	Others \$'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
	<u>4,676,261</u>	<u>508,217</u>	<u>(18,733)</u>	<u>21,994</u>	<u>398</u>	<u>5,188,137</u>

The "Others" column related to the movement of debt related transaction cost, derecognition of lease liabilities due to the divestments and remeasurement of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

16. DEFERRED TAX ASSETS AND LIABILITIES

The movements in the deferred tax balances on the gross basis during the year are as follows:

	Unused tax losses and other tax credits \$'000	Investment properties \$'000	Unremitted earnings of overseas subsidiaries \$'000	Total \$'000
Group				
At 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 and 1 January 2020	–	964	25,595	26,559
Recognised in the Statement of Total Return (Note 24)	(5,354)	5,870	27,382	27,898
At 31 December 2020	(5,354)	6,834	52,977	54,457

Reflected in the statement of financial position as follows:

	Group	
	31/12/2020 \$'000	31/12/2019 \$'000
Deferred tax assets	(1,484)	–
Deferred tax liabilities	55,941	26,559
Deferred tax liabilities, net	54,457	26,559

Deferred tax assets have not been recognised in respect of tax losses amounting to \$256,000 (2019: \$4,713,000) as they may not be used to offset taxable profits elsewhere in the Group. They have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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 above perpetual securities have been fully redeemed in October 2020.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

17. PERPETUAL SECURITIES (continued)

In September 2020, the Trust issued a separate \$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 an initial rate of 3% per annum with the first distribution rate reset falling on 17 September 2025 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, unconditional, subordinated and unsecured 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 \$298.9 million (31 December 2019: \$300.9 million) presented in the Statements of Financial Position represents the carrying value of the \$300.0 million (31 December 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	
	31/12/2020 ('000)	31/12/2019 ('000)
Units issued:		
At the beginning of the financial year	3,612,694	3,110,842
Issue of new Units:		
– Management fees paid in Units	4,330	3,811
– Equity fund raising	398,325	498,041
– Acquisition fees paid in Units	5,494	–
At end of the financial year	<u>4,020,843</u>	<u>3,612,694</u>
Units to be issued:		
Management fee payable in Units	398	380
Acquisition fee payable in Units	–	5,494
Total Units issued and to be issued at end of the financial year	<u>4,021,241</u>	<u>3,618,568</u>

During the financial year ended 31 December 2020:

- 4,329,685 new Units amounting to \$13,292,000 were issued at issue prices ranging from \$2.9390 to \$3.1919 per unit for the payment of 20% base management fee to the Manager in Units.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

18. UNITS IN ISSUE AND TO BE ISSUED (continued)

During the financial year ended 31 December 2020:

- 398,324,782 new Units were issued on 19 November 2020, of which 264,376,000 was issued pursuant to private placement at an issue price of \$3.026 per unit and 133,948,782 was issued pursuant to Preferential Offering at an issue price of \$2.960 per unit. After netting off issuance cost, total amount raised was \$1,196,490,000. The 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, as well as all distributions thereafter, other than in respect of the distribution for the period from 1 July 2020 to 18 November 2020.

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.

19. GROSS REVENUE

	Group	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
	\$'000	\$'000
Property rental income	912,226	626,811
Other income	117,739	72,246
Government grant income – property tax rebate	19,495	–
	<u>1,049,460</u>	<u>699,057</u>

Government grants relate to property tax rebates received from the Singapore Government to help businesses deal with the impact from COVID-19. For the property tax rebates, the Group is obliged to pass on the benefits to its tenants and has transferred these to the tenants in form of rent rebates during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

20. PROPERTY OPERATING EXPENSES

	Group	
	12 months ended	Nine months ended
	31/12/2020	31/12/2019
	\$'000	\$'000
Maintenance and conservancy ("M&C") expenses	34,356	27,619
Property service fees	69,017	26,238
Property tax	70,249	44,203
Utilities	51,855	37,254
Security services	9,283	6,195
Site staff cost	6,172	4,341
Carpark management fee expenses	4,141	3,552
Land tax	1,186	8,258
Other operating expenses	7,460	3,719
Government grant expense – property tax rebate	19,495	–
	<u>273,214</u>	<u>161,379</u>

Government grants expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent rebates during the financial year.

21. MANAGEMENT FEES

	Group	
	12 months ended	Nine months ended
	31/12/2020	31/12/2019
	\$'000	\$'000
Base management fees	67,065	43,332

Included in management fees is an aggregate of 4,330,000 (31 December 2019: 3,811,000) Units amounting to approximately \$13,292,000 (31 December 2019: \$8,642,000) that were issued or will be issued to the Manager as satisfaction of the management fee payable in Units at unit prices ranging from \$2.9390 to \$3.1919 (31 December 2019: \$2.9337 to \$2.9772) per Unit.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

22. TRUST EXPENSES

	Group	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
	\$'000	\$'000
Auditors' remuneration		
– audit fees	820	735
– non-audit fees	107	38
Professional fees	2,516	1,293
Valuation fees	837	735
Trustee fee	2,741	1,861
Other expenses	3,182	2,335
	<u>10,203</u>	<u>6,997</u>

23. FINANCE INCOME AND FINANCE COSTS

	Group	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
	\$'000	\$'000
Finance income	5,115	8,159
Interest expense on loans and borrowings	(133,161)	(99,278)
Interest expenses on lease liabilities (Note 7)	(27,140)	(19,928)
Amortisation of transaction costs	(4,285)	(2,159)
Others	(18)	(191)
Finance costs	<u>(164,604)</u>	<u>(121,556)</u>
Finance costs net of finance income	<u>(159,489)</u>	<u>(113,397)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

24. TAX EXPENSE

	Group	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
	\$'000	\$'000
Current tax expense		
- Current year	9,261	4,819
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	27,898	15,858
Tax expense	37,158	20,677
Reconciliation of effective tax rate		
Total return for the year before tax	494,236	408,548
Tax calculated using Singapore tax rate of 17% (31 December 2019: 17%)	84,020	69,453
Effect of different tax rate in foreign jurisdictions	5,701	3,288
Non-tax deductible items, net	18,706	6,566
Income not subject to tax	(25,457)	(19,625)
Tax on overseas profits yet to be remitted	27,382	15,858
Tax transparency	(73,194)	(54,863)
	37,158	20,677

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	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
	\$'000	\$'000
Total return for the year attributable to the Unitholders and perpetual securities holders	457,078	387,871
Less: Amount reserved for distribution to perpetual securities holders	(15,142)	(10,736)
Total return attributable to Unitholders	441,936	377,135

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

25. EARNINGS PER UNIT AND DISTRIBUTION PER UNIT (continued)

(a) Basic earnings per Unit (continued)

	Number of Units	
	12 months ended 31/12/2020 (‘000)	Nine months ended 31/12/2019 (‘000)
Weighted average number of Units:		
As adjusted to include the effects of the Rights Issue		
– outstanding during the year	3,666,076	3,228,320
– to be issued as payment for management fee payable in Units	1	16
	<u>3,666,077</u>	<u>3,228,336</u>

	Group	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
Basic earnings per Unit (cents)	12.055	11.682

(b) Diluted earnings per Unit

As at 31 December 2020 and 31 December 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	
	12 months ended 31/12/2020	Nine months ended 31/12/2019
Total amount available for distribution for the year (\$'000)	538,428	375,412
Distribution per Unit (cents)		
– As actually distributed or distributable to the Unitholders	14.688	11.490

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Within 1 year	925,979	859,227	620,391	636,152
After 1 year but within 5 years	1,998,192	1,914,398	1,128,230	1,267,289
After 5 years	1,295,621	1,155,524	796,805	816,985
	<u>4,219,792</u>	<u>3,929,149</u>	<u>2,545,426</u>	<u>2,720,426</u>

- (b) As at 31 December 2020, the Group and the Trust had \$174.2 million (31 December 2019: \$81.1 million) and \$119.2 million (31 December 2019: \$81.5 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 \$911.2 million (31 December 2019: \$879.8 million) to banks for loans obtained by its subsidiaries.
- (d) The Trust has provided undertaking amounting to \$53.9 million (31 December 2019: \$Nil) to banks for loans obtained by its associate company.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of a significant Unitholder of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group	
	12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Acquisition fee paid/payable to the Manager and a subsidiary of the Manager	10,242	16,536
Acquisition of investment properties from the significant unitholder	–	1,665,262
Car park management fee paid/payable to the Property Manager	4,141	3,537
Divestment fee paid/payable to the Manager	627	135
Land premium, land rent and water frontage, purchase of structural plans and administrative fee paid/payable to a related party	–	29,579
Lease rental, securities, utilities and car park income received from related parties of the Manager	(311)	–
Lease rental, securities, utilities and car park income received from other related parties	(49,941)	(35,977)
Lease service fees paid/payable to the Manager and a subsidiary of the Manager	16,277	11,465
Lease service fees paid/payable to a related party of the Manager	654	–
Management fees paid/payable to the Manager, a subsidiary of the Manager and related parties of the Manager	67,065	43,332
Property service fees paid to the Property Manager	23,386	18,320
Property service fees, service charges, reimbursements and receipts on behalf of and payable to related parties of the Manager	12,474	4,392
Reimbursements and receipts on behalf of the Property Manager	1,155	229
Reimbursements paid/payable to the Manager	127	64
Reimbursements of expenses from other related parties	(24)	(34)
Rental income of meeting rooms and receipts on behalf by the Property Manager	(7)	(4)
Undertaking provided to an associated company relating to loan facility	53,875	–
Utilities expenses, telephone charges, security deposits, M&C services and reimbursement of expenses to other related parties	6,901	5,389
Utilities income and recovery of expenses paid on behalf by related parties of the Manager	(128)	(35)

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

28. FINANCIAL RATIOS

	Group	
	31/12/2020	31/12/2019
	%	%
Ratio of expenses to weighted average net asset value ⁽¹⁾	0.92	0.95
Ratio of expenses to weighted average net asset value ⁽²⁾	0.92	0.95
Ratio of expenses to net asset value ⁽³⁾	3.81	3.48
Portfolio turnover rate ⁽⁴⁾	0.24	0.45

- (1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, borrowing costs and performance component of management fees.
- (2) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation are the same as in (1) above except that performance fee has been included.
- (3) The ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for the financial year and as a percentage of net asset value as at the end of the financial year.
- (4) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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").

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

29. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows:

	SGD \$'000	AUD \$'000	GBP \$'000	USD \$'000	HKD \$'000	JPY \$'000	Total \$'000
Group							
31 December 2020							
Financial assets							
Cash and fixed deposits	176,925	20,357	41,414	39,283	–	–	277,979
Trade and other receivables ⁽¹⁾	17,019	22,412	8,524	6,714	–	–	54,669
Finance lease receivables	48,331	–	–	–	–	–	48,331
	<u>242,275</u>	<u>42,769</u>	<u>49,938</u>	<u>45,997</u>	<u>–</u>	<u>–</u>	<u>380,979</u>
Financial liabilities							
Trade and other payables ⁽²⁾	(204,372)	(14,662)	(5,049)	(37,183)	–	–	(261,266)
Security deposits	(161,610)	(1,986)	(1,019)	(3,470)	–	–	(168,085)
Lease liabilities	(609,956)	–	–	–	–	–	(609,956)
Loans and borrowings – Gross	(1,090,406)	(975,634)	(461,055)	(1,250,814)	(725,614)	(192,690)	(4,696,213)
	<u>(2,066,344)</u>	<u>(992,282)</u>	<u>(467,123)</u>	<u>(1,291,467)</u>	<u>(725,614)</u>	<u>(192,690)</u>	<u>(5,735,520)</u>
Net financial liabilities	<u>(1,824,069)</u>	<u>(949,513)</u>	<u>(417,185)</u>	<u>(1,245,470)</u>	<u>(725,614)</u>	<u>(192,690)</u>	<u>(5,354,541)</u>
Add: Net non-financial assets of foreign subsidiaries	–	422,562	313,330	336,965	–	–	1,072,857
Less: Net financial assets denominated in the respective entities' functional currency	1,613,667	528,544	112,267	912,819	–	–	3,167,297
Less: Cross currency swap	210,402	–	–	–	725,614	192,690	1,128,706
Currency exposure	<u>–</u>	<u>1,593</u>	<u>8,412</u>	<u>4,314</u>	<u>–</u>	<u>–</u>	<u>14,319</u>

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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
Group							
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
	<u>73,139</u>	<u>26,203</u>	<u>31,111</u>	<u>46,094</u>	<u>–</u>	<u>–</u>	<u>176,547</u>
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	<u>(1,470,822)</u>	<u>(883,212)</u>	<u>(359,069)</u>	<u>(993,201)</u>	<u>(732,932)</u>	<u>(185,985)</u>	<u>(4,625,221)</u>
	<u>(2,428,584)</u>	<u>(890,838)</u>	<u>(366,241)</u>	<u>(1,022,845)</u>	<u>(732,932)</u>	<u>(185,985)</u>	<u>(5,627,425)</u>
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	<u>207,667</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>732,932</u>	<u>185,985</u>	<u>1,126,584</u>
Currency exposure	<u>–</u>	<u>5,792</u>	<u>4,970</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,762</u>

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020							
Financial assets							
Cash and fixed deposits	175,476	1,593	8,412	4,314	–	–	189,795
Trade and other receivables ⁽¹⁾	15,774	4,041	–	–	–	–	19,815
Finance lease receivables	48,331	–	–	–	–	–	48,331
Loans to subsidiaries	–	288,323	–	–	–	–	288,323
	239,581	293,957	8,412	4,314	–	–	546,264
Financial liabilities							
Trade and other payables ⁽²⁾	(204,662)	–	–	–	–	–	(204,662)
Security deposits	(161,386)	–	–	–	–	–	(161,386)
Amount due to a subsidiary	(25,156)	–	–	–	–	–	(25,156)
Lease liabilities	(609,956)	–	–	–	–	–	(609,956)
Loans and borrowings – Gross	(880,000)	(422,562)	(313,330)	(336,965)	(725,614)	(192,690)	(2,871,161)
	(1,881,160)	(422,562)	(313,330)	(336,965)	(725,614)	(192,690)	(3,872,321)
Net financial liabilities	(1,641,580)	(128,605)	(304,918)	(332,651)	(725,614)	(192,690)	(3,326,058)
Add: Net interest in subsidiaries	–	134,239	313,330	336,965	–	–	784,534
Less: Net financial assets denominated in the respective entities' functional currency	1,641,580	–	–	–	–	–	1,641,580
Less: Cross currency swap	–	–	–	–	725,614	192,690	918,304
Currency exposure	–	5,634	8,412	4,314	–	–	18,360

(1) Excludes prepayments.

(2) Excludes rental received in advance and GST/VAT payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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
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
	<u>71,315</u>	<u>273,913</u>	<u>4,970</u>	<u>269,559</u>	<u>–</u>	<u>–</u>	<u>619,757</u>
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)
	<u>(2,250,832)</u>	<u>(359,553)</u>	<u>(210,562)</u>	<u>(340,138)</u>	<u>(732,932)</u>	<u>(185,985)</u>	<u>(4,080,002)</u>
Net financial liabilities	(2,179,517)	(85,640)	(205,592)	(70,579)	(732,932)	(185,985)	(3,460,246)
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	<u>–</u>	<u>6,208</u>	<u>4,970</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,178</u>

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 December 2019: SGD and AUD). If the SGD or AUD interest rates had increased/decreased by 100 basis point (31 December 2019: 100 basis point) with all other variables including tax rate being held constant, the total profit would have been lower/higher by \$12,396,000 and \$12,396,000 respectively (31 December 2019: \$11,418,000 and \$11,418,000 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 \$288,323,000 (31 December 2019: \$537,264,000) 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 2020 and 31 December 2019.

(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, a Multicurrency Medium Term Note Programme with a programme limit of \$5.0 billion and a Euro Medium Term Note Programme with a programme limit of \$7.0 billion (Note 15).

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

29. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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 2020			
Non-derivative financial liabilities			
Loans and borrowings	642,357	3,374,477	1,006,926
Trade and other payables ⁽¹⁾	261,266	–	–
Security deposits	67,758	76,154	24,173
Lease liabilities	37,222	148,888	1,167,211
	<u>1,008,603</u>	<u>3,599,519</u>	<u>2,198,310</u>
Derivative financial liabilities			
Interest rate swaps (net-settled)	806	35,250	4,410
Cross currency swaps (net-settled)	1,970	44,091	–
Forward contact	15	–	–
	<u>2,791</u>	<u>79,341</u>	<u>(9,392)</u>
	<u>1,015,392</u>	<u>3,678,860</u>	<u>2,188,918</u>
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
	<u>1,096,121</u>	<u>3,829,046</u>	<u>2,012,712</u>
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	–	–
	<u>5,932</u>	<u>33,910</u>	<u>13,595</u>
	<u>1,102,053</u>	<u>3,862,956</u>	<u>2,026,307</u>

(1) Excludes rental received in advance and GST/VAT payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020			
Non-derivative financial liabilities			
Loans and borrowings	476,773	1,871,958	729,841
Trade and other payables ⁽¹⁾	204,662	–	–
Security deposits	66,772	72,430	22,184
Lease liabilities	37,222	148,888	1,167,211
	<u>785,429</u>	<u>2,093,276</u>	<u>1,919,236</u>
Derivative financial liabilities			
Interest rate swaps (net-settled)	806	34,851	311
Cross currency swaps (net-settled)	–	41,555	–
Forward contract	15	–	–
	<u>821</u>	<u>76,406</u>	<u>(13,491)</u>
	<u>786,251</u>	<u>2,169,682</u>	<u>1,905,745</u>
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
	<u>761,070</u>	<u>2,445,040</u>	<u>2,011,866</u>
Derivative financial liabilities			
Interest rate swaps (net-settled)	161	16,623	837
Cross currency swaps (net-settled)	–	14,157	12,758
Forward contract	37	–	–
	<u>198</u>	<u>30,780</u>	<u>13,595</u>
	<u>761,268</u>	<u>2,475,820</u>	<u>2,025,461</u>

(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 and an associate company (Note 26). 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 2020			
Corporate guarantee	965,078	–	–
31 December 2019			
Corporate guarantee	879,837	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 16 April 2020, the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% of the Deposited Property. The MAS has proposed a new minimum interest coverage ratio ("ICR") of 2.5 times before the Aggregate Leverage can increase beyond 45% up to 50%. However the MAS has deferred the new ICR requirement to 1 January 2022 in light of the COVID-19 pandemic situation.

As at 31 December 2020, the Aggregate Leverage of the Group is 32.8% (31 December 2019: 35.1%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 50.0% (31 December 2019: 45.0%) during the financial year.

30. FAIR VALUE MEASUREMENT

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

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

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020				
<i>Financial assets</i>				
Derivative assets	–	38,383	–	38,383
Total financial assets	–	38,383	–	38,383
<i>Non-financial assets</i>				
Investment properties	–	–	13,707,692	13,707,692
Investment properties under development	–	–	259,782	259,782
Right-of-use assets	–	–	609,956	609,956
Total non-financial assets	–	–	14,577,430	14,577,430
<i>Financial liabilities</i>				
Derivative liabilities	–	(107,034)	–	(107,034)
Total financial liabilities	–	(107,034)	–	(107,034)
31 December 2019				
<i>Financial assets</i>				
Derivative assets	–	38,786	–	38,786
Total financial assets	–	38,786	–	38,786
<i>Non-financial assets</i>				
Investment properties	–	–	12,743,792	12,743,792
Investment properties under development	–	–	182,057	182,057
Investment properties held for sales	–	–	98,400	98,400
Right-of-use assets	–	–	617,639	617,639
Total non-financial assets	–	–	13,641,888	13,641,888
<i>Financial liabilities</i>				
Derivative liabilities	–	(73,453)	–	(73,453)
Total financial liabilities	–	(73,453)	–	(73,453)

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020				
<i>Financial assets</i>				
Derivative assets	–	38,383	–	38,383
Total financial assets	–	38,383	–	38,383
<i>Non-financial assets</i>				
Investment properties	–	–	9,017,200	9,017,200
Investment properties under development	–	–	223,000	223,000
Right-of-use assets	–	–	609,956	609,956
Total non-financial assets	–	–	9,850,156	9,850,156
<i>Financial liabilities</i>				
Derivative liabilities	–	(98,332)	–	(98,332)
Total financial liabilities	–	(98,332)	–	(98,332)
31 December 2019				
<i>Financial assets</i>				
Derivative assets	–	37,404	–	37,404
Total financial assets	–	37,404	–	37,404
<i>Non-financial assets</i>				
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
<i>Financial liabilities</i>				
Derivative liabilities	–	(64,427)	–	(64,427)
Total financial liabilities	–	(64,427)	–	(64,427)

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 \$13,707.7 million (31 December 2019: \$12,743.8 million) and \$9,017.2 million (31 December 2019: \$9,061.6 million) as at 31 December 2020 respectively. The fair value of investment properties under development of the Group and the Trust was \$259.8 million (31 December 2019: \$182.1 million) and \$223.0 million (31 December 2019: \$147.5 million) as at 31 December 2020 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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
Capitalisation Approach	<p>Group</p> <p>Singapore</p> <ul style="list-style-type: none"> Capitalisation rates of 5.25% to 7.25% (31 December 2019: 5.25% to 7.25%) <p>Australia</p> <ul style="list-style-type: none"> Capitalisation rates of 4.75% to 6.75% (31 December 2019: 5.00% to 6.75%) <p>UK</p> <ul style="list-style-type: none"> Equivalent yield of 4.26% to 7.50% (31 December 2019: 4.42% to 8.15%) <p>US</p> <ul style="list-style-type: none"> Capitalisation rates of 6.00% to 7.25% (31 December 2019: 5.75% to 7.25%) 	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	<p>Singapore</p> <ul style="list-style-type: none"> Discount rates of 7.25% to 8.00% (31 December 2019: 7.00% to 8.00%) Terminal yields of 5.50% to 7.75% (31 December 2019: 5.50% to 7.75%) <p>Australia</p> <ul style="list-style-type: none"> Discount rates of 6.00% to 7.00% (31 December 2019: 6.50% to 7.75%) Terminal yields of 5.00% to 6.75% (31 December 2019: 5.50% to 7.00%) <p>US</p> <ul style="list-style-type: none"> Discount rates of 6.75% to 9.00% (31 December 2019: 7.00% to 8.50%) Terminal yields of 6.50% to 7.00% (31 December 2019: 6.50% to 7.00%) 	
Direct Comparison Method	<p>Singapore</p> <ul style="list-style-type: none"> Adjusted price (psm) of \$1,450 to \$9,152 (31 December 2019: \$1,102 to \$8,244) 	

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

30. FAIR VALUE MEASUREMENT (continued)

(d) Level 3 fair value measurements (continued)

(ii) 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	<ul style="list-style-type: none"> Capitalisation rates of 5.25% to 7.25% (31 December 2019: 5.25% to 7.25%) 	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	<ul style="list-style-type: none"> Discount rates of 7.25% to 8.00% (31 December 2019: 7.00% to 8.00%) Terminal yields of 5.50% to 7.75% (31 December 2019: 5.50% to 7.75%) 	
Direct comparison Method	<ul style="list-style-type: none"> Adjusted price (psm) of \$1,450 to \$9,152 (31 December 2019: \$1,102 to \$8,244) 	

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% (31 December 2019: 4.22%) for 15 years' leases, 4.55% (31 December 2019: 4.55%) for 20 years' leases and 5.05% (31 December 2019: 5.05%) for 30 years leases.

The fair value of right-of-use assets of the Group and the Trust was \$610.0 million (31 December 2019: \$617.6 million) as at 31 December 2020.

(iii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties, investment properties under development 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020		
Asset		
Finance lease receivables	57,569	45,050
Liabilities		
Security deposits	85,253	100,327
Lease liabilities	572,734	572,734
Medium term notes – gross	1,866,039	1,700,624
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
Trust		
31 December 2020		
Asset		
Finance lease receivables	57,569	45,050
Liabilities		
Security deposits	80,067	94,614
Lease liabilities	572,734	572,734
Medium term notes – gross	1,866,039	1,700,624
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

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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	
	31/12/2020	31/12/2019
	%	%
Finance lease receivables	1.05	1.85
Security deposits	2.70	2.90
Lease liabilities	4.22 – 5.05	4.22 – 5.05
Medium term notes	1.00 – 3.08	1.58 – 3.89

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 is calculated based on the present value of future cash outflows, discounted at the Group's incremental borrowing rates at the reporting date.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 FRS108 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	
	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
Property rental income	399,366	217,433	57,770	43,769	162,453	129,937	74,773	60,751	217,864	174,921	912,226	626,811
Other income	62,672	27,450	5,669	3,311	28,729	19,446	9,509	7,663	30,655	14,376	137,234	72,246
Gross revenue	462,038	244,883	63,439	47,080	191,182	149,383	84,282	68,414	248,519	189,297	1,049,460	699,057
Property operating expenses	(128,865)	(64,055)	(17,391)	(10,511)	(47,341)	(32,448)	(24,550)	(18,420)	(55,067)	(35,945)	(273,214)	(161,379)
Segment net property income	333,173	180,828	46,048	36,569	143,841	116,935	59,732	49,994	193,452	153,352	776,246	537,678
Net property income margin	72.1%	73.8%	72.6%	77.7%	75.2%	78.3%	70.9%	73.1%	77.8%	81.0%	74.0%	76.9%

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. OPERATING SEGMENTS (continued)

Segment results (continued)

Group	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	
	12 months ended	Nine months ended	12 months ended	Nine months ended	12 months ended	Nine months ended	12 months ended	Nine months ended	12 months ended	Nine months ended	12 months ended	Nine months ended
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unallocated												
– Gain on disposal on investment properties											5,390	3,220
– Finance costs net of finance income											(159,489)	(113,397)
– Other net expenses											(66,116)	(58,969)
Net income											556,031	368,532
Unallocated net change in fair value of financial derivatives											(33,625)	(3,784)
Net change in fair value of right-of-use assets	(1,515)	(1,253)	–	–	(735)	(719)	(802)	(1,039)	(2,386)	(1,657)	(5,438)	(4,668)
Net change in fair value of investment properties	5,361	35,272	(4,463)	5,719	(26,690)	4,728	(4,212)	(3,315)	(2,318)	5,655	(32,322)	48,059
Share of associated company and joint venture's results											9,590	409
Total return for the year before tax											494,236	408,548
Unallocated tax expenses											(37,158)	(20,677)
Total return for the year											457,078	387,871

This page has been intentionally left blank.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2020						
Assets and liabilities						
Segment assets	7,001,336	736,338	2,372,047	1,011,852	3,638,136	14,759,709
Unallocated assets						363,510
Total assets						<u>15,123,219</u>
Segment liabilities	356,494	19,667	145,609	125,856	252,905	900,531
Unallocated liabilities:						
– loans and borrowings						4,681,964
– others						350,171
Total liabilities						<u>5,932,666</u>
Other segmental information						
Capital expenditure:						
– investment properties	36,511	1,689	10,010	3,620	22,669	74,499
– investment properties under development	50,958	–	10,113	–	65,511	126,582
Provision for expected credit losses	925	408	196	290	1,365	3,184
31 December 2019						
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						<u>13,864,135</u>
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						<u>5,752,897</u>
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 for expected credit losses	–	–	–	–	16	16

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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
	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019	12 months ended 31/12/2020	Nine months ended 31/12/2019
Group										
External revenue	764,234	571,032	117,882	88,894	45,188	32,661	122,156	6,470	1,049,460	699,057
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Non-current assets ⁽¹⁾	9,962,591	9,826,862	1,861,162	1,609,249	783,712	797,730	2,083,884	1,309,801	14,691,349	13,543,642

(1) Exclude financial assets

32. EVENTS AFTER BALANCE SHEET DATE

On 13 January 2021, the Group completed the acquisition of a suburban office property located at 1 – 5 Thomas Holt Drive, Macquarie Park, in Sydney, Australia ("1-5 THD"). The acquisition cost of \$303.3 million (AUD308.5 million) comprises (i) the purchase consideration of \$284.0 million (AUD288.9 million) and (ii) transaction costs of approximately \$19.3 million (AUD19.6 million), which includes stamp duty, professional advisory fees and the acquisition fee payable to the Manager in cash, being 1% of the purchase consideration of \$284.0 (AUD288.9 million), which amounts to approximately \$2.840 million (AUD2.889 million).

STATISTICS OF UNITHOLDINGS

As at 8 March 2021

STATISTICS OF UNITHOLDINGS AS AT 8 MARCH 2021

4,020,842,385 Units (Voting rights: one vote per Unit)

Market Capitalisation: S\$11,539,817,645 (based on closing price of S\$2.87 as at 8 March 2020)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	110	0.43	4,126	0.00
100 – 1,000	4,521	17.77	3,147,545	0.08
1,001 – 10,000	15,314	60.20	68,034,934	1.69
10,001 – 1,000,000	5,466	21.49	184,962,962	4.60
1,000,001 and above	29	0.11	3,764,692,818	93.63
Total	25,440	100.00	4,020,842,385	100.00

Country	No. of Unitholders	%	No. of Units	%
Singapore	24,573	96.59	4,009,127,268	99.71
Malaysia	566	2.23	8,225,130	0.20
Others	301	1.18	3,489,987	0.09
Total	25,440	100.00	4,020,842,385	100.00

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,090,786,546	27.13
2	DBS NOMINEES (PRIVATE) LIMITED	800,990,348	19.92
3	ASCENDAS LAND INTERNATIONAL (INVESTMENTS) PTE LTD	723,083,783	17.98
4	DBSN SERVICES PTE. LTD.	461,807,361	11.49
5	HSBC (SINGAPORE) NOMINEES PTE LTD	349,515,689	8.69
6	RAFFLES NOMINEES (PTE.) LIMITED	172,694,999	4.29
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	36,152,154	0.90
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	20,598,484	0.51
9	DB NOMINEES (SINGAPORE) PTE LTD	12,356,606	0.31
10	PHILLIP SECURITIES PTE LTD	11,772,771	0.29
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,885,302	0.22
12	SOCIETE GENERALE SPORE BRANCH	8,823,273	0.22
13	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	8,097,497	0.20
14	OCBC SECURITIES PRIVATE LIMITED	7,909,210	0.20
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,833,175	0.19
16	UOB KAY HIAN PRIVATE LIMITED	6,402,935	0.16
17	ABN AMRO CLEARING BANK N.V.	6,114,254	0.15
18	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,694,066	0.14
19	IFAST FINANCIAL PTE. LTD.	5,142,287	0.13
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,035,245	0.10
	Total	3,748,695,985	93.22

STATISTICS OF UNITHOLDINGS

As at 21 January 2021

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2021

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by Ascendas Reit are as follows:

Name of Directors	No. of Units		Contingent Awards of Units ¹ under the Manager's	
	Direct Interest	Deemed Interest	Performance Unit Plan	Restricted Unit Plan
Dr Beh Swan Gin	–	–	–	–
William Tay Wee Leong	77,200	–	0 to 241,270 ²	55,995 ^{3,4} 0 to 91,767 ^{2,4}
Chan Pengee, Adrian	–	–	–	–
Chong Chiet Ping	–	–	–	–
Daniel Cuthbert Ee Hock Huat	24,058	–	–	–
Chinniah Kunnasagaran	–	6,222	–	–
Manohar Khiatani	–	–	–	–
Lim Cho Pin Andrew Geoffrey	13,232	–	–	–

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. Being the unvested Units under the RUP.
4. 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 8 March 2021

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 8 MARCH 2021

Based on the information available to the Manager, as at 8 March 2021, the unitholdings of Substantial Unitholders of Ascendas Reit are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest	
	No. of Units	% ¹	No. of Units	% ¹
Temasek Holdings (Private) Limited ² (" Temasek ")	–	–	844,081,961	20.99
Tembusu Capital Pte. Ltd. ^{3,4} (" Tembusu ")	–	–	803,866,404	19.99
Bartley Investments Pte. Ltd. ⁴ (" Bartley ")	–	–	723,127,197	17.98
Mawson Peak Holdings Pte. Ltd. ⁴ (" Mawson ")	–	–	723,127,197	17.98
Glenville Investments Pte. Ltd. ⁴ (" Glenville ")	–	–	723,127,197	17.98
TJ Holdings (III) Pte. Ltd. ⁴ (" TJ Holdings (III) ")	–	–	723,127,197	17.98
CLA Real Estate Holdings Pte. Ltd. ^{4,5} (" CLA ")	–	–	723,127,197	17.98
CapitaLand Limited ⁶ (" CL ")	–	–	723,127,197	17.98
Ascendas Pte Ltd ⁷ (" APL ")	–	–	723,083,783	17.98
Ascendas Land International (Investments) Pte. Ltd. (" ALII ")	723,083,783	17.98	–	–
BlackRock, Inc. ⁸ (" BlackRock ")	–	–	250,384,818	6.22

1. The percentage is based on the 4,020,842,385 Units in issue as at 8 March 2021. Percentages are rounded down to the nearest 0.01%.
2. Temasek is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**").
3. Tembusu is deemed to have an interest in the unitholdings in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.
4. Temasek holds 100% of the 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 TJ Holdings (III), which holds 100% of the equity interest in CLA. CLA holds approximately 51.76% of the issued shares in CL. Each of Temasek, Tembusu, Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest pursuant to Section 4 of the SFA.
5. CLA is deemed to have an interest in the unitholdings that CL is deemed to have an interest pursuant to Section 4 of the SFA.
6. CL is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries namely, ALII and Ascendas Funds Management (S) Limited ("**AFM**"). AFM holds 43,414 Units.
7. APL is deemed to have an interest in the unitholding of its direct wholly owned subsidiary namely, ALII.
8. BlackRock is deemed to have an interest in the Units held by the various funds managed by BlackRock investment advisors.

PUBLIC FLOAT

Based on the information available to the Manager, as at 8 March 2021, approximately 72% of the Units were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied 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	Aggregate value of all interested party transactions during the financial period under review (excluding transactions less than \$100,000) \$'000	Aggregate value of all interested party transactions conducted under unitholders' mandate during the financial period under review (excluding transactions less than \$100,000) \$'000
--------------------------	--	---

Temasek Holdings (Private) Limited and its related companies

– Acquisition fees	10,242 ⁽¹⁾	–
– Carpark income	228	–
– Divestment fees	627 ⁽²⁾	–
– Lease rental, service charge and utilities income	117,371	–
– Base management fees	57,538 ⁽³⁾	–
– Marketing fees paid during the year	12,203	–
– Property service fees	37,926	–
– Receipts/recovery of expenses paid on behalf and reimbursables	1,674	–

HSBC Institutional Trust Service (Shanghai) Ltd and its related companies

– Trustee fees	2,328	–
	240,137	–

(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 2020 nor any material contracts entered by Ascendas Reit or any of its subsidiaries that involve the interests of the CEO, any Directors or any controlling Unitholder of the Trust.

Please also see Significant Related Party Transactions in Note 27 to the financial statements.

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

ADDITIONAL INFORMATION

FEES PAID TO THE MANAGER AND THE PROPERTY MANAGERS

	12 months ended 31/12/2020 \$'000	Nine months ended 31/12/2019 \$'000
Asset/Fund management fees		
- Base fee	57,538	40,349
Total fees paid to the Manager	57,538	40,349
% of Total amount available for distribution (before all fees)	9.15%	9.26%
% of Total assets	0.38%	0.29%
- Lease management fee	8,432	5,638
- Property management fee	21,723	12,250
Total fees paid to the Property Managers	30,155	17,888
% of Total amount available for distribution (before all fees)	4.80%	4.11%
% of Total assets	0.20%	0.13%
Trustee's fee	2,741	1,861
Total fees paid to the Trustee	2,741	1,861
% of Total amount available for distribution (before all fees)	0.44%	0.43%
% of Total assets	0.02%	0.01%
Major transactional fees		
- Acquisition fee	10,242	16,536
- Divestment fee	627	135
Total transactional fees paid to Manager	10,869	16,671
% of Total assets	0.07%	0.12%
- Project management fee	2,104	1,721
Total transactional fees paid to the Property Managers	2,104	1,532
% of Total assets	0.01%	0.01%

LISTING OF ASCENDAS REIT NEW UNITS

An aggregate of 408.1 million new Units were issued during the year bringing the total number of Units on issue to \$4,020.8 million as at 31 December 2020.

GLOSSARY

ACRA	Accounting and Corporate Regulatory Authority	CPF	Central Provident Fund
AFM	Ascendas Funds Management (S) Limited	DPU	Distribution per Unit
AFMA	Ascendas Funds Management (Australia) Pty Ltd	ECL	Expected Credit Loss
AGM	Annual General Meeting	EESG	Economic, Environmental, Social and Governance
AIPL	Ascendas Investment Pte Ltd	EMTN	Euro Medium Term Note
ALMA	Master Asset Lease Management Agreement	EY	Ernst & Young
AMUK	CapitaLand International Management (UK) Ltd	FMCG	Fast Moving Consumer Goods
AMUS	CapitaLand International USA LLC	FRS	Singapore Financial Reporting Standards
ARA	Ascendas REIT Australia	FY2019	Financial Year from 1 April 2019 to 31 December 2019
Ascendas Reit	Ascendas Real Estate Investment Trust	FY2020	Financial Year from 1 January 2020 to 31 December 2020
Ascendas-Singbridge	Ascendas-Singbridge Pte Ltd	GBP	British Pound
ASPL	Ascendas Services Pte Ltd	GDP	Gross Domestic Product
AUD	Australian Dollars	GFA	Gross Floor Area which includes net lettable area and common areas, such as common corridors
BBSW	Bank Bill Swap Rate	GRI	Global Reporting Initiative
BBSY	Bank Bill Swap Bid Rate	Group	Ascendas Reit and its subsidiaries
BCA	Building and Construction Authority	GST	Good and Services Tax
Board	Board of Directors of the Manager	HKD	Hong Kong Dollar
CapitaLand	CapitaLand Limited and its subsidiaries	HQ	Headquarter
CBP	Changi Business Park	IASB	International Accounting Standards Board
CCS	Cross Currency Swaps	IBP	International Business Park
CDP	The Central Depository (Pte) Limited	IDAR	Integrated Development, Amenities & Retail
CEO	Chief Executive Officer	IIRC	International Integrated Reporting Council
CFO	Chief Financial Officer	Interbank GIRO	General Interbank Recurring Order
CIS	The Code on Collective Investment Schemes issued by the Monetary Authority of Singapore	IP	Investment Properties
CODM	Chief Operating Decision Maker	IPO	Initial Public Offering
COF	Cost of Funds	IPT	Interested Person Transaction
COVID-19	Coronavirus Disease, 2019	IPUD	Investment Properties Under Development

GLOSSARY

IR	Integrated Reporting	Sq m	Square metres
IRAS	Inland Revenue Authority of Singapore	Trust Deed	The Second Amending and Restating Trust Deed dated 10 August 2017 made between the Trustee and the Manager constituting Ascendas Reit
ISDA	International Swaps and Derivatives Association	Trustee	HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas Reit
IT	Information Technology	NPI	Net Property Income
JPY	Japanese Yen	UK	United Kingdom
JTC	JTC Corporation	Property Funds Appendix	Appendix 6 of the CIS Code issued by the MAS in relation to REITs
M & C	Maintenance and Conservancy	Unit(s)	An undivided interest in Ascendas Reit as provided for in the Trust Deed
Manager	Ascendas Funds Management (S) Limited, as the Manager of Ascendas Reit	PUP	Performance Unit Plan
MAS	Monetary Authority of Singapore	R&D	Research and development
MNCs	Multinational corporations	RAP	Statement of Recommended Accounting Practice
MTN	Medium Term Note	REIT	Real Estate Investment Trust
NAV	Net Asset Value	REITAS	REIT Association of Singapore
NLA/Net Lettable Area	Consists of the total gross floor area less the common areas, such as corridors, amenities' area and management offices	RUP	Restricted Unit Plan
SGX-ST	Singapore Exchange Securities Trading Ltd	SGD	Singapore dollar
SGX-ST Listing Rules	The Listing Manual of SGX-ST	Unitholder(s)	The Depositor whose securities account with CDP is credited with Unit(s)
SSAs	Singapore Standards on Auditing	US	United States of America
SSEA	Singapore and South East Asia	USD	United States Dollars
SOR	Swap Offer Rate	WALE	Weighted Average Lease to Expiry
SRS	Supplementary Retirement Scheme		

APPENDIX

Total Return and Distribution	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	FY 16/17	FY 17/18	FY 18/19	FY 2019 ⁽³⁾	FY 2020
Gross Revenue (\$S million)	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	1,049.5
Net Property Income (\$S million)	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	776.2
Total Amount Available for Distribution (\$S million)	163.8	187.3	210.9	234.9	248.0	281.7	305.6	342.0	351.1	378.3	446.3	468.0	468.0	375.4	538.4
Distribution per Unit (cents)	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	14.688

As at	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 ⁽²⁾	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Dec 2019	31 Dec 2020
Number of Properties in Portfolio	77	84	89	93	93	102	103	105	107	133	131	131	171	200	200
Total Assets (\$S million)	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	15,123
Number of Units in Issue (million units)	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	4,021
Net Asset Value per Unit (\$S) ⁽⁵⁾	1.49	1.84	1.61	1.57	1.76	1.88	1.942	2.02	2.08	2.06	2.06	2.12	2.13	2.16	2.21
Total Gross Borrowings (\$S million) ⁽⁶⁾	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	4,784
Aggregate Leverage ⁽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%	32.8%

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\$429.7 million (40.7% over cost of development).

	Development	Sector	Development Cost (S\$ million)	Revaluation as at 31 December 2020 (S\$ million)	Completion
1	Courts Megastore	Integrated Development, Amenities & Retail Properties	46.0	62.0	Nov-06
2	Giant Hypermart	Integrated Development, Amenities & Retail Properties	65.4	79.5	Feb-07
3	Hansapoint	Business & Science Park Properties	26.1	111.7	Jan-08
4	15 Changi North Way	Logistics & Distribution Centres	36.2	45.1	Jul-08
5	Pioneer Hub	Logistics & Distribution Centres	79.3	119.0	Aug-08
6	1,3 & 5 Changi Business Park Crescent	Business & Science Park Properties	200.9	340.7	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	176.1 ⁽¹⁾	Dec-09
9	90 Alps Avenue	Logistics & Distribution Centres	37.9	57.3	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	197.0	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	91.5	Jun-17
14	20 Tuas Avenue 1 ⁽⁵⁾	Logistics & Distribution Centres	61.4	88.3	Apr-18
Total (excluding divested properties)			1,054.9	1,484.6	

APPENDIX

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\$176.1 million. Ascendas Reit has recorded the property at S\$176.1 million comprising S\$127.8 million in land and building, and S\$48.3 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\$199.1 million.
- (4) Schneider Electric Building was acquired on 27 February 2006. It was subsequently redeveloped and leased to a single-tenant.
- (5) 20 Tuas Avenue 1 was acquired on 19 February 2004 for S\$50.0 million and was subsequently redeveloped to maximise the allowable plot ratio.

This page has been intentionally left blank.



ASCENDAS REAL ESTATE INVESTMENT TRUST

Ascendas Funds Management (S) Limited
Company Registration Number: 200201987K

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel: +65 6713 2888
Fax: +65 6713 2999
Email: a-reit@capitaland.com

www.ascendas-reit.com



This annual report has been produced by a printer certified according to the standards from the Forest Stewardship Council™ (FSC™), and has been printed with soy-based ink on environmentally-friendly paper in accordance to the FSC™ standard.